



An open letter to:

Prime Minister Julia Gillard

**Premier Barry O'Farrell, Premier Ted Baillieu, Premier Anna Bligh, Premier Colin Barnett
Premier Mike Rann, Premier Lara Giddings**

Chief Minister Paul Henderson, Chief Minister Katy Gallagher

COAG support for single heavy vehicle regulator critical to boost productivity and improve safety

As the heads of Toll Group and Linfox, Australia's largest transport and logistics companies, we are joining with the Australian Logistics Council in support of the creation of a single national heavy vehicle regulator at this Friday's COAG meeting.

Australia's size means our national spend on freight is relatively larger than for other modern economies. Gains made in reducing freight costs can therefore significantly improve our international competitiveness. We believe that microeconomic reform in the freight industry must be a priority for all governments.

As one example among many, it is unreasonable and may lead to unsafe behaviour for truck drivers and their customers who load freight to have to consider different loading rules in each jurisdiction the truck enters during its journey.

A single best practice regulator to replace the complexity of regulators in each state and territory is probably the most important microeconomic reform on COAG's current agenda. Consistent regulations doing away with state borders and different methods of enforcement will not only lead to significantly improved safety outcomes but, if done well, will bring cost savings from along the supply chain and back to consumers.

On this basis, COAG's endorsement of the Intergovernmental Agreement (IGA) at Friday's meeting is clearly in the national interest. There are however, suggestions that some senior officials are proposing their leaders not sign up. Industry has serious concerns at attempts to water down the regulator's powers but for leaders to vote against the concept as a whole would be a significant mistake.

We believe confusion about the benefits of a strong agreement results from a failure to bring industry into the joint discussions with governments. Industry will lead the productivity gains from a properly established single regulator and industry is best placed to explain and counter any state and territory objections that arise. But we can only do that if we are part of the process and in the room.

All levels of government have committed to productivity improvement and a further round of microeconomic reform. Nowhere is this more critical than in Australia's transport sector, where transport and logistics companies face an ever increasing freight task. Support for a single regulator at Friday's meeting will be an important indicator of the seriousness of jurisdictions' resolve to implement reforms necessary to boost productivity, increase efficiency and improve safety.

Yours sincerely

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