



**MEDIA RELEASE**

**30 March 2022**

## **VTA welcomes cost relief in Federal Budget**

The Victorian Transport Association has welcomed relief on fuel and other costs contained in the Federal Budget delivered last night by Treasurer Josh Frydenberg and will advocate for freight drivers to be added to a list of priority workers eligible for new apprenticeship support.

“The halving of the fuel excise from 44 to 22 cents per litre for the next six months will provide immediate relief for road transport operators on their greatest expense, other than wages,” said VTA CEO Peter Anderson.

“While we would have preferred a Road User Charge reduction to ease supply chain cost pressures, we welcome the lower fuel excise, noting it must remain temporary so as not to jeopardise the long term and much needed transport infrastructure it is intended to fund. It is important that operators factor the temporary nature of the reduction into their costs, with the hope that external factors that have pushed prices higher will ease later in the year.”

The Budget also contained important measures to increase workforce participation and address the skills shortages that have been felt throughout the economy. From July 1, apprentices employed in “priority industries” will be eligible for funding to help offset their training costs, with their employers also eligible for apprenticeship wage subsidies.

“The VTA will be advocating very strongly for heavy vehicle drivers to be added to this priority list given the labour shortages that are rife across the industry,” Anderson said. “As we learned from Australian Industry Standards CEO Paul Walsh at the State Conference last week, the pathway to professionalising the heavy vehicle driver is through apprenticeships, underscoring the importance of the government recognising freight drivers as a priority occupation.”

Victorian transport infrastructure investments contained in the Budget include:

- \$3.1 billion for the Melbourne Intermodal Terminal Package;
- \$1.2 billion for the Beveridge Interstate Freight Terminal;
- \$920 million for the Outer Metropolitan Ring - South Rail connection to the Western Interstate Freight Terminal;
- \$740 million for the Western Interstate Freight Terminal; and
- \$109.5 million for the Mickleham Road Upgrade.

“Transport infrastructure investments are critical for attaining better intermodal connectivity in our freight networks, which will ultimately benefit every mode of transport,” Anderson said.

Anderson said notwithstanding the measures in the budget to alleviate cost of living pressures, Australian businesses – including freight operators – will continue to face enormous challenges over the coming months.



“Expected higher inflation and interest rates may well offset some of the temporary relief in the budget, so it is important to be vigilant in identifying higher business costs and passing them through the supply chain.

“The VTA offers members numerous resources to assist members in understanding how price fluctuations might impact their business. Please contact our secretariat on 03 9646 8590 for information on how to access these resources,” Anderson said.

**Ends...**

**For further information please contact Brian O’Neil on 0411 055 284**