

MEDIA RELEASE



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TRUCKING INDUSTRY WELCOMES NATION BUILDING PACKAGE

The Australian Trucking Association has welcomed the Government's nation building package, which will bring forward \$711 million in key road projects.

The Chairman of the ATA, Trevor Martyn, said the package recognised that building better roads would reduce freight transport costs and, as a result, keep costs down for everyone.

"The trucking industry carries 75 per cent of Australia's domestic freight, so helping us reduce our costs will deliver results across the whole economy," Mr Martyn said.

"Under the package, the Government will bring forward \$711 million in funding to 2008-09 and 2009-10 to speed up the construction of 14 major road projects.

"These projects include the Woomargama and Tarcutta bypasses on the Hume Highway, which will now be completed by late 2011. Once these bypasses are finished, the highway through Holbrook will be the only two-lane section left between Melbourne and Sydney. It is due to be finished by 2012."

Mr Martyn said the big gains in productivity would come from allowing the trucking industry to use bigger, safer trucks on some of the newly upgraded roads, such as the Hume Highway and the Western Ring Road in Melbourne.

"We could dramatically reduce our costs – and the cost of goods on supermarket shelves – by using high productivity vehicles, but the state governments are holding back this important reform.

"For example, the state governments are insisting that trucking companies fit extra tracking equipment to their trucks under the Intelligent Access Program, even though many operators have already invested in their own equipment and see no reason to duplicate it."

Mr Martyn welcomed the Government's decision to inject an extra \$1.2 billion into the Australian Rail Track Corporation without reducing its spending on roads. A significant proportion of the rail funding is aimed at increasing the capacity of the Hunter Valley coal lines.

He said that many trucking businesses would also benefit from the ten per cent investment allowance in the package.

"From today until 30 June 2009, businesses will receive an additional tax deduction equal to 10 per cent of the cost of the qualifying assets that they purchase. It applies to tangible depreciating assets that cost more than \$10,000, including prime movers and trailers.

"The extra allowance will enable some trucking companies to continue with their plans to buy new equipment. It is also an opportunity for companies to invest in new, fuel efficient trucks," he said.

But Mr Martyn warned that many small trucking companies would not benefit from the 20 per cent cut in the December 2008 PAYG instalment.

“The PAYG instalment reduction will apply to small businesses with a turnover of less than \$2 million a year, which is the equivalent of a trucking business with six or seven trucks. There are about 30,000 of these operators.

“At the moment, however, many of these companies are doing it so tough that their quarterly PAYG instalments are close to zero,” he said.

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