

MEDIA RELEASE



1 June 2012

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

REVIEW FREIGHT RATES AHEAD OF THE 1 JULY TAX RISES

Trucking businesses should review their costs and freight rates ahead of the introduction of the carbon tax and the 2.4 cents per litre increase in their fuel tax on 1 July 2012, the Chief Executive of the Australian Trucking Association, Stuart St Clair, said today.

Although trucking businesses will not pay carbon tax on the fuel they use on public roads until 1 July 2014, they will still face increased costs from 1 July 2012 as their suppliers increase their prices.

“Like every other business, trucking businesses should review their costs and make a judgement about whether they are likely to increase as a result of the carbon tax. With just one month to go before the introduction of the tax, it’s time for every trucking business to talk to their accountant or go over their books,” Mr St Clair said.

“The tax is likely to have a particularly large impact on trucking businesses that operate cold stores, because electricity typically accounts for about 30 per cent of their costs.

“In New South Wales, electricity prices are set to rise 16 per cent on average, with nine percentage points of the increase coming from the carbon tax. Businesses will need to take this cost increase into account, as well as the substantial increase expected in the cost of refrigerants.

“Trucking businesses offering intermodal services will also face cost rises, with Pacific National imposing a 1.34 per cent carbon cost surcharge and the Spirit of Tasmania ferry service imposing a 2.04 per cent surcharge.”

Mr St Clair said trucking businesses would also face a 2.4 cents per litre increase in their effective fuel tax from 1 July 2012. Many registration charges will also increase.

“The fuel tax and registration charge increases will cost a typical owner-driver about \$2,800 per year. For a trucking business with ten prime movers and semitrailers, the cost increase is likely to be about \$41,800 per year.

“Every trucking business needs to talk to its customers about increasing freight rates or adjusting their fuel surcharges. It’s a hard ask, but the industry’s customers need to understand that our costs are going up and we cannot absorb them,” he said.

Media contacts: Stuart St Clair 02 6253 6900 / 0428 488 330
 Bill McKinley 02 6253 6900 / 0488 292 823