

MEDIA RELEASE



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

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ATA SLAMS BUSINESS TAX WORKING GROUP TRUCK PLAN

The Business Tax Working Group's proposal to remove the statutory effective life caps on trucks and trailers would mean that trucking businesses would keep older trucks on the road for longer, the chief executive of the Australian Trucking Association, Stuart St Clair, said today.

In its discussion paper today, the Business Tax Working Group proposed removing the statutory effective life caps for a range of assets, including trucks and trailers. Trucking businesses that do not self-assess the effective lives of their vehicles would be required to depreciate trucks and trailers over 15 years rather than 7½ years for trucks and 10 years for trailers.

Mr St Clair said the working group's proposal would remove the incentive for businesses to upgrade their older trucks to safer and more environmentally friendly models.

"Every new generation of trucks is safer than the last, with front underrun protection, stronger cabs and technology like adaptive cruise control, electronic braking and lane keeping support," Mr St Clair said.

"That's why the Australian Government's national road safety strategy calls for 'a substantial increase in the proportion of heavy vehicles with advanced braking systems and other safety technologies' by 2020.

"In addition, every new generation of trucks is more environmentally friendly than the last. A new truck, bought today, puts out only 25 per cent of the nitrogen oxides and 8.3 per cent of the particulate matter emitted by a new truck bought in 1994.

"The working group's proposal would remove the tax incentive for trucking businesses to keep upgrading their fleets. They would keep their older trucks, and Australia would miss out on the safety and environmental benefits of having new trucks on the road sooner.

"The ATA fought hard in 2004 to get the statutory effective life caps on trucks and trailers. The issues haven't changed. We are now going to take up the fight with equal vigour again," Mr St Clair said.

Media contacts: Stuart St Clair 02 6253 6900 / 0428 488 330
 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.

A safe, professional and viable trucking industry