



Prime Mover Magazine – TIC Article for March 2026 Issue.

Road User Charging Reform

Over the years, in this very column, I have discussed the various reviews that have been conducted by the National Transport Commission (NTC) of the heavy vehicle Pay As You Go (PAYGO) Road User Charging (RUC) system in Australia.

The Truck Industry Council has long argued that the current RUC scheme, that is based on both vehicle fuel usage and vehicle (truck and/or trailer) registration charge components, was fundamentally flawed. The system has a diesel tax on the fuel a truck consumes. Larger trucks use more fuel, so pay proportionally more, while those that travel longer distances also pay more. This fuel-based element is the closest metric we have to a “pay as you go” system for trucks. However, this metric does not properly account for the mass of the truck, with a truck carrying feathers (maxed out by the volume of its cargo) using only marginally less fuel than a truck carrying lead (maxed out by axle weight due to its heavy cargo). Fuel consumption of a truck is not linearly proportional to the mass of the freight being carried.

Further, TIC has previously detailed that as truck manufacturers move away from traditional diesel power to technologies such as battery electric and hydrogen, the current form of road user charging will generate less and less revenue from diesel and will eventually fall over. The registration component is a fixed fee, irrespective of the distance a truck or trailer travels in a year. TIC has previously pointed out that the current RUC favours operator’s travelling greater distances and with heavy (mass constrained) freight. TIC supports a new RUC concept based upon the Mass and Distance a vehicle travels over the road network and further proposes that trucks fitted with advanced Safety and Environmental systems should receive a discounted road user charge. Rather than a Road User Charge, the new metric would be a Vehicle User Charge, based on the damage a truck and/or trailers causes to; road infrastructure; road safety; public health; and the environment.

Across the ditch, the New Zealand government has acknowledged and accepted these road user charging issues and has launched a holistic review of their existing light and heavy vehicle RUC schemes. The government’s favoured proposal is for New Zealand truck owner/operators/businesses to transition from the current “manual” RUC to a comprehensive electronic Road User Charge “eRUC” system for all vehicles by 2027, to replace existing fuel taxes and distance travelled (kilometre) based charges. For heavy

vehicles, this would include extending the RUC exemption for heavy battery and hydrogen electric vehicles until 1st July 2027, after which they must pay under the new charging scheme. The system is moving toward electronic, distance based, and weight based charging. The mid-2027 timeline (just 18 months from now) that New Zealand is proposing is quite ambitious and is attracting much attention by New Zealand truck operators. TIC is not proposing any such timeline for an overhaul of the Australian heavy vehicle road user charge. Any change and the associated transition, would need to occur over a number of years here, however the discussions regarding a new heavy vehicle user charge system need to start NOW.

TIC will watch with interest the discussions and progression of the proposed New Zealand heavy vehicle road user charging scheme, over the coming months. Those New Zealand learnings could well point to the direction that a new Australia heavy vehicle charging scheme could develop. In TICs view, this would include development of charging arrangement that ensures all vehicles pay proportionally for the damage, or lack thereof, they contribute to the roads that they actually use, the safety they afford all road users, the environmental and public health outcomes that they generate.

At various times over the course of 2026, I will expand on some of the points made above and explore some of the potential parameters that could form the foundations of a new heavy vehicle user charging system in Australia. Further, TIC, again calls upon State, Territory governments and the Federal government to show leadership and vision, looking beyond the past road user charge discussions, to investigate and develop a heavy vehicle user charging scheme that will take our country out of the 20th century and into the 21st.

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