



The Hon Duncan Gay MLC
Minister for Roads and Ports

The Hon Mike Baird MP
NSW Treasurer

MEDIA RELEASE

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HISTORIC STAMP DUTY REFORM TO BOOST NSW ROAD FREIGHT

NSW Roads Minister Duncan Gay and Treasurer Mike Baird today announced a Government initiative to abolish the requirement for NSW-based transport operators to pay stamp duty on the purchase of new truck trailers.

“In the upcoming Spring Session of Parliament, the Government will be seeking support from all political parties to amend the Duties Act 1997 to allow stamp duty to be waived on the purchase of new truck trailers in NSW,” Minister Gay said.

“I’ve had an absolute gutful of seeing the vast majority of truck trailers being hauled on NSW roads displaying Queensland or Victorian number plates. In many cases, it means transport operators are buying and/or registering new trailers in other states with NSW forfeiting vital business and associated revenue.

“Transport operators – many of whom run interstate operations – aren’t stupid; they establish businesses and depots in other states to gain access to competitive pricing. Frankly, I don’t blame them; trucking companies run on tight margins at the best of times.”

Treasurer Baird said the reform will help send a strong pricing signal to the road freight industry that the O’Farrell Government is determined to reduce the cost of running freight businesses in NSW.

“Along with rail, road transport plays a crucial role in moving more than \$40 billion worth of freight around NSW each year. Whether its building materials, household appliances, groceries, furniture or fuel, chances are some of it spent time travelling by truck.

“Unlike the previous state Labor government, we’re not prepared to stand idly by while freight businesses, jobs and associated registration revenue migrate to other states.

“The abolition of stamp duty on the purchase of new truck trailers will be an important step in the process of levelling the competitive playing field and will help to get NSW back into the game.”

The proposed stamp duty reform is part of a broader suite of government measures to help ease the financial pressure on road freight operators in NSW brought about by increases in national registration charges.

The National Transport Commission (NTC) recently advised state governments that an increase in registration charges for heavy vehicles was needed to ensure the industry continued to pay its share of the cost of providing and maintaining the road network. See the full NTC report at: <http://www.ntc.gov.au/filemedia/Reports/HVChargesSCOTIFeb2012.pdf>

“The Government is determined to make these national charges fairer by introducing concessions for smaller low kilometre operators and road train operators in NSW,” Minister Gay said.

The NSW Government will assist road freight operators by introducing three key concessions:

1. Full stamp duty exemption on the purchase of new trailers (requires an amendment to the Duties Act 1997);
2. Full rebate of the national charges applied to tri-axle dollies and a 50 per cent rebate of charges applied to all types of tandem-axle dollies; and
3. 50 per cent rebate of the national charges applied to spare trailers owned by operators with one or two hauling units (prime movers and rigid trucks), and no more than five trailers (excluding dollies).

“Smaller, low kilometre operators will enjoy lower registration charges for their heavy vehicles and operators who purchase new trailers in NSW will pay no stamp duty.

“This will ultimately lead to safer and more efficient truck and trailer combinations, helping to reduce the cost of running a freight business in NSW,” Minister Gay said.

At the end of three years, the concessions will be reviewed to make sure they effectively target those operators who might be disadvantaged under the new national charging arrangements.

The NSW Government is planning to implement the rebate concessions no later than the 1 September 2012. Freight operators who pay converter dolly and trailer registration charges between 1 July and the implementation date will be eligible for the discounts. The stamp duty exemption for new trailers will apply only after legislation has successfully passed NSW Parliament.

Under the NSW Government assistance package:

- A truck and dog operator with one rigid truck and two dog trailers will save **\$825 each year**.
- A B-double operator with one prime mover, one A-trailer and two semi-trailers will save **\$1,650 each year**.
- A road train operator with 1 prime mover, one tandem axle dolly and two semi-trailers will save **\$1,375 each year**.
- An operator purchasing a \$75,000 trailer will save **\$2,850**.

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NSW Heavy Vehicle Registration and Stamp Duty Concessions

1. Question

What types of operators will be eligible for the concessions?

Answer

All transport operators will be eligible for the stamp duty exemption (pending legislative change) and converter dolly rebates.

The spare trailer rebate will apply to a broad section of smaller, low kilometre freight operators such as regional freight operators, road train operators and small trucking companies in urban areas.

2. Question

How will the spare trailer discount work?

Answer

Operators with one or two hauling units (prime movers and rigid trucks), and no more than five trailers will be eligible for the spare trailer discount.

Operators will be eligible for a rebate of 50 per cent of the national registration charges for each trailer in-excess of the number of hauling units. Where there are eligible trailers which have differing registration charges, the spare trailer rebate will be applied to that with the lowest registration charge. The spare trailer discount will not apply converter dollies as these are covered separately by the converter dolly rebate.

3. Question

How much will operators save?

Answer

Examples of cost savings to road freight operators are shown in the table overleaf on Page 4.

4. Question

When will the concessions be introduced?

Answer

To enable relevant legislation to be introduced, the rebate concessions are expected to be implemented no later than 1 September 2012. Freight operators who pay converter dolly and trailer registration charges between 1 July and the implementation date will be eligible for the discounts. The stamp duty exemption for new trailers will apply only after legislation has successfully been passed in NSW Parliament.

5. Question

How will operators receive the rebates?

Answer

Initially, operators will be required to pay the relevant charges in full at the time of registration or sale, and apply through Roads and Maritime Services (RMS) for the relevant concession.

Concessions will then be provided as a refund or as a credit to be used in the future. Concessions will ultimately be built into RMS registration systems to remove the need to apply for rebates.

Example of operator	1 July 2012 National Registration Charge (per unit)	Total National Registration Charges payable before industry assistance package*	Total National Registration Charges payable after industry assistance package*	Cost saving to operator
Spare Trailer Rebate				
Truck & Dog operator				
1 x 4-axle rigid 42.5 GVM	9361	9361	9361	
2 x 3 axle dog trailers	1650	3300	2475	
Total charges		\$12,661	\$11,836	\$825
Semi-trailer operator 1				
1 x 3 axle Prime Mover	4744	4744	4744	
2 x 3 axle Semi trailer	1650	3300	2475	
Total charges		\$8,044	\$7,219	\$825
Semi-trailer operator 2				
2 x 3 axle Prime Mover	4744	9488	9488	
4 x 3 axle Semi trailer	1650	8250	4950	
1 x 2 axle Semi-trailer	1100	1,100	550	
Total charges		\$18,838	\$14,988	\$3,850
B-double operator 1				
1 x 3 axle MC Prime Mover	9457	9457	9457	
1 x 3 axle A-trailer	3300	3300	3300	
2 x 3 axle Semi trailer	1650	3300	1650	
Total charges		\$16,057	\$14,407	\$1,650
B-double operator 2				
2 x 3 axle MC Prime Mover	9457	18914	18914	
2 x 3 axle A-trailer	3300	6600	6600	
3 x 3 axle Semi trailer	1650	4950	2475	
Total charges		\$30,464	\$27,989	\$2,475
Road train operator 1				
1 x 3 axle MC Prime Mover	9457	9457	9457	
1 x tandem axle dolly	1100	1100	550	
2 x 3 axle Semi trailer	1650	3300	2475	
Total charges		\$13,857	\$12,482	\$1,375
Road train operator 2				
2 x 3 axle MC Prime Mover	9457	18914	18914	
1 x tandem axle dolly	1100	1100	550	
1 x tri axle dolly	1650	1650	0	
4 x 3 axle Semi trailer	1650	6600	4950	
Total charges		\$28,264	\$24,414	\$3,850
Stamp Duty Exemption (requires an amendment to the Duties Act 1997)				
		Before	After	Cost saving
Operator purchasing new converter dolly valued at \$50,000				
Total cost of stamp duty		\$1,600	\$0	\$1,600
Operator purchasing new trailer valued at \$75,000				
Total cost of stamp duty		\$2,850	\$0	\$2,850
Operator purchasing new trailer valued at \$100,000				
Total cost of stamp duty		\$4,100	\$0	\$4,100

*Based on heavy vehicle charges as of July 1 2012, without application of industry assistance package, excludes registration fee of \$59 and inspection fee which will continue to apply.