

MEDIA RELEASE



QUEENSLAND TRUCKING ASSOCIATION
A.B.N. 64 009 963 053

Phone: 07 3394 4388
Fax: 07 3397 9324
E-Mail: admin@qta.com.au

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FUEL PRICE IMPACT TO WORSEN – AS NEW CHARGES ARE SET TO HIT ROAD TRANSPORT

Consumers have not yet seen the full impact of spiralling fuel prices according to the peak body for road transport, the Queensland Trucking Association (QTA). Executive Director of the QTA, Mr Peter Garske, today said that living costs would continue to be impacted as fuel price increases flowed through the transport industry. "Consumers are well aware of the additional direct cost of fuel price increases as motorists, but over the coming months they will also be hit with higher prices on everyday goods due to increased transport costs."

Mr Garske said that similar to the rapid rises in petrol prices, diesel prices have also skyrocketed, with considerable flow on effects. "The transport industry has little ability to shield its customers from rising fuel costs. In such a highly competitive low margin business, operators simply do not have the capacity to absorb fuel cost increases of this scale and duration. The transport industry has no choice but to pass these costs on to its customers. Ultimately, the result is an increase in the cost of goods for consumers."

But wait, there's more!

Added to the burden of fuel prices is the consideration by federal and state governments of dramatically increasing truck charges. "These possible charge increases are significant and will further add to rising transport costs and further increase the cost of goods and impact upon economic growth and Australia's trade performance." said Mr Garske.

"Transport operators are already struggling with current fuel prices, and these proposed hikes in truck charges will lead to a further 5 to 8% cost increase for transport which would again have to be passed on to all industries, exporters, importers and ultimately consumers." said Mr Garske.

"This week the trucking industry welcomed the Federal Government's announced reconsideration of a proposed increase in diesel excise from 1 January 2007, however proposals for a significant state and federal increase in truck charges to be in place on 1 July 2006 remain a major concern to the road transport sector." concluded Mr Garske.

For Further information and detail contact:
Peter Garske, QTA Executive Director
on (07) 3394 4388 (W) or 0418 724 981(M) or 3394 2782 (H)

Transport Industry House
96 Cleveland Street
Stones Corner Q.4120
PO Box 325
Stones Corner Q.4120