

W.A LONG DISTANCE OWNERS & DRIVERS ASSOCIATION INC



IF IT'S TOO FAR TO WALK IT'S CALLED LONG DISTANCE

May 2006

Our Association is a representative body for owner drivers, both single and small fleet operators, in Western Australia and currently hold a position on the Ministerial Road Freight Committee. Whilst we only began last year and have not fully developed to a stage to provide a fully comprehensive report we feel that comment should be made on some relevant issues about the transport industry in this state.

In Western Australia due to size and distance we have gone to using higher mass vehicles over longer distances in an attempt to provide a more efficient transport system. We do not have a regional rail system throughout the state, particularly in our Northwest, which is capable of providing an adequate service. In consideration to these facts we feel that the NTC has not completed a full survey of how the proposed increases would have impacted on our regional and remote areas. A WA government study released in 2005 gives detailed account of the extremely high cost of providing a rail system into our Northwest. They also found in this study that in doing a comparison of road rail and sea, road was not only still the most cost effective it was also the most acceptable from the customers surveyed and considered by them to still to be the safest and delivery of freight was of the highest quality.

One of our concerns with the proposed increases was that for a "haulier / tow operator" is they are being asked to pay increases for road wear and damage when their prime mover alone cannot create the damage to roads that say a combination of trailers can do.

What do the owners of the trailers really contribute to their part in road damage as the cost of registration is vastly lower than that of a prime mover?

We feel the system should be modified to a fairer user pay system where rate and charges for registration should be worked on weight per axle basis for the combinations. For example a three axle prime mover pulling a road train currently pays a higher registration cost than a three axle prime mover pulling one trailer where the weight on the prime mover per axle is the same. The vehicle pulling the greater weight also gets penalized twice as they pay a higher diesel excise as more fuel is consumed.

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In regard to the diesel excise our question here is why does this need to be increased? The government gets an increased percentage from the GST component every time there is a price increase? Current high fuel prices have put the greatest pressure on the smaller operator and we can see that more operators will be forced out of the industry, with most suffering a heavy financial loss. Small operators cart 70% to 80% of the freight around Australia and seem to be the forgotten ones when it comes to the decision making. Having already suffered an average 57cpl increase in less than three years on diesel costs, coupled with low rates and mounting costs, the pressure is really on and it will eventually take its toll on them, then the industry and eventually Australia as a whole. John Howard's idea of industry absorbing anymore of these costs will only increase this pressure and lead to people taking shortcuts and safety factors could be severely compromised in doing so.

Our suggestion on collected revenue would be if all monies collected over the years from what is stated as "road revenue" were to actually be directed back into our road system we would not only have had much better roads by now but also we would not be facing the need for such proposed large increases in road transport vehicle registration and fuel excise. Currently less than 15% of monies collected in any area from "road revenue" are actually spent on improving our roadways. When you consider the high cost of road traffic accidents and trauma to Australia this is appalling. The Government has a \$14 billion surplus how much of this came from fuel taxes? We feel the transport industry more than pays its way and it still stands as one of the highest taxed industries in Australia. The Government should have greater transparency with not only the collecting of "road revenue" but also when showing where this money has been spent.

In giving consideration to calculating a costing method we feel if road user charges were to be related to distance travelled we feel that in regard to WA this would seriously disadvantage our regional and remote areas due to the vastness of the state and the smaller sizing of our population. People in these areas not only have to suffer a lack of a lot of essential services but also face a higher cost of living than people in the metropolitan areas and would be extremely sensitive to sudden high costs. These increases in costs could possibly see more people leave these areas in an attempt to lower their cost of living expenses.

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A viewpoint from our members is that if advances in truck and trailer technology were to be encouraged with either government subsidy or assistance we feel this would lead to an eventual lessening of road damage. As an example steerable axels on trailing equipment and heavy rigid vehicles, operators or companies who wish to use these type systems that are proven road savers should possibly be considered for some sort of financial benefit for doing so.

We wish the commission well in its attempts to resolve this important issue and hope that full consideration will be given to the differences in the transport sector in Western Australia.

Yours truly

A handwritten signature in dark ink, appearing to read 'L.M. Hanson', written in a cursive style.

L.M. Hanson
Chairmen's Assistant