

MEDIA RELEASE



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TRUCKING INDUSTRY WELCOMES CARBON TAX DECISION

The Government's decision to move to a floating carbon price from 1 July 2014 would make the carbon tax much more bearable for trucking operators, the Chairman of the Australian Trucking Association, David Simon, said today.

As a result of the decision, trucking operators would pay an extra **1.6 cents per litre* in effective fuel tax** from 1 July 2014. Under the Government's original plan, trucking operators would have paid an extra **6.858 cents per litre**.

Trucking operators would pay the extra tax because the fuel used in trucks is currently exempt from the carbon price. The Government plans to extend it to cover truck fuel from 1 July 2014 by reducing the fuel tax credits that trucking businesses can claim through the tax system.

"The Government's original plan would have had a devastating effect on many trucking businesses. Its decision to move to a floating carbon price twelve months early would still see an increase in the fuel tax paid by trucking operators, but it would be much more bearable," Mr Simon said.

"I want to congratulate Prime Minister Rudd and the Government for listening to the concerns raised by the public and business groups about the carbon tax.

"It's a great result for trucking operators when you compare it to the Government's original plan. The ATA helped deliver it through a sustained lobbying effort, including our 2013 election campaign," he said.

Mr Simon repeated the ATA's call for the Government to exempt the fuel used in trucks and trains from the carbon tax permanently.

"As far as transport is concerned, the scheme still targets fuel use in sectors – road and rail freight – where tax increases won't change behaviour," he said.

"For example, the Government expects trucking businesses to respond to the tax by switching to alternative fuels like biodiesel. The industry cannot make this switch, because many truck engine manufacturers recommend against using fuel with more than five per cent biodiesel in their engines.

"As a result, the carbon tax would just raise costs for small trucking businesses. Ultimately, it would raise costs for everyone, because every item on the shelves of every supermarket is delivered by truck."

Mr Simon said the Government should focus on dismantling the barriers that stop the industry from increasing its productivity.

"As a first step, the Government needs to work harder with the states to enable the industry to use high productivity vehicles like B-triples and super B-doubles," he said.

"A B-triple is a prime mover with three trailers linked by turntables. A trucking business that switched from using semitrailers to B-triples could reduce its fuel consumption and greenhouse gas emissions by 31 per cent," he said.

Through the ATA's election website, www.truck.net.au/2013election, the public and the industry can download fact sheets, share their views about key election issues and write to Australia's political leaders. During the election campaign, the ATA will issue a report card on how the parties compare.

*Based on a floating carbon price of \$6/tonne.

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