

Australian Trucking Association Submission

Senate Rural and Regional Affairs and Transport Legislation Committee

18th March 2005

Name of Bills:

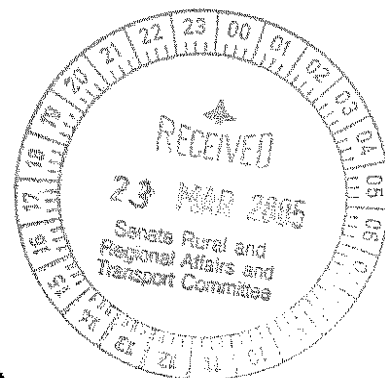
AusLink (National Land Transport) Bill 2004 and AusLink (National Land Transport
-Consequential and Transitional Provisions) Bill 2004

Reasons for referral/principal issues for consideration

1. Questions about the changes to the Commonwealth Government's funding responsibility for construction and maintenance of infrastructure on what was formerly defined as the National Highway Network
2. The need for a National Infrastructure Advisory Council, involving stakeholder and expert representation and input into planning.
3. Examine the extension of the criteria for Roads to Recovery projects to include public transport, cycling, walking infrastructure and regional airport runways.

ATA Representation:

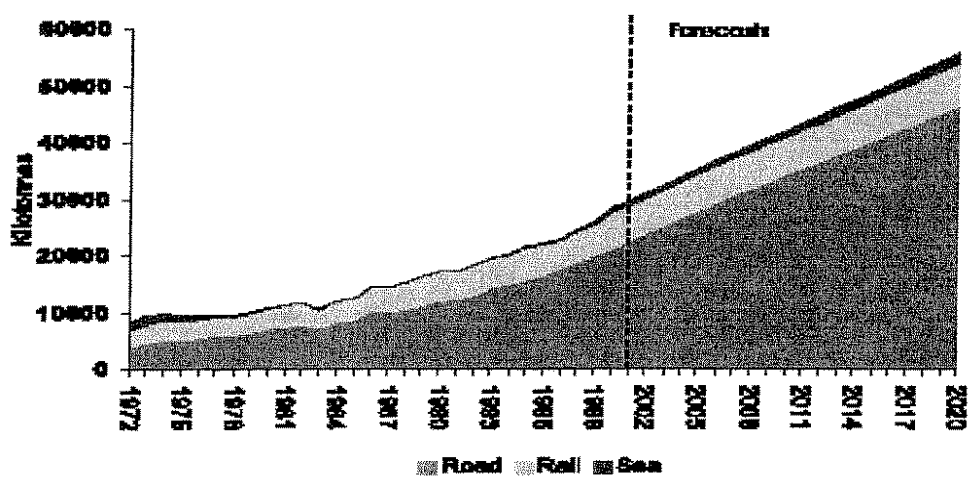
Chris Althaus Chief Executive
Neil Gow, National Manager, Government Relations



General Comments:

The development of Australia’s road transport infrastructure is vital for the continued growth, prosperity and well-being of the Australian nation. Because of its immense size and dispersed population and production centres, Australia is the most road transport dependent country in the OECD with some 810,000 km of roads. Also, the forecast growth of freight will lead to its doubling by 2020, with road’s share of non-bulk freight forecast to treble by that date.

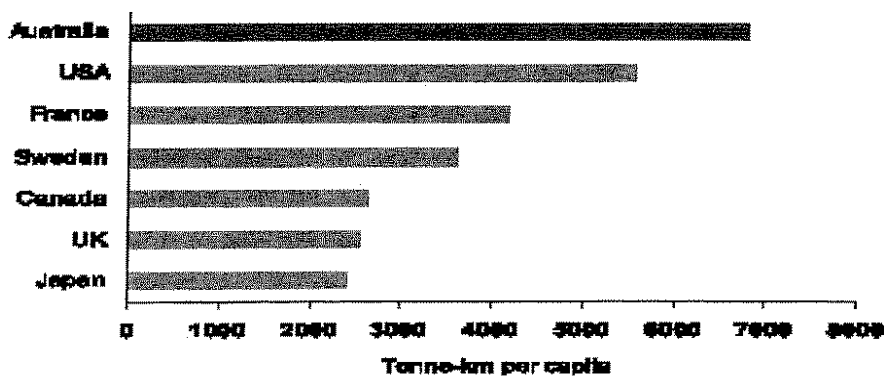
Figure 2 Non-bulk freight transported by mode 1972-2001 and projections to 2020



Data source: BTRE (2002b)

Australians rely on trucks more than most other economies because they suit our geography and population density.

Figure 3 Road freight tonne-km per capita (2000)



Data source: Austroads (2003).

The forthcoming CEDA report *Infrastructure: Getting on With the Job* maintains there is “strong evidence that investment in infrastructure has a positive and permanent effect on economic output, with a 1 per cent increase in infrastructure spending increasing output between 0.17 and 0.39 per cent”. Thus there are general

economic benefits of increased transport infrastructure investment apart from the task of addressing the massive forecast growth in freight.

Against this background, it is vital that governments work together to identify priorities for expenditure and deliver completed road construction and maintenance outcomes in a timely manner, which will enhance the productivity of the road freight transport industry for the benefit of primary and secondary industries, including export industries, and regional and urban communities.

AusLink offers this potential to improve the road network to meet the freight growth challenge, whilst recognising the need for consideration of rail infrastructure, access to ports and development of intermodal facilities for freight transfer between road and rail. The development of agreed investment appraisal guidelines, which include the need to assess both public and private investment opportunities, should provide a rational basis for government investment, whether from re-current expenditure or debt funding, or in partnership with private investment.

The retention of the Roads to Recovery program under the AusLink framework, and the inclusion of a strategic element of that program also has the potential to deliver focussed investment in priority roadworks, which will deliver more productive road links to local communities and businesses. Roads to Recovery funding, both in the general and the strategic funding categories should be considered as a source of funding for bridge upgrades to assist in extending the Higher Mass Limits network for heavy trucks in order to enhance economic activity, including jobs, for local communities.

The continuation of the Black Spots program is a very cost effective way of improving road safety for the trucking industry and other road users, although the program could be developed to develop criteria which remedy anticipated Black Spots rather than react to accident patterns to identify Black Spots.

Specific responses

- The ATA supports the retention by the Commonwealth of responsibility for the funding of the National Highway system, for not only would this provide a single responsibility for funding but also would provide clarity about responsibility for this part of the road network, and also identifies these roads with the national Government's responsibilities for trade and interstate transport.
- The ATA supports to establishment of a strategic land transport policy body, representing both public and private sectors, to establish priorities for land transport infrastructure investment from all possible sources, such decisions to be informed by a set of agreed investment assessment guidelines. This would separate the functions of strategic land transport planning from road ownership, management and charging which are currently affected by overlapping responsibilities and functions.
- The ATA does not support the extension of the criteria for Roads to Recovery projects to include public transport, cycling, walking infrastructure and regional airport runways. Roads to Recovery funding, both in the general and

strategic funding categories, should be considered as a source of funding for bridge upgrades to assist in extending the Higher Mass Limits network for heavy trucks in order to enhance economic activity, including jobs, for local communities.

- The ATA strongly supports the focus of the AusLink program, where it seeks to achieve the extension of the Higher Mass Limits network in New South Wales and Queensland, as agreed by the Australian Transport Council in 1999. This delayed reform has not achieved its potential to deliver a national higher mass limits network, subject to consistent requirements. The completion of such a network would, according to the National Transport Commission, deliver a further benefit of \$250 million per annum to the Australian economy, in addition to the \$220 million per annum currently being realised.
- The ATA seeks recognition by the Committee of the established system of cost recovery from heavy vehicles for their allocated road infrastructure use, such system to be administered by the National Transport Commission and reviewed on a regular basis, in a transparent manner, with the involvement of industry. Currently this system, through the payment of truck registration charges to State governments and retention of 20 cents per litre of net diesel excise by the Australian Government, recovers approximately \$1.5 bn, which is 110% of road wear costs allocated to heavy vehicles. These allocated costs include both construction and maintenance costs of all Australian roads. The net diesel excise arrangements are recognised by the Australian Government as a “non-hypothecated heavy vehicle road user charge” from 1 July 2006. This policy was announced in the “Securing Australia’s Energy Future” White Paper, released on 15 June 2004.

The National Transport Commission is currently engaged in the process to decide truck registration and road user charges in the 3rd Heavy Vehicle Charges Determination. This will be based on updated road expenditure and road use data, and re-consideration of the allocation parameters. The ATA wishes that the process continue in a fully transparent and consultative manner in order that the resultant charges are justifiable and reflect the vital role played by the trucking industry in addressing Australia’s road freight transport task

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