



**MEDIA RELEASE**

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## **VTA advocates for COVID compliance cost recovery**

Victorian Transport Association CEO Peter Anderson has written to transport operators encouraging them to consider ways to recover the massive cost of compliance that COVID regulations and requirements have cost the freight and logistics industry.

In a letter to members today, Anderson outlined how COVID-19 restrictions has presented financial, economic and social pressures on communities not seen in decades, with lockdowns, closures and hibernation of trade causing many businesses to collapse and not invest in their futures.

“The transport and logistics industry, even though it has remained working as an essential service, has not escaped the many constraints and additional demands of customers and consumers,” Anderson said. “The disciplines, systems and diligence we have introduced to maintain a COVID free environment has been exceptional and exceeded the government recommendations on almost every occasion.

“This work has not come ‘free of cost’, however. The costs of maintaining the structure and integrity of these supply chains have risen exponentially based upon the ever-changing directions, orders and encumbrances placed upon this industry sector due to COVID restrictions.”

Examples of practices that have created additional compliance costs for operators include Personal Protection Equipment, Training and Education, Border Crossing Regulation, COVID Plans and Marshalls, Mandatory Vaccination & Record-Keeping, Labour Shortages, and Increasing Entitlement Costs.

“Being able to maintain the structures, disciplines and processes to provide the services that are demanded of customers and consumers cannot be easily absorbed within current cost structures and pricing,” Anderson said. “For these reasons, transport and logistics operators must take prudent steps to recover COVID compliance costs by factoring them into their pricing of direct movement of goods within the community.”

Anderson said cost recovery should be based upon the relative quantifiable increase in costs, together with other factors that impact a costing model or set service price.

“It should not be based upon a rise and fall mechanism; rather, it should directly apply to material costs to business created by the application of COVID Safe practices. How that may be determined should vary from the current application of the fuel surcharge that is linked to a monthly published fuel price,” he said.

“Pricing variations should be voluntary and only be in place for as long as jurisdictions remain in a state of emergency and under chief health officer orders. As with any cost increase or variation, it is important customers are given fair notice and that they understand the demonstrable need for transport businesses to remain sustainable and viable.”

The VTA will support members and the industry by highlighting to all stakeholders that operators need to recover COVID compliance costs to remain viable and sustainable.

**Ends...**

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