MEDIA RELEASE



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TRUCK CHARGES MUST BE SET INDEPENDENTLY

The trucking industry has welcomed the release of the Australian Government's discussion paper on options for an independent price regulator for heavy vehicle charges.

The Chair of the Australian Trucking Association, Geoff Crouch, said the ATA had long been an advocate for an independent price regulator to set truck charges.

"The Government has made an important step towards that goal by consulting on options for how an independent price regulator can be set up," Mr Crouch said.

"Truck charges need to be set at arm's length from government so they fairly represent the costs of heavy vehicles on the road network.

"As the discussion paper recognises, the current charging system is not working. When the National Transport Commission – an independent government body – found that the current system overcharged truck and bus operators, governments chose to freeze revenue instead of cutting charges to a fair level.

"Truck and bus operators will be overcharged for their use of the roads by more than half a billion dollars across the freeze period, 2016-17 and 2017-18.

"The ATA will work with our member organisations to provide the Government with recommendations on setting up the independent regulator."

Truck and bus operators pay for their use of the roads through a fuel based road user charge, administered as a reduction in their fuel tax credits, and very high registration charges.

The Government has confirmed that the road user charge will reduce from 25.9 to 25.8 cents per litre from 1 July 2017.

"Trucking businesses operate on tight margins, and the confirmation of the reduction in the truck fuel tax rate provides welcome certainty for industry," Mr Crouch said.

"The reduction delivers one of the recommendations of the ATA's 2017-18 pre-budget submission.

"Due to the growth in the amount of freight on our roads, the reduction was needed to deliver the Australian Government's part of the freeze on heavy vehicle revenue.

"Governments must agree to continue the revenue freeze beyond 30 June 2018 until the new independent price regulation system is established."

Australian Government discussion paper on options for an independent price regulator for heavy charges [link <u>www.infrastructure.gov.au/roads/heavy/index.aspx</u>]

The Minister's road user charge determination from 1 July 2017 [link https://www.legislation.gov.au/Details/F2017L00532]

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About the <u>Australian Trucking Association</u>: The ATA is the peak body representing the trucking industry. Its members include state and sector trucking associations, major logistics companies and businesses with leading expertise in truck technology. The ATA represents many thousands of trucking businesses, ranging from owner-drivers to large fleets.