



FREIGHT AND LOGISTICS COUNCIL OF WESTERN AUSTRALIA

Hon Dean Nalder MLA
Minister for Transport
Level 7, Dumas House
2 Havelock Street
West Perth WA 6105

Dear Minister

Age of the Australian Truck Fleet

The Freight and Logistics Council (FLCWA) has a longstanding and growing interest in the age of trucks providing freight and logistics services, especially in the context of metropolitan operations and particularly those at Fremantle Ports. In short, newer trucks bring widespread benefits in respect of safety, productivity, emissions and technology.

Against that background, FLCWA had a presentation on the issue at its last meeting from a group called the Truck Industry Council (TIC). In the presentation, the point was made that the average age of Australian trucks is 14 years and rising, a higher figure than in comparable developed countries. From a pollution viewpoint, nearly one third of Australian trucks have no emission standards at all, many of them providing metropolitan services such as carrying containers in and out of capital city ports. These old trucks pollute at sixty times the rate of new trucks.

TIC is advocating a change to Federal policy to encourage industry to invest in new truck fleet and is seeking the support of State Governments. Under the proposed approach, the road transport industry would be offered investment allowances to upgrade truck fleets. The allowances would be funded by varying Fuel Tax Credits according to vehicle emission levels, such measures currently applying to all trucks. Effectively, Fuel Tax Credits would not be available for older trucks under the approach. (It is claimed that this step would not be punitive, TIC estimating that the operator of an old truck would lose \$720 each year for a vehicle travelling 60,000 km pa and presently enjoying 12 cents/litre in Fuel Tax Credits.)

TIC argues that the proposed change in policy would be cost neutral for the Federal Government and would actually generate nearly \$50 million in additional revenue across a five year period. In addition, non-budget benefits for industry and the community are estimated at \$4-8 billion by 2024, with over 100,000 new trucks being introduced across the period.

The membership of TIC comprises truck manufacturers and importers and so the proposed change in policy is clearly self-serving. Notwithstanding, the benefits associated with newer truck fleets are clearly apparent, causing some other jurisdictions to have already taken a position. Both the Federal Minister and the NSW Minister have expressed in-principle support for the proposal, the latter being especially concerned about truck pollution in tunnels around the Sydney metropolitan area.

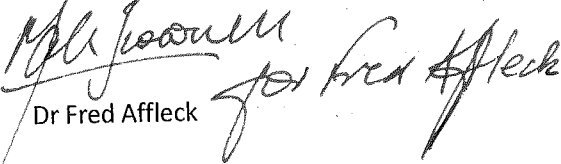
Following the TIC presentation, FLCWA members agreed to recommend that you also consider offering your own in-principle support to the proposed measures. While Members recognise all of the benefits associated with new trucks, they are particularly mindful of the related technology advantages that would make application of the Heavy Vehicle Charge for use of the Perth Freight Link more convenient for both industry and Government.

Prior to taking a position on this issue, you may wish to informally discuss it with your NSW colleague who has been involved in related discussions for some time. A constructive outcome from that discussion might be the suggestion that the Federal Government independently audit the TIC estimates of the costs and benefits associated with the proposed change in policy. Such an exercise may form a firm basis for all jurisdictions to consider the issue.

FLCWA is available to assist progress this important issue in any way you may see useful.

For consideration.

Yours sincerely


Dr Fred Affleck

Chairman

18/06/2015

Copy: Reece Waldock, Director General of Transport