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Land Transport Market Reform Steering Committee Secretariat
Department of Infrastructure, Transport, Regional Development and Communications
GPO Box 594
CANBERRA ACT 2601

By email: hvrr@infrastructure.gov.au

Heavy Vehicle Road Reform Consultation Paper – September 2020

Dear Steering Committee Secretariat,

Linfox Australia Pty Ltd and its related companies (together, **Linfox Logistics**) is Australia's largest privately owned road logistics operator. Linfox Logistics owns and operates heavy vehicles in each Australian state and territory to support extensive transport networks for its customer base.

Linfox Logistics has reviewed and considered the Heavy Vehicle Road Reform Consultation Paper dated September 2020 and received by Linfox Logistics in mid October 2020 (the **HVRR Consultation Paper**). Linfox Logistics does not propose to answer the specific questions posed in the HVRR Consultation Paper, many of which are outside the experience or view of Linfox Logistics. Instead, Linfox Logistics is compelled to make some general submissions which are made from the perspective of a heavy vehicle road user and road transport industry participant.

General submissions:

1. Linfox Logistics considers that minimising the total cost of road usage is critical to providing the affordable distribution of food and other products essential to all Australians. In that context, Linfox Logistics expects that any new proposal will, at a minimum:
 - a. maintain or improve the current competitive position within the market (ie ensure a level playing field for industry participants); and
 - b. maintain or reduce the total cost of road usage to heavy vehicle users so that road remains a competitive mode of transport.
2. Service Level Standards, if properly determined, can form a robust baseline for all road developments in the future. It is noted that the basis for development of such standards was not included in the HVRR Consultation Paper. Linfox Logistics would welcome the opportunity to contribute to and participate in discussions to determine appropriate Service Level Standards. Linfox Logistics will articulate its requirements and expectations as a significant heavy vehicle user.

3. Under the structure proposed in the HVRR Consultation Paper there is no guarantee that road funding will be spent on those projects that would benefit heavy vehicle users and meet their requirements. Although an independent body could incorporate into its determination of what is recoverable from heavy vehicle users the preferences of those heavy vehicle users, the HVRR Consultation Paper does not articulate how this might occur, what channels for input might be available to heavy vehicle users and whether there are review or revision mechanisms.
4. Linfox Logistics is concerned that an independent body may establish a forward-looking view on recommended baseline registration charges for vehicles in states and territories, along with other road user charges, irrespective of whether planned road expenditure actually occurs. The result could be that recovered road user charges exceed expenditure, without any return mechanism to those users from which recovery has been made but no benefits (or lesser benefits) have accrued.
5. The HVRR Consultation Paper suggests that contemplated reforms will lay the foundation for a system that can adapt to the introduction of autonomous and electric vehicles, but the HVRR Consultation Paper does not indicate how this adaptation could occur. Noting that no change is presently proposed in respect of the current funding model (through vehicle registration and fuel-based road user charges), Linfox Logistics is concerned that distortions in the current funding model may develop by the introduction of electric vehicles. Linfox Logistics considers it important that funding adaptations to accommodate the recovery of road user charges from electric vehicles be communicated to heavy vehicle users at the earliest opportunity to support and inform long-term investment decisions being made by those heavy vehicle users.
6. Linfox Logistics welcomes any further engagement on the content of the HVRR Consultation Paper, especially if and when greater detail is available on how the reforms will practically affect heavy vehicle users.

If you have any queries about these submissions, please contact me on (office) 03 8340 1000 or (email) mark_whitworth@linfox.com.

Your sincerely,



Mark Whitworth
Company Secretary
Linfox Logistics - ANZ