

MEDIA RELEASE



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A HALF BILLION DOLLAR HIT TO ROAD TRANSPORT

Australia's transport ministers have decided to overtax the truck and bus industries by \$515 million over the next two years, the CEO of the Australian Trucking Association, Christopher Melham, said today.

The ministers made the decision at a meeting in Adelaide this morning. ATA Chair Noelene Watson and Mr Melham were observers at the meeting.

An independent government commission, the National Transport Commission, has found the existing charging system overcharges truck and bus operators because it has consistently underestimated the number of heavy vehicles on the road.

The system should raise about \$2.9 billion, but in 2015-16 alone it will overcharge truck and bus operators by more than \$190 million.

Mr Melham said ministers had decided to freeze the revenue from heavy vehicle charges at 2015-16 levels for the next two years.

"As a result of this decision, truck and bus operators will be overtaxed by \$250.2 million in 2016-17 and \$264.8 million in 2017-18 – in total, a \$515 million hit on an industry filled with small businesses working on wafer thin margins," he said.

"The ATA argued strongly against this decision, including at the meeting. I want to thank the Deputy Prime Minister, Warren Truss, for giving me the chance to explain the industry's strong preference for reducing charges immediately to the right level.

"I also told ministers that any future increases in the National Heavy Vehicle Regulator's budget should be paid for by governments, not industry, given this half billion dollar hit to road transport."

Mr Melham said there was good news out of the meeting, with transport ministers agreeing to major reforms to the chain of responsibility rules in the Heavy Vehicle National Law.

"The HVNL needs to be streamlined and safety prioritised through the introduction of a general duty that applies to trucking operators, consignors and all other chain parties. By doing this, governments could remove large numbers of prescriptive rules that impose high compliance costs and prevent businesses from innovating," he said.

"I'm very pleased that ministers have agreed to a series of changes along these lines, including major improvements to the way roadworthiness is handled. The ATA looks forward to working closely with the National Transport Commission to develop the fine detail of the reforms."

The Australian Government froze the road user charge in its 2014-15 and 2015-16 budgets, in recognition of the problems with the NTC charging model.

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