

MEDIA RELEASE



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TRUCKING WINS TWO-YEAR EXEMPTION FROM CARBON TAX

The Australian Trucking Association (ATA) has welcomed the Government's decision to exempt the trucking industry from carbon tax until 1 July 2014.

In contrast, many off-road users of fuel, including the mining, rail and aviation industries, will be subject to carbon tax from 1 July 2012.

The Chairman of the Australian Trucking Association, David Simon, said the Government's decision would give small trucking businesses a breathing space to increase their fuel efficiency and renegotiate contracts with their customers.

"In the lead up to today's announcement, the ATA argued strongly that trucking operators should be exempt from the carbon tax altogether," Mr Simon said.

"In a series of meetings, including with Minister Combet's senior staff, we pointed out that 85 per cent of trucking businesses have fewer than five employees and a limited ability to pass on increases in their costs.

"We pointed out that the industry has reduced its greenhouse gas emissions by 35 per cent per billion tonne kilometres since 1990, as well as massively reducing its other emissions. This has cost the industry hundreds of millions of dollars.

"And we pointed out that business conditions for trucking operators were extremely tough.

"The ATA didn't win outright, but we did secure a two-year exemption from the tax for the industry.

"I would like to thank the Government for listening. The exemption will give trucking operators time to renegotiate long-term contracts with their customers and look at how to improve their fuel efficiency."

On 1 July 2014, the effective fuel tax paid by trucking operators will increase 6.858 cents per litre, matching the planned 2014-15 carbon price of \$25.40. This is expected to cost the industry and its customers \$510 million in 2014-15 alone.

The industry's effective fuel tax will then vary every six months as Australia's carbon price changes.

Mr Simon said the Government would need to push ahead with fixing the road transport regulations and charges that prevent trucking operators from using the most efficient equipment.

"The ATA's recent environmental report shows the industry's ability to reduce its fuel consumption is restricted by government regulation, poorly thought out charges and a lack of research and development on energy-saving technology," Mr Simon said.

"As well as the energy efficiency measures announced today, the Government needs to:

- make a strong effort through the national heavy vehicle regulator process to support the increased use of larger, safer trucks, which will deliver substantial fuel efficiency gains and increase safety;

- rebalance heavy vehicle registration charges so operators can afford to run these vehicles; and
- support further research and standard changes to reduce aerodynamic drag and tyre resistance, which together account for 75-85 per cent of the total engine power use in semitrailers and B-doubles.”

About the ATA: The Australian Trucking Association is the peak body that represents the trucking industry. Its members include state and sector trucking associations, major logistics companies and operators and suppliers with leading expertise in truck technology.

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