

ONLINE ARTICLE

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The road transport industry says it will be 'over-charged' by \$1 billion in 2012-13 under savage new Federal Government fees and charges relating to transport operations.

From July 1 this year, the fuel tax credit that can be claimed by trucking operators will decrease from 15.043 to 12.643 cents per litre.

As a result, the effective fuel tax paid by the road transport industry will increase by 10.4 percent from 23.1c to 25.5c per litre, says the Australian Trucking Association.

Australia's transport ministers decided the new charges at a meeting on March 21, following a recommendation from the National Transport Commission. The Northern Territory voted against the charges, while Western Australia announced it would apply transitional heavy vehicle charges.

The ATA and its member associations argued strongly against the new charges, which it said would overcharge the industry by \$1 billion in 2012-13 alone.

The only moderating effect on the hike in fuel tax was a decision to reduce Government registration charges on A-trailers by about half, the ATA said.

Registration charges for multi-combination prime movers will increase by almost 22pc under the new rules, with the charge for a three-axle multi-combination prime mover increasing \$1693, from \$7764 in 2011-12 to \$9457 in 2012-13.

Registration charges for many rigid trucks will also increase substantially.

The ATA said the total registration charge for a nine-axle B-double would fall \$1301, from \$15,708 in 2011-12 to \$14,407 next financial year. But the registration charge for a triple road train will increase from \$13,693 to \$16,607.

Even though there were trade-offs in the Ministers' decisions, the Australian Livestock and Rural Transporters Association said even if an observer was to wear the "strongest rose-tinted glasses," it was bitter-sweet news for the nation's road transport industry.

"At one level, we've had an outstanding win on an issue that's been a burning concern for many of our members: the outrageous cost of A-trailer registration," the ALRTA's Philip Halton told members.

“Our two-year campaign has been a success. Across the Eastern and Southern States, the charge on A-trailers is about to come a long way down. But, at that very moment, your business is going to see a huge hit on fuel and other charges,” he warned transport operators.

“While we’ve won on A-trailers, the ministers have waved through a stunningly high set of fee increases.”

Mr Halton said he had no doubt that his members were going to be ‘very disappointed’ by the large increases that the ministers had approved, in registration charges and, critically, for the fuel tax.

The figures endorsed by the Ministers were not published in the official announcement, and had not been made public by the time the ALRTA sent its advice to members.

“However, we’re pretty sure we have the final numbers. We believe the new national registration figure will be \$3300/year. That’s a very solid cut, down from around \$6525 currently.”

State administrative surcharges and inspection fees would make the final number in each State a little different.

The new fee of \$3300 did not place A-trailers at the same level as B-trailers, but it cut the current fee by just over 49pc, Mr Halton said.

“To the best of my knowledge, there has never been a cut to a national registration fee that’s been anything like this. It’s the biggest single reduction since the current charging system was introduced. It’s a big thing for Ministers to deliver that, and we need to be very clear that we welcome this,” he said.

The win on A-trailers would flow-on to B-triples, resulting in B-triples being much less disadvantaged when compared to the cost of registering a double road train.

But while the trailer registration adjustment was a welcome development, it paled into insignificance when compared with the ‘wipeout’ that had occurred on other charges, with fuel leaping by 2.4c/l and registration soars by 11 to 21pc.

“From July 1, the road use charge (the real rate of diesel tax) will leap from 23.1c/l to 25.5c/l,” Mr Halton said.

“That’s a jump of 2.4c/l or 10.39pc in a single year. Put another way, in just four months from now, operators will lose 2.4c/l from their fuel tax credit.”

On the registration front, the costs of registering a six-axle semi-trailer combination will climb by 11pc, to \$6394/year; and a full double or triple road train by 21pc, to \$13,857 and \$16,607 respectively.

For B-doubles and B-triples, the cut to the A-trailer charge meant that the total cost of registering these combinations would actually fall - but ALRTA members running these kinds of vehicles would be hit by the same 2.4c/l hike in diesel tax that was now faced everyone else in the industry.

Over the last month, as the industry became aware that Ministers would be meeting on March 21, and that the NTC was going to recommend the extreme increases, there was a rush of lobbying from industry. Every association in the industry expressed their opposition to the

NTC's recommendation, and most Ministers and their staff had multiple discussions with industry, Mr Halton said.

"Our Association was actively involved in that process. Using our full network, we've raised our concerns with the States and in Canberra. But it hasn't mattered a jot. While we got an exceptionally good hearing in Canberra, the States weren't interested. Budgets are tight, and they're on the hunt for extra revenue."

"It's as simple as that: This is a grab for cash."

On ALRTA's figures, the Ministers were increasing the total registration revenue and fuel tax raised from the road transport industry nationwide, by an extra \$292 million per year. Against current revenues, that represented an increase of 11pc in a single year.

"There are at the absolute most, 20,000 A-trailers in the whole country. Delivering a cut of \$3300 to each of those trailers would mean that \$66 million would have to be shunted off A-trailers and put onto other vehicles," Mr Halton said.

"What the ministers agreed to do was shift costs from A-trailers onto other vehicles and trailers. But then, on top of that, they've hit industry with that extra \$292m per annum in charges."

"For members running road trains, don't for a minute be conned into thinking that the campaign for relief on A-trailers is what's led to you getting slugged with a 21pc hit on rego and 10.4pc on fuel. The extra money that ministers are taking from industry is four-and-a-half times what had to be shuffled around between different vehicles and trailers."

"What ministers have signed-out is a set of figures that vastly exceeds any increase that has ever previously been approved in a so-called 'Annual Adjustment'," Mr Halton said.

Under the new rules, there were no longer any government-mandated limits on what an Annual Adjustment might possibly produce as a change to the costs facing a trucking business.

This was likely to lead to a plunge in operator confidence, and industry would demand a complete overhaul - not only of how the charging scheme operates but also on how industry was consulted during these processes, he said.