

Tony Sheldon **National Secretary**

20 July 2011

Senator Mathias Cormann
Chair
Senate Select Committee on the
Scrutiny of New Taxes
Parliament House
Canberra ACT 2600
Australia

Dear Senator

The Transport Workers Union of Australia seeks to make a submission to your Committee on the impact of the proposed carbon tax on its members in the road transport sector.

The Union understands that diesel costs will be treated in the following manner:

“Changes to fuel tax credits and excise to reflect the carbon price will be based on the specific emissions intensities of CNG, LNG, LPG, aviation gasoline, aviation kerosene, petrol and diesel, with all other liquid fossil fuels based on the diesel emission rate. Adjustments to credits and excise will be annual during the fixed price phase and every 6 months (based on the average carbon price over the previous six months) during the flexible price phase.”

Securing a clean energy future – The Australia Government's Climate Change Plan, Appendix A: Carbon Pricing Mechanism, p. 106

The Union is very concerned that the proposed tax will have a debilitating effect on the already hyper-competitive commercial road transport sector, especially employee and owner drivers, should the Government continue to delay implementation of the Safe Rates System recommended by its Safe Rates Advisory Group in November 2010, a system that will establish and maintain effective means for owner-drivers to recover their costs and which will ensure that appropriate rates and conditions are paid to employee drivers.

As the Committee would well know, the commercial road transport sector is dominated by economically powerful industry clients that dictate price, squeezing transport companies so hard that the owner drivers and employees they engage are forced to take risks that endanger themselves and the safety of other road users simply to make a sustainable living for themselves and their families.¹

The Union's submission on the proposed carbon tax is clear-cut: unless the Safe Rates system recommended by the Government's Safe Rates Advisory Group is implemented within which the

¹ The Union's submission to the Safe Payments Inquiry conducted by the National Transport Commission, is attached.

well-documented economic pressures in the industry can be dealt with and within which significant new economic measures like the carbon tax can be accommodated, the effects on drivers will get worse and the already horrific death and injury figures related to truck drivers will escalate.

Consequently, without implementation of a system of safe rates to enable arms' length assessment and action by Fair work Australia consistent with the Government's advisory group recommendations, the Union will not support the present carbon tax proposal.

Yours sincerely,

Tony Sheldon
National Secretary