



Do we really need *another* study into road user charging?

With reports in today's media the Productivity Commission will be asked to carry out an inquiry into road user charging, the Australian Logistics Council (ALC) is asking whether yet another investigation into the issue is required.

"If today's reports are correct and the Productivity Commission will be requested to conduct an inquiry into road user charges, the question needs to be asked what could the Commission possibly look at that hasn't already been examined?", said the CEO of the Australian Logistics Council, Michael Kilgariff.

"The Henry Tax Review took a detailed and in-depth look at road user charging, and recommended the development of mass-distance-location pricing for heavy vehicles in an effort to increase the efficient use and investment in roads.

"It is a topic ALC anticipates will be discussed at the National Tax Forum later this year.

"Under the COAG Road Reform Plan (CRRP), a Project Board is examining the feasibility of introducing more direct heavy vehicle road user charges and associated funding arrangements.

"Only last month, the CRRP project team released for consultation a paper that raised a number of pricing and funding options.

"With these major pieces of work in the pipeline, I simply can't see the value in asking the Productivity Commission to conduct a review into the issue if all it does is revisit ground that has been well covered by the Henry Review and under the COAG Road Reform Plan.

"This is an important issue and it has been identified by COAG as the next major productivity reform in the Australian transport industry post 2013", he said.

Mr Kilgariff added that with ongoing speculation regarding how fuel will be treated under the Government's carbon price policy, it was essential that the Australian Logistics Council was given a seat at the table at Federal Government's National Tax Forum later this year.

"ALC acknowledges the need for a comprehensive and sustained effort on behalf of industry to tackle climate change," Mr Kilgariff said.

"This recognition is what is driving many of Australia's freight transport and logistics companies to invest in initiatives and technology to reduce emissions, improve their energy efficiency and to reduce their costs.

"But we simply cannot have the scenario where the cost of the same externality, in this case carbon, is priced into a number of different taxation mechanisms, giving rise to double taxation.

"ALC firmly believes externalities flowing from the movement of freight should only be priced once, otherwise, all the efficiencies earned as a result of modernising the Australian transport and logistics regulatory structure to meet the trading realities of the 21st century will be lost.

"It is a point ALC hopes it will be able to make at the table when the Tax Forum meets in October."

Ends. 4 July 2011.

For further information contact Duncan Sheppard of ALC on 0412 340 934.

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.