

# MEDIA RELEASE



12 April 2012

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## NORTHERN TERRITORY SHOWS THE WAY ON TRUCK CHARGES

The Northern Territory Government has shown the way forward on truck charges with its decision to reject a national agreement to increase many truck and trailer registration charges from 1 July.

Under the national agreement, Australia's transport ministers agreed to increase some registration charges by more than 30 per cent. The effective fuel tax on the industry will increase by 10.4 per cent, or 2.4 cents per litre.

On 4 April, the Northern Territory Minister for Lands and Planning, Gerry McCarthy, wrote to the Northern Territory Road Transport Association, an ATA member, saying the territory government will not implement the national registration charge increase.

Instead, the NT will increase registration charges by a flat 3.7 per cent, and reduce charges on A-trailers to match semi-trailers. It will defer the increases until 1 January 2013. The NT Government has no control over the fuel tax rate.

The Chairman of the Australian Trucking Association, David Simon, said the NT Government had shown the way forward on truck charges, because many operators will struggle to deal with the 10.4 per cent increase decided nationally.

"One Victorian operator with 70 prime movers, 90 semi-trailers and 20 A-trailers will face \$213,000 per year in extra costs, including an extra \$182,000 in fuel tax," Mr Simon said.

"And a business with 10 prime movers and semi-trailers is looking at an extra \$16,000 in registration charges and \$26,000 in fuel tax – an extra \$41,800 per year in government taxes and charges in one hit.

"Trucking operators will need to pass on the extra charges, but many will find it difficult to do this because of the tough conditions across parts of the economy. They will need to cut their investment in new equipment and reduce costs," he said.

The ATA will work with its member associations to urge every government to follow the NT approach.

"Minister McCarthy has recognised that many trucking operators simply cannot afford to pay the extra fuel tax and increased registration charges. He has also recognised that reducing A-trailer charges will encourage operators to use modern, safer truck combinations like B-doubles and BAB-quads," Mr Simon said.

"His decision is also a huge win for remote communities that get their supplies by road train. The cost of registering a triple road train in the NT, including CTP, is currently \$14,547. Under the national agreement, it would jump to \$18,622, an increase of more than \$4,000. Under the NT approach, the registration charge on a triple road train will be \$15,076 – a reasonable increase in line with inflation."

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“The ATA has not given up on its efforts to convince ministers to change their minds about the increase. In the coming weeks, we will work with our member associations to urge ministers to bring every state and the Australian Government’s fuel tax into line with the Northern Territory decision,” Mr Simon said.

This would see the effective fuel tax on trucking operators increase by 0.9 cents per litre, from 23.1 to 24 cents per litre, in line with inflation. Truck and trailer registration charges would increase 3.7 per cent, but A-trailer charges would fall substantially to match semi-trailers.

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