



## SCHEME WITHIN A SCHEME CANNOT LEAD TO A TAX ON TOP OF A TAX

Australian Logistics Council (ALC) CEO Michael Kilgariff today described the carbon tax announcement as a “*scheme within a scheme*” for Australia’s freight transport and logistics industry.

“Australia’s freight transport and logistics industry is not particularly impacted by the headline carbon tax, rather by the way in which fuel tax credits and excise changes will be amended,” Mr Kilgariff said.

“These forecast changes will be felt differently across industry, as there are inconsistent tax treatments across the various transport modes.

“While these changes will impact on companies to varying degrees, they will increase the cost of moving freight around Australia. These costs cannot be absorbed by operators and will need to be passed on to consumers.

“In light of these planned changes, I call on the Government to ensure that all available information is promptly produced to ensure that, as promised, the cost paid by carbon price exposed members is ‘in step’ with the carbon price payable by those having to purchase carbon permits.

“ALC also notes the Government has attempted to price the effect of carbon on the Australian economy on a ‘whole of economy’ basis.

“The Government must now ensure the same externality, in this case carbon, is not priced into any other different taxation mechanisms, giving rise to double taxation, or a tax on top of a tax.

“ALC firmly believes externalities flowing from the movement of freight should only be priced once - a point ALC hopes it will be able to make at the table when the Tax Forum meets in October”, he said.

Mr Kilgariff also noted today’s announcement that the Productivity Commission is to conduct a review into fuel excise arrangements.

“This review needs to investigate generally the economic effect carbon pricing has on all elements of the freight supply chain as a whole, including the level of transport costs and the manner by which costs to customer goods have been impacted,” he said.

“Whether Australia achieves the emissions reduction targets outlined today by Prime Minister Julia Gillard remains to be seen.

“The introduction of a carbon price, and its eventual transition to an ETS, may turn out to be the best way to achieve these long term objectives.

“One thing is sure however, the most effective way to tackle climate change is through a comprehensive and sustained commitment on behalf of industry – and that is exactly what the logistics industry is doing.

“A large proportion of industry members are proactively investing in new technologies and equipment to reduce their carbon output and to improve the energy efficiency of the sector.

“ALC calls on the Government to ensure it fully supports industry efforts in this area by providing greater support for and investment in initiatives such as smart fuel technology and low emission equipment and facilities.”

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