



22 August 2019

Our Reference: CCF/454 DOC 19:42875

Mr Jeremy Nott
Inquiry Manager, National Transport Regulatory Reform
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC 8003

Dear Mr Nott

Supplementary Submission: HoustonKemp Economists Report on Heavy Vehicle Reform Benefits

In addition to our initial submission letter to the Productivity Commission (the PC) dated 28 June 2019, the National Heavy Vehicle Regulator (NHVR) is pleased to provide a supplementary submission incorporating a report from HoustonKemp Economists (commissioned by the NHVR) on the '*Economic Benefits of Heavy Vehicle Reform*' (Attachment 1).

The national transport reforms (originally establishing the three regulators) were expected to deliver significant economic benefits over 20 years. Most in fact were expected to come from the heavy vehicle reforms alone. While the NHVR plays an important role in heavy vehicle regulation, our organisation is only one counterpart of an intricate regulatory environment; consisting of a large number of regulatory bodies and stakeholders. To better support this complex PC Review, we asked independent economic specialists from HoustonKemp to critically assess the impacts of the heavy vehicle reform to date and to consider its impact into the future. As detailed in the report, it is estimated that the heavy vehicle reforms are currently on track to deliver productivity and safety benefits between \$5.4 and \$12.6 billion in net present value over a 22 year evaluation period.

I stress that this report is not intended to provide a final estimation on the benefits case, but rather I hope it may assist the PC in building a clearer picture of some key benefits delivered under the Heavy Vehicle Reform. While I am proud of the many benefits cases described within the report, my focus remains firmly on removing impediments preventing greater productivity and safety benefits for industry. It is clear that the heavy vehicle industry continue to hold a number of frustrations with the current regulatory system and the levels of unnecessary red tape that exists within the Heavy Vehicle National Law. I am confident that this PC Review will highlight such impediments and provide opportunities for positive change.

Noting that the National Transport Commission's review of the Heavy Vehicle National Law is being run concurrently to the PC Review, it is considered essential that the PC continues to capture the important issues, which are being raised across both reviews; identifying consistent themes suitable for the PC's independent consideration.

I invite all interested parties to consider this supplementary submission, and look forward to working alongside all stakeholders as this important work progresses. Finally, if you have any queries in relation to the attached report, I encourage you to contact HoustonKemp.

Yours sincerely

Sal Petrocchio
Chief Executive Officer

Enc (1): HoustonKemp Economists Report '*Economic Benefits of Heavy Vehicle Reform*'