

# MEDIA RELEASE



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## MINISTERS MUST REJECT PLAN TO INCREASE TRUCK TAXES

Australia's transport ministers must reject a plan put forward by the National Transport Commission (NTC) to increase the fuel tax on trucks by 10.4 per cent.

The ministers will meet by teleconference on Wednesday 21 March to consider the NTC's options for increasing truck charges from 1 July 2012.

Its preferred option involves a 10.4 per cent increase in the effective fuel tax on trucks. This would see the effective fuel tax paid by trucking operators increase by 2.4 cents per litre, from 23.1 to 25.5 cents per litre.

The Chairman of the ATA, David Simon, said the NTC's plan would be another blow to Australia's trucking operators.

"Many trucking operators are already doing it tough, with parts of the economy still in the doldrums and our customers demanding more and more supply chain efficiencies, which is their code word for cutting rates," Mr Simon said.

"Now the NTC wants ministers to impose even higher taxes on trucking operators, even though the trucking industry pays more than its fair share in road charges.

"The charging system is supposed to ensure the trucking industry pays for the wear we cause to the road system. It's an important principle and the industry supports it. But we are already paying about \$750 million a year more than we should.

"The NTC's options would just mean higher costs for the small businesses that make up the trucking industry. There would be less money to spend on safety and maintenance, higher costs for our exporters and higher prices at the supermarket."

Mr Simon said the transport ministers should **reject all the NTC's options and freeze the level of fuel tax for the coming year.**

He said ministers should also **slash the extremely high registration charge 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 increase in the number of trucks required to move the required freight task, well beyond the number of vehicles needed if the use of B-Doubles was not discouraged through poor pricing signals. This will in turn increase the likely number of accidents and lower productivity outcomes for the Australian economy," Mr Simon 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.

“Last year, transport ministers told the NTC to work up a solution to this problem. But none of the options it has put forward would actually work.

“Our solution is simple and effective: 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 Simon said transport ministers could not rely on the numbers provided by the NTC.

“The NTC has previously released six sets of figures to support its arguments; the ATA has shown that all of them are incorrect,” he said.

“In their meeting on Wednesday, ministers must direct the NTC to release the model it uses to calculate its charge recommendations and the model inputs.”

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*About the ATA: The Australian Trucking Association ([www.truck.net.au](http://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.*