

MEDIA RELEASE



9 February 2012

25 National Circuit
FORREST ACT 2603
Tel: (02) 6253 6900
www.truck.net.au

SLASH B-DOUBLE CHARGES TO BOOST SAFETY, PRODUCTIVITY

Australia's transport ministers should slash the registration charges on B-doubles from \$15,708 to \$10,995 per year, the Chief Executive of the ATA, Stuart St Clair, said today.

Mr St Clair was releasing the ATA's submission in response to a National Transport Commission (NTC) discussion paper about heavy vehicle charges.

In November last year, transport ministers directed the NTC to find a solution to the extremely high registration charges on A-trailers: the special lead trailers used in B-doubles and B-triples.

The registration charge for a tri-axle A-trailer increased from \$1,065 in 2007-08 to \$6,525 in 2011-12. As a result, the registration charge on a nine-axle B-double increased from \$8,041 in 2007-08 to \$15,708 in 2011-12, an increase of 88 per cent.

"As a result of the dramatic increase in charges, many trucking operators are now moving away from using B-doubles. If this continues, the result will be an increased number of accidents and lower productivity, because B-doubles are safer and carry more than conventional semi-trailers," Mr St Clair said.

"Our modelling shows that a 25 per cent decline in the use of B-doubles would increase the number of semi-trailers on the road by 40 per cent. As a result, the national road toll would increase by about 18 fatalities per year.

"The use of B-doubles has been the greatest source of productivity gains in the industry, because they typically carry 34 pallets of freight compared to 22 for a typical semitrailer. This has reduced the growth in the number of trucks on the road and improved business outcomes for both trucking operators and customers.

"To reverse the decline, the ATA recommends that A-trailers and semitrailers should be subject to the same registration charge.

"As a result, the registration charge for a tri-axle A-trailer would fall from \$6,525 to \$1,472. The registration charge for a nine-axle B-double, including the prime mover, would fall from \$15,708 to \$10,995."

Mr St Clair said that none of the four options put forward by the NTC in its discussion paper would fix the A-trailer problem.

"There is a large risk that the NTC options will cause more pain for stakeholders than relief," Mr St Clair said.

"The NTC has continually stonewalled the industry in its consultations. Any questioning of NTC officers relating to the figures was rejected; the methodology used to generate the figures was kept secret.

"The option they claim is based on the ATA's initial proposal was altered so much it is now unrecognisable.

A safe, professional and viable trucking industry

“Effectively, we have been asked to take the NTC’s figures on trust, even though it has changed them no less than four times since it released the consultation paper. Each time, the ATA has found significant and serious anomalies in the NTC calculations,” he said.

Mr St Clair rejected the NTC’s recommendation that all registration charges and the effective fuel tax paid by trucking operators should increase 5.7 per cent from 1 July 2012. In conjunction with the NTC’s options for adjusting A-trailer charges, this could see the effective fuel tax on the industry increase by as much as 2.9 cents per litre, from 23.1 to 26 cents.

“The 5.7 per cent increase grossly overestimates the increase in road spending associated with the trucking industry,” Mr St Clair said.

“The NTC approach assumes the weather is responsible for half the maintenance needed by the road system. This assumption is far too conservative, given the recent natural disasters. The NTC was able to exclude reconstruction funding from other sources, such as insurance, but this only covered part of the cost of fixing the road system.

“The ATA’s modelling shows the effective fuel tax paid by trucking operators should increase by no more than 3.7 per cent, which would take it from 23.1 to 23.9 cents per litre,” he said.

A table comparing the ATA proposal and the NTC options is attached. The submission is available at www.truck.net.au.

Media contacts:

Bill McKinley 02 6253 6900 / 0488 292 823

About the ATA: The Australian Trucking Association (www.truck.net.au) 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.

SUMMARY TABLE: THE ATA AND NTC PROPOSALS COMPARED

ATA PROPOSAL (including 3.7 per cent annual adjustment)			
	Current charge (\$)	ATA proposal (\$)	Change (\$)
Trailers			
Tri-axle A trailer	6,525	1,472	- 5,053
Tri-axle semi trailer	1,419	1,472	53
Trucks and combinations			
4 axle rigid truck GVM >25t	945	980	35
Semi-trailer 6 axle (incl prime mover)	5,746	5,959	213
B-double 9 axle (incl prime mover)	15,708	10,995	-4,713
B-triple 12 axle (incl prime mover)	22,233	12,467	-9,766
Effective fuel tax (cents/litre)	23.1	23.9	0.8

NTC OPTION 1A – ADJUST ESAs (including 5.7 per cent annual adjustment)			
	Current charge (\$)	Proposed charge (\$)	Change (\$)
Trailers			
Tri-axle A trailer	6,525	6,180	-345
Tri-axle semi trailer	1,419	1464	45
Trucks and combinations			
4 axle rigid truck GVM>25t	945	1,426	481
Semi-trailer 6 axle (incl prime mover)	5,746	6,039	293
B-double 9 axle (incl prime mover)	15,708	15,821	113
B-triple 12 axle (incl prime mover)	22,233	21,971	-262
Effective fuel tax (cents per litre)	23.1	25.4	2.3

NTC OPTION 2A – ATA APPROACH, CHANGED UNRECOGNISABLY (including 5.7 per cent annual adjustment)			
	Current charge (\$)	Proposed charge (\$)	Change (\$)
Trailers			
Tri-axle A trailer	6,525	2,354	-4,171
Tri-axle semitrailer	1,419	2354	935
Trucks and combinations			
4 axle rigid truck GVM>25t	945	1,000	55
Semitrailer 6 axle (incl prime mover)	5,746	6,928	1,182
B-double 9 axle (incl prime mover)	15,708	12,915	-2,793
B-triple 12 axle (incl prime mover)	22,233	15,269	-6,964
Effective fuel tax (cents per litre)	23.1	24.4	1.3

**NTC OPTION 3A – CHANGES TO REGO AND FUEL MIX
(including 5.7 per cent annual adjustment)**

	Current charge (\$)	Proposed charge (\$)	Change (\$)
Trailers			
Tri-axle A trailer	6,525	5,169	-1,356
Tri-axle semitrailer	1,419	1,425	6
Trucks and combinations			
4 axle rigid truck GVM>25t	945	1,000	55
Semitrailer 6 axle (incl prime mover)	5,746	6,000	254
B-double 9 axle (incl prime mover)	15,708	14,801	-907
B-triple 12 axle (incl prime mover)	22,233	19,970	-2,263
Effective fuel tax (cents per litre)	23.1	25.6	2.5

**NTC OPTION 4A – COMBINATION OPTION
(including 5.7 per cent annual adjustment)**

	Current charge (\$)	Proposed charge (\$)	Change (\$)
Trailers			
Tri-axle A trailer	6,525	3,948	-2,577
Tri-axle semitrailer	1,419	1,464	45
Trucks and combinations			
4 axle rigid truck GVM>25t	945	1,000	55
Semitrailer 6 axle (incl prime mover)	5,746	6,039	293
B-double 9 axle (incl prime mover)	15,708	13,619	-2,089
B-triple 12 axle (incl prime mover)	22,233	17,567	-4,666
Effective fuel tax (cents per litre)	23.1	26.0	2.9