

Transport Workers' Union

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12 May 2006

Andrea Coulter
Productivity Commission
LB2 Collins Street East
Melbourne VIC 8003
email: freight@pc.gov.au

Dear Ms Coulter,

**RE: REVIEW OF ECONOMIC COSTS OF FREIGHT INFRASTRUCTURE AND
EFFICIENT APPROACHES TO TRANSPORT PRICING**

The Transport Workers Union of Australia (TWU) endorses the submission made by the Australian Trucking Association (ATA).

We would however like to make a few additional points;

1. The TWU is the principal union involved in the road transport industry in Australia. We have approximately 80,000 members and represent the interests of owner drivers.
2. The TWU supports the current NTC cost recovery model and continued pricing models which recover only the infrastructure construction and maintenance expenditures.
3. Given the highly inelastic demand for transport services, the extremely competitive nature of the industry, and record fuel prices if a further rise in costs (such as by adopting a full cost pricing model) was passed onto these small owner driver operators it would surely result in some owner drivers not being able to operate in the industry any longer.
4. In respect to externalities such as social costs of road safety (including fatigue management including provision of adequate rest areas and truck stops for long distance drivers) the TWU is of the view that these costs should be borne by Government rather than be directly passed onto the heavy vehicle industry via a full cost pricing model.

Yours sincerely,



JOHN ALLAN
FEDERAL SECRETARY
