

BIC Column September 2012

The View from Canberra

The return of Parliament and a recent good run in the polls for Government have started whispers of an early election.

While it is unlikely the Government will call an election before a full term this highlights the importance of the BIC National Conference being held in Canberra this year.

This year's Conference will run from October 28-31 and preparations are in full swing as we prepare for what is a very important event for the industry and our lobbying efforts as we move closer to a federal election.

This year's Conference is a unique opportunity for you as a member of the industry to play your part in getting the results we want for the future.

The theme for this year's Conference is *Moving People: Action Now* and this is a call to action for our federal and state governments to take action on the big issues affecting our industry.

It is a call to action for governments to continue investing in improving and expanding public transport in our cities and regions and to recognise the role of the bus industry in moving people.

I will touch on the Conference program later in this column and why you need to be there.

Effective Life of Vehicles

Only a few years after the BIC successfully fought the battle to have the effective life of buses capped at seven and a half years the issue has raised its head again.

In a recent discussion paper the Business Tax Working Group from the Australian Federal Treasury proposed removing the statutory effective life caps for a range of assets, including buses. This would see the effective life of buses increase to 15 years.

In our lobbying 7 years ago against changes to the effective life of vehicles, which would have seen the effective life of buses increase to 15 years, BIC research identified this change would be the same as imposing a six per cent tax on the industry across the board.

The same hold true now as it did then. An increase in the effective life of vehicles is a cost imposition on the industry and runs counter to the goal of increasing and improving public transport services in our cities and regions.

The industry is already bearing added costs through reductions in the fuel tax credit, increases in the costs of refrigerants through carbon pricing and we are flagged to pay the cost of carbon pricing on fuels in 2014.

Imposing another cost burden on the industry at this time will only make bus public transport less viable at the current service levels and frequency it is being delivered at.

It is the BIC's view that the effective life of vehicles should be returned to pre 2006 levels at 6 and 2/3rds years for route and school buses and 5 years for coaches. This would bring the benefit of improving the quality of vehicles and supporting the domestic manufacturing sector by acting as an incentive for reducing the overall age of bus fleets.

An added measure we would seek if the carbon price is imposed on the fuels used in buses is for the uptake of innovative, environmentally friendly vehicles to be supported as a complimentary measure under the carbon pricing scheme. This would also give our manufacturing sector a shot in the arm and with the technological knowhow at available to us it might open up markets for exporting these vehicles.

We will also call for the bus industry to be assessed differently from the trucking industry if any determinations are to be made. This is a key message of BIC's lobbying and we will say it until we are blue in the face, buses are not trucks, we service a different need in a different way and we move people, the most valuable commodity of all.

The BIC will respond to the Treasury with this view and keep the industry informed about any changes to the regulations.

This issue is one of many that highlight the importance of having a strong industry presence in Canberra to lobby the decision makers at a Federal level.

This is the reason why the industry needs to throw its full support behind the BIC and the National Conference in Canberra.

BIC National Conference

The sessions at this year's BIC National Conference are designed to achieve a balance between the broader BIC Moving People policy agenda and industry specific sessions which will take your business forward.

The full Conference Program will be available in next month's ABC Magazine. In the meantime you can view more information about the Conference at BIC's Ozebus website www.ozebus.com.au.

Accommodation is drying up fast in Canberra so it would be a good idea to get your registrations and book your accommodation as soon as possible.