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**AUSTRALIAN
LOGISTICS COUNCIL**

17 November 2014

Competition Review Secretariat
The Treasury
Langton Crescent
Parkes ACT 2600

Competition Policy Review

To the Review Secretariat

The Australian Logistics Council (ALC) is pleased to provide a submission to the Competition Policy Review.

By way of background, ALC represents the major Australian logistics supply chain customers, providers, infrastructure owners and suppliers.

ALC notes the Panel's recommendation on pages 295-297 of the Draft Report for a single national access regulator for utilities. ALC has long supported the idea of national institutions being responsible for the seamless administration of services essentially provided within a national market.

For that reason, it has supported the establishment of institutions such as the National Heavy Vehicle Regulator and the Office of National Rail Safety, and is attracted to the establishment of a body suggested by the Panel. ALC notes that the Productivity Commission considered such an idea in its Draft Report on Public Infrastructure, before recommending that roads be funded using the 'building block' methodology with funds drawn from state based road funds. As a first step, a single economic rail regulator could be established.

The benefits of this approach are:

1. A single economic regulator would reduce uncertainty – as it delivers a consistent approach to key regulatory rules – e.g. cost of capital, contracting approaches, network rules;
2. The regulatory regime would differ according to circumstances: for instance there would be different rules for grain versus coal networks, different rules for vertically integrated versus non-vertically integrated track providers. However, any differences would have an economic rationale;
3. Having a single national economic regulator would reduce the risk of regulatory capture;
4. The volume of rail work for the national regulator would allow for the creation of a specialised centre of rail expertise rather than spread over six different organisations, as is currently the case; and
5. The movement of freight across state borders by rail would have the same access rules throughout the country, an appropriate outcome given the effective single national market that exists in Australia in the 21st Century.

Please contact me on 0418 627 995 or at Michael.kilgariff@ustlogistics.com.au should you wish to discuss this matter further.

Yours sincerely

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Managing Director

