



ALC backs IA's call to action and argues for infrastructure funding to form part of Tax Forum

The Australian Logistics Council (ALC) today supported calls by Infrastructure Australia for governments to step up the pace and progress key regulatory reforms in the transport sector.

Responding to Infrastructure Australia's annual report to COAG, CEO of the Australian Logistics Council Michael Kilgariff said he agreed with IA's conclusion that slow progress in progressing regulatory reform is one of the four main infrastructure challenges facing Australia.

"ALC agrees with Infrastructure Australia's assessment that the pace of regulatory reform is slow and stronger leadership from all levels of government is required to see these important reforms come to fruition," said Mr Kilgariff.

"Infrastructure Australia has rightly challenged governments to overcome their resistance to sensible reforms, which analysis suggests could offer benefits of many billions of dollars in the long term. For example, it is predicted that the implementation of heavy vehicle regulatory reforms could deliver benefits of around \$12 billion to the Australian economy.

"Sir Rod and his team at Infrastructure Australia have a strong ally in the Australian Logistics Council when it comes to prosecuting the case for regulatory reform for heavy vehicles, rail safety and maritime safety in Australia.

"ALC is a strong advocate of these reforms as we regard them as critical to improving productivity across the supply chain, improving safety and reducing duplication and compliance costs.

"Similarly, ALC is also calling for renewed focus on COAG's road reform program, and to achieving a national approach to freight infrastructure."

Mr Kilgariff said Australia runs the risk of missing an historic opportunity to reform the transport sector if the states and territories don't embrace the need for change.

This is a point reiterated by Infrastructure Australia Coordinator, Michael Deegan on ABC Radio this morning:

PETER RYAN: Is there a problem with the relationship between the Commonwealth and state and territory governments? In other words is local politics and self-interest getting in the way of getting these reforms through?

MICHAEL DEEGAN: I certainly think that the efforts we're seeing by the Commonwealth, for example, in major transport reform is slow because of the lack of willingness, not so much from our political players, but within their various government agencies that they see this as something precious to their hearts when in fact, the country needs this reform to move a lot more quickly - rail safety, heavy vehicles, maritime and the like.

Mr Kilgariff said ALC also agreed with IA's assessment that a mature debate is needed on how key infrastructure projects are funded.

"With the capital costs of projects in Infrastructure Australia's priority list approaching \$90 billion, it's clear we need to engage in a discussion about how infrastructure is both priced and funded," he said.

"ALC is of the view that all infrastructure projects must be assessed against a long term plan driven by volumes, to ensure an effective framework for decision making by financiers and private/public sector players.

“ALC also believes we need to ensure we are getting the most out of existing infrastructure networks, which is why COAG has implemented the COAG road reform plan process.

“CRRP is taking an in-depth depth look at how infrastructure can be used more effectively, which will help to underpin the right infrastructure being built in the right place at the right time.

“ALC notes with interest Infrastructure Australia’s proposal to introduce an east coast tolling regime to pay for the upgrades of major highways, including the Pacific and Hume highways.

“It is incumbent on the Government to offer some options as to what sort of mechanisms should be applied to funding infrastructure at their National Tax Forum – a debate ALC looks forward to engaging in if it is given a seat at the table at the Forum later this year.”

Ends. 5 July 2011.

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The Australian Logistics Council is the peak national body representing the major and national companies participating in the Australian freight transport and logistics supply chain.