

MEDIA RELEASE

Diesel tax hike will increase pressure on transport costs

Federal Government cuts across its own road safety reforms

The 2012-13 Budget commits the Federal Government to increasing the diesel tax for heavy vehicles by 2.4 cents per litre on 1 July 2012, an increase of 10.4% in a single year.

“This is by far the largest annual increase in the diesel tax that has ever been proposed,” said John Beer, National President of the ALRTA.

“It sharply increases costs for the trucking industry. It comes just three months after the Government persuaded the Parliament to pass ‘Safe Rates’ legislation – on the grounds that the trucking industry is under intolerable cost pressures”

“Inside the transport industry, this will sharply increase cost pressures. It’s hard to see how Government is being consistent here.”

Just three months ago, the Federal Parliament agreed that the transport industry is under so much cost pressure that it creates road safety problems. The Parliament passed the ‘*Road Safety Remuneration Bill*’ on 20 March to address these problems.

“That new road safety legislation won’t have any practical impact until 1 January 2013, at the earliest. It’s hard to see that the Government is being consistent here,” said John.

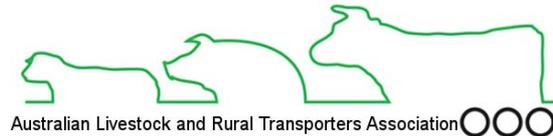
“And this cost increase will certainly push up the price of Australian exports, adding to the pressure caused by the high Australian dollar.”

“This tax hike won’t just affect transport companies. It will affect anyone who owns any kind of truck or other heavy vehicle and drives it out on public road.

“The Budget Papers show that this tax increase will cost Australian business \$698 million over the next four years.”

Farming businesses account for almost half of the registered heavy vehicles in Australia [1]. The tax rebates available to farmers who use diesel on their own property do not apply to the diesel used ‘on-road’ by trucks owned by those businesses.

[1] Bureau of Transport and Regional Economics. *Working Paper 60: An overview of the Australian Road Freight Industry Transport Industry*. Canberra: BTRE, 2003.



About ALRTA

- 1) The Australian Livestock and Rural Transporters Association (ALRTA) represents 900 companies across regional Australia who provide the 'first and last' link of the supply chain for Australia's agricultural industries and communities.
- 2) Australian agriculture relies on ALRTA's members in order to access domestic and global markets. Almost all inputs to, and production from, Australian agriculture involves transport by truck.
- 3) Our members deliver the fertilizer, hay, feed, water, fuel and other supplies that Australia's farmers need to stay in business, and we deliver their grain, livestock, wool and other products to the domestic market and the nation's export ports.
- 4) Two-thirds of Australia's agricultural production is exported, comprising 20% of Australia's global merchandise exports.
- 5) Established in 1985, ALRTA is Australia's oldest purely policy-focused road transport industry association. ALRTA has no political affiliation and does not engage in industrial representation.
- 6) The National Council of the ALRTA is solely comprised of road transport operators, as are each State Council. ALRTA and its State bodies represent transport operators located in every Australian State and Territory. Our member operators are engaged in both short haul operations and long-distance haulage, extending to trans-continental movements. Our members provide services to remote stations, regional communities, coastal urban areas and regional and metropolitan ports.
- 7) The ALRTA is a member of the Australian Logistics Council (ALC), the Australian Trucking Association (ATA), and the Council of Small Businesses of Australia (COSBOA).