

Following the IPART public forum on the 5th August, The ATA would like to add the following comments for the IPART committee's consideration.

- 1) Professor Philip Laird from the University of Wollongong made the claim that B-doubles are charged four times as much registration in NZ as they are in Australia. After speaking to some of our New Zealand contacts we have found this claim to be unsubstantiated. A typical B-double costs around \$62 thousand a year while in NZ it costs (NZ)\$76 thousand, adjusting for currency we find that this is a roughly (AU)\$61 thousand as well. We note that NZ roads have significantly higher construction costs due to terrain, therefore is understandable that higher costs should be recovered. The facts are that trucks in Australia pay their way¹.
- 2) Road construction in Australia does is not simply "green-lighted" as Grain Corp stated. The complexity of revenue distribution and of efficiency of maintenance and upgrading of roads is far from transparent or ideal. The road freight industry has even greater barriers to government money for maintenance than the rail industry appears to have as while monies are collected there is no transparent distribution of these funds to truck needs.
- 3) Little comment was made about the social benefits of sharing freight – road and rail are complementary, the truck industry is efficient. An efficient rail system would increase the productive potential of the economy. Several rail operators agree road was complementary, but stopped short of saying that was a benefit.
- 4) We believe that it is not just access prices that are affecting the choice of road and rail, Service, flexibility and reliability are also factors. IPART may need to consider what the catalyst is for the decline in rail transport, as it may be happening regardless of access price. If this is so, an increase in cost recovery may be appropriate from rail as it is not a factor in its decline.
- 5) We note from Grain Corp statements rail has not increased its capacity in 20 years. In effect this means we have had a long term decline in rail efficiency and productivity, suggesting that viable benefits may never arise.
- 6) The University of Wollongong made statements about the crash costs of trucks v rail. The ATA provided to the IPART Chair the latest research on the safety performance of the trucking industry.
- 7) Local government should be considering the trends in road and rail in their planning of budgets and recognising the public good of road. It should also be noted that failure to provide sufficient infrastructure will only leads to the decline of rural communities. This is because stalling upgrading results in efficiencies driving negative change. However, longer, safer, more productive combinations actually lower the road wear and the amount of trucks on the road and can help support and even stimulate communities.
- 8) The University of Wollongong stated that 1 litre of diesel ran 120 tonne kilometres on rail whereas it only managed 38 tonne kilometres on the road. A semi-trailer uses 0.5 litres per kilometre to move 27 tonnes payload. Hence, road is currently achieving 54 net tonne kilometres per litre of diesel for a mid efficiency combination. A peak efficiency BAB-quad combination uses 0.85 litres per kilometre and moves 88 tonnes payload. Meaning a litre of diesel moves 74 net tonne kilometres. The professor's statement also ignores other emissions, such a Nox and particles. Diesel locomotives, unlike trucks are not subject to any emission controls. One typical Australian locomotive produces at least 142 times the emissions of a modern Australian truck.
- 9) The ATA concurs that simple charges make paying for industry's use fair and simple.

¹ The trucking industry pays registration and a road user charge based on NTC annual adjustments that show that the industry pays it fair share.

- 10) We also agree that there should be transparent operations of how subsidies are given to rail. We would like to see more cost recovery as road currently pay its fair share. Although, we acknowledge distribution problems between governments.
- 11) More industry input into how decisions are made is always welcome as they can lead to better outcomes. There may well be greater net public good in building "Grain roads" to replace the aging rail branch grain lines, as more users would benefit and more freight types could be carried more efficiently.