



## Need for Greater Certainty in the Year of Freight Transport

The Australian Logistics Council (ALC) has welcomed the release of the report of the *Australia's Future Tax System Review* (the Henry Review) and has called on the Government to guarantee no net increase in the tax burden on the Australian freight Transport & Logistics (T&L) industry.

ALC is the peak national body for Australia's freight T&L industry, and aims to influence government policy decisions to ensure that Australia has a safe, secure, reliable, sustainable and competitive freight T&L industry.

Australia's freight task will triple by 2050 – from 503 billion tonne kilometres to 1,540 billion tonne kilometres, with local demand for total freight movements increasing by as much as 60% by 2020.

In recognition of this, Prime Minister Rudd said in one of his Australia Day speeches in January that "In 2010, the transport priority for the Council of Australian Governments will be freight transport."<sup>1</sup>

"Given 2010 is the year of freight transport, ALC is disappointed by the Government's lack of certainty offered on sensitive freight pricing issues", said ALC Chief Executive Michael Kilgariff.

"It is an issue of great concern to the Australian freight T&L industry that the Government did not give any indication on its position on *congestion pricing* or any of the other recommendations relating to road transport taxation contained in the Henry Review.

"It is important for the Government be transparent about its preferred method of road pricing, so that businesses can plan ahead.

"The *Henry Review* proposal that road infrastructure provision should be judged against economic criteria comparable to other forms of infrastructure, could ensure that appropriate road infrastructure is provided where the national freight task requires it most.

"ALC therefore welcomes the Government's announcement that it will establish a new ongoing infrastructure fund, and supports rigorous national freight task criteria being applied to that fund.

"In line with this, ALC is disappointed that a Henry Review recommendation for the Government to encourage COAG to develop a National Road Transport Agreement to guide governments in the use and supply of road infrastructure and to nominate a single institution to lead road tax reform<sup>2</sup> was not adopted.

"Such an Agreement is considered necessary to prevent 'silo thinking' within Government – in particular, that any new road pricing mechanisms developed within the Treasury works in harmony with work being undertaken by the COAG Road Reform Plan (CRRP) project relating to mass-distance-location pricing for heavy vehicles.

"ALC is calling on the Government to indicate what components of the Henry Report affecting transport infrastructure are to be adopted by the Government and what transport initiatives will be proposed to COAG as part of the year of freight transport", Mr Kilgariff said.

Ends  
3 May 2010

For further information contact Michael Kilgariff of ALC on 0418 627 995.

<sup>1</sup> *Building Australia's Future: Building 21<sup>st</sup> Century Infrastructure for a More Competitive Economy*, Adelaide 20 January 2010.

<sup>2</sup> Recommendation 68 and pages 407 and 408 of Volume 2 of the Henry Report.