

MEDIA RELEASE



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Trucking Industry to Oppose On Road Tax Increases

The National Transport Commission (NTC) yesterday released its Regulatory Impact Statement which, if endorsed by State and Federal Transport Ministers, will increase registration and the Road User Charge (fuel excise levy) for heavy vehicles from the 1st July 2006. The fundamental aim of the process is to ensure that heavy vehicles pay their way for road use, having regard to construction and maintenance costs.

Peter Garske, Executive Director, Queensland Trucking Association (QTA) said today, "It is appalling timing to slug trucks with higher taxes when petrol prices remained high. The increase in registration charges and fuel excise will remove the incentive for the industry to multi task vehicles and operate productive multi-combination vehicles in serving the growing freight task."

"The trucking industry has no capacity to absorb these increases and this will have an effect on communities, particularly in rural and regional Queensland, which relies so heavily on the road freight industry, not only for day to day commodities but in the export of agricultural and mining product" he said. "These increased costs will pass onto consumers in the form of increases in the costs of their daily goods."

The NTC has recommended a 2.1cents per litre increase in diesel tax (excise) for heavy vehicles and recommended increases in registration charges for B-Doubles and Road Trains of between 30 and 40 percent commencing from the 1st July 2006.

A B-Double registration will rise from \$7,565.00pa to \$8,400.00pa from July 2006 and \$10,410.00pa from July 2007.

Mr Garske stated "The NTC estimates that the trucking industry revenues are required to reach \$1.62B. The submissions made during the process leading to the release of the Regulatory Impact Statement demonstrate that revenue obtained by both the Commonwealth and State Governments through registration and fuel excise already exceeds the collection necessary to demonstrate that our industry is paying its way."

Typically a B-Double involved in the long distance freight task with maximum vehicle utilisation would consume approximately 8,000 litres of diesel fuel in a four week period. Accordingly the NTC proposals will add a total of \$5,000.00 annually to the existing operating costs of the vehicle, made up of \$2,000.00 in increased excise (Road User Charge) and \$3,000.00 in Registration charge. The Road User Charge is collected by the Commonwealth Government and the Registration charge collected by the State Government.

"I note that the Federal Minister for Transport, Warren Truss has today stated that the proposals would impose significant extra costs on businesses seeking to introduce efficiency to the road transport task, and accordingly both he and State Ministers will need to carefully weigh up their attitude to the proposed increases" said Mr Garske.

"Governments can expect a very strong reaction by industry both directly from trucking operators and indirectly from customers and the community who depend on efficient road transport for their own viability" he said. "The Queensland Trucking Association will be seeking urgent discussions with the State Government on this issue, and have an expectation that the proposals will be rejected, by both the State and Commonwealth Government."

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