



AUSTRALIAN LOGISTICS COUNCIL

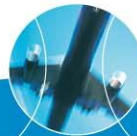


Address to Linfox Customer Conference

‘Working Smarter with Regulation’

**MICHAEL KILGARIFF CEO
4 AUGUST 2011**

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MEMBERS

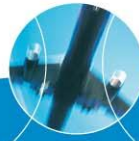


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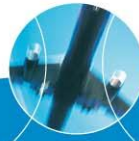
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- »» Transport & Logistics Industry Skills Council
- »» Transport Certification Australia
- »» Victorian Freight & Logistics Council
- »» Victorian Transport Association
- »» Victoria University
- »» Wallenius Wilhelmsen Logistics
- »» Westgate Ports



The big picture...

- **Australia is currently in the midst of a 'two-speed or 'patchwork' economy.**
- **The west is booming, whilst the east is lagging.**
- **Companies are moving business west and consumer confidence is low.**





A ‘Seamless Australian Economy’

- **One set of laws regulates each mode – one single administrative body.**
- **ALC supports the COAG *Seamless National Economy* agenda – eliminating inconsistencies across state borders and cutting red tape.**
- **Central to the COAG agenda are the national transport regulatory reforms.**
- **All Governments have agreed to establish a National Heavy Vehicle Regulator as well as national rail & marine safety regulators.**
- **There’s also the issue of taxation....**

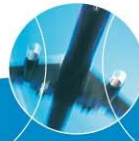


Carbon price summary

- On 10 July 2011 the Government announced the details of the Carbon Tax:

\$23/tonne commencing on 1 July 2012 imposed on Australia's 500 largest polluters.

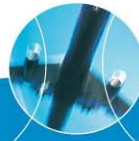
- The T&L industry will be indirectly exposed through changes to the fuel excise and fuel tax credit arrangements.
- Heavy vehicles are exempt until 1 July 2014 – ALC is advocating for equality across all modes and for competitive neutrality.



Industry action on carbon

- **Government needs to support industry action to reduce carbon emissions.**
- **A leading example is Linfox's proposal to construct the 'Australian Commercial Vehicle Environmental Test Centre.'**
- **Government is seeking "ready to go" projects.**
- **Finally, the pricing on the effect of carbon has been based on a 'whole of economy basis' potentially giving rise to double taxation.**
- **Externalities flowing from the movement of freight should only be priced once.**





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National Heavy Vehicle Law

- **A single set of laws to regulate heavy vehicles, due to commence on 1 January 2013.**
- **Chain of Responsibility - drives greater accountability along the freight T&L supply chain.**
- **Endorses concept of registration of codes and ensures a commitment to safety up and down the supply chain.**
- **ALC will be applying to have the National Logistics Safety Code registered as a Code of Practice.**





National Heavy Vehicle Law

ALC is concerned that individual government entities will:

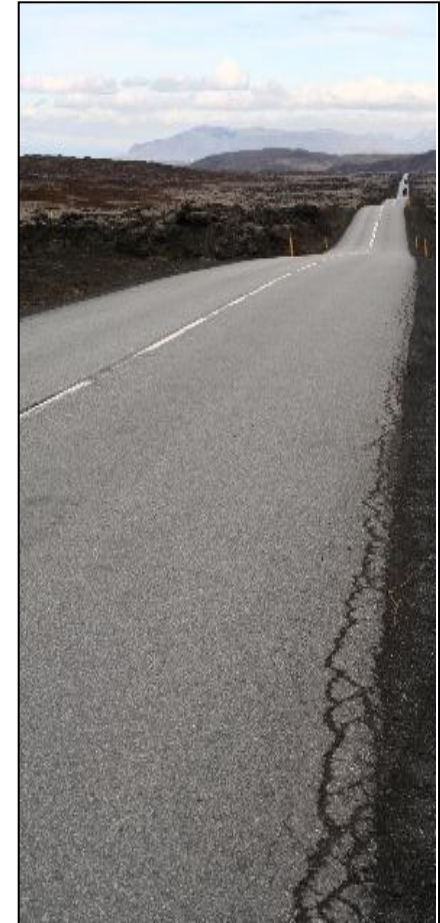
- **Develop their own cultures**
 - **Interpret the provisions of the Law in novel ways; and**
 - **Develop own enforcement priorities**
-
- **Overall effect – national law will not be enforced uniformly and efficiency benefits would be diluted.**





COAG Road Reform Plan (CRRP)

- **Designed to create a more direct heavy vehicle road use charges regime.**
- **CRRP expected to recommend the introduction of Mass, Distance and Location (MDL) pricing.**
- **If realised, MDL would replace PAYGO.**
- **Arterial roads and freeways expected to be priced differently.**





COAG Road Reform Plan (CRRP)

ALC believes infrastructure decisions should :

- **Not distort the mode by which consumers dispatch freight**
- **Be made only after a rigorous costs benefit analysis**

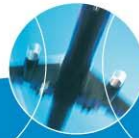
- **A funding model to replace PAYGO must have:**
 - ▶ **assurance that the support technology exists**
 - ▶ **proper costing of roll our costs**
 - ▶ **clear identification of compliance costs imposed on industry**
 - ▶ **robust and reliable information to ensure correct decisions are made**
 - ▶ **assurance that all cross subsidies distorting consumer choices have been removed.**



National Port and Freight Strategies

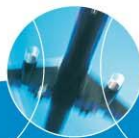
- **ALC supports both strategies as they reinforce the national approach to the freight task.**
- **Both strategies recognise the greater efficiencies are developed through better planning and long term views of infrastructure requirements.**
- **Nowhere is this more evident than in our cities.**





Growing population & urban development

- **Growing population and urban development will impact on the T&L industry and put greater pressure on:**
 - **transport infrastructure**
 - **greenfield sites; and**
 - **the risk of residential intrusion near logistics infrastructure**
- **Freight has been described as the ‘poor cousin’ in terms of planning which can lead to freight being locked-out in some locations.**
- **ALC believes freight needs protection in planning process and funds are made available to ensure community amenity when land use decisions are made.**



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