

MEDIA RELEASE

Governments must act to deliver confidence in road use charging reforms

Rural transport industry congratulates Opposition and Independents for scrutiny of NTC recommendations

“Confidence in the Commonwealth, State and Territory governments’ ability to manage and to reform the heavy vehicle road use charging system is now in doubt,” says John Beer, National President of the Australian Livestock and Rural Transporters Association.

“If trust, transparency and confidence are not restored, the delivery of major micro-economic reforms to improve infrastructure funding and financing, as advocated by Sir Rod Eddington of *Infrastructure Australia*, may be placed at risk,” John warned.

John’s comments come a day after the Federal Parliament was forced into an extra-ordinary tie-breaker vote, as the Federal Government found itself obliged to defend the work of the National Transport Commission.

On Monday 17 September, the Leader of the Nationals, the Hon Warren Truss, moved to ‘disallow’ a 2.4 cents-per-litre increase in the diesel tax paid by heavy vehicles. The increase had been implemented in July this year, based on recommendations to Commonwealth, State and Territory governments that were made by the National Transport Commission.

The House of Representatives deadlocked on Mr Truss’ motion. The Acting Speaker used her casting vote to uphold the existing law, as required under Westminster conventions.

“The ALRTA thanks Mr Truss and his Parliamentary colleagues for bringing such intense scrutiny to the work of the National Transport Commission,” said John. “We are deeply grateful for the attention that the Parliament has given to our concerns” (see *Background*).

ALRTA acknowledges that the Government has initiated a review of the ‘roles and responsibilities’ of the Commission and a review of the methodology used by the NTC when calculating registration charges and fuel taxes paid by the heavy vehicle industry.

“However, like our colleagues in the *Australian Logistics Council*, the ALRTA now would like to see governments go further and transfer the ‘regulatory and operational reform’ functions of the NTC to the new National Heavy Vehicle Regulator, which will soon be established in Brisbane. We strongly support creation of this new Regulator.”

“The ALRTA also calls for all governments to review the governance arrangements for the COAG Road Reform Plan – now called the Heavy Vehicle Charging and Investment Reform Initiative.”

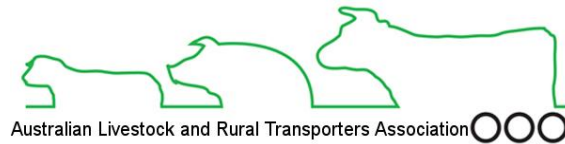
The 'project board' leading the HVCI reform is dominated by State Treasury and State transport officials. The Commonwealth Treasury is not represented on the project board.

"The ALRTA has welcomed the appointment of an independent chairman to lead the HVCI project board," said John. "But we believe the chairman should be joined by several businesspeople, particularly including at least one person with special knowledge of rural and regional Australia."

"The lesson from this dramatic day in Parliament is surely that, like other major industries in Australia, the transport industry will not stand idly to one side when we feel we have been consulted poorly."

"If governments are serious about trying to achieve major reforms to road infrastructure funding and charging in Australia, giving our industry a 'seat at the table' will be a key step to improving trust, transparency and confidence."





Background

ALRTA's concerns regarding the National Transport Commission's charges recommendations for 2012-13 were published in ALRTA's full position statement, dated June 2012, regarding the *Road User Charge Determination (No. 1) 2012*.

This can be found at: <http://alrta.files.wordpress.com/2012/09/rl12514-position-statement-on-federal-diesel-tax-increase.pdf>

This year's diesel tax increase was recommended by the National Transport Commission in February 2012. It was approved by Commonwealth, State and Territory governments on 21 March 2012 and took effect on 1 July this year. The increase raised the diesel tax from 23.1 cpl to 25.5 cpl, an increase of 10.39% in a single year. It is believed to be the single largest increase in the diesel tax in over twenty years.

When industry eventually obtained the NTC pricing model, using Freedom of Information law, the ALRTA discovered that the NTC's very own figures show that there is substantial over-charging of road trains. The ALRTA consider this to be a breach of the 'pricing principles' that all governments have asked the NTC to observe.

The ALRTA has been opposing the 2.4 cpl increase since it was proposed. ALRTA has argued that a fair and reasonable increase to impose on the whole industry would have been an increase of only 1.3 cents-per-litre (5.7%) in this current year.

The ALRTA notes that the current Federal Government has supported phasing-in or deferral of large cost increases in the past. ALRTA would have liked to have seen that option presented by the NTC to the Commonwealth, State and Territory Ministers earlier this year.

The ALRTA's information is that, earlier this year, the Leader of the National Party, the Hon Warren Truss, invited the Government to implement an increase of only 5.7% (1.3 cents-per-litre) and pledged the Opposition's support for such an increase.

The ALRTA understands that the Government declined that offer, and Mr Truss consequently tested the Government's support by putting the matter to the vote in Parliament on Monday 17 September 2012.

About ALRTA

- 1) The Australian Livestock and Rural Transporters Association (ALRTA) represents 900 companies across regional, rural and remote Australia who provide the 'first and last' link of the supply chain for Australia's agricultural industries and communities.
- 2) Australian agriculture relies on ALRTA's members in order to access domestic and global markets. Almost all inputs to, and production from, Australian agriculture involves transport by truck.
- 3) The ALRTA is a member of the Australian Logistics Council (ALC), the Australian Trucking Association (ATA), and the Council of Small Businesses of Australia (COSBOA).