

Diesel prices hit Border transport companies Carrying heavy load



● Mr Haslam — \$3000 a month for diesel.

THE Border's transport industry is buckling under the pressure of rising diesel prices.

Major freight companies are hurting with costs almost 40 per cent higher than last year while bus companies are battling to absorb extra costs for quotes made before the fuel price surge hit.

Couriers have not escaped, either, with forecast prices of \$1.60 threatening to end businesses.

Border Express manager Geoff Luff said the haulage company had been forced to cancel an Adelaide job when the customer refused to pay a fuel levy.

"Another customer that does Melbourne to Canberra wouldn't pay it and we said that if you want to use us, that's what you have to pay," he said.

Mr Luff said the company's fuel prices, which are GST-free and include an 18.5c Federal Government discount, had jumped 10.5c since June.

"This week it's 107.5c but if you take it



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from June 6 it was 97c and then it went up to \$1 and then 103c and 105c ... before it reached it's highest on July 18 at 109c," he said.

Mr Luff said the company had imposed a 9 per cent fuel levy to recoup costs.

"Historically transport makes 3c or 4c in the dollar so your fuel surcharge should be 9 per cent; if you don't get a fuel surcharge, it means you're going out the door backwards," he said.

Mr Luff said he didn't include fuel costs in his base rates because prices were volatile and he adjusted levies by the month.

He said if fuel prices continued to rise so would Border Express's fuel levy.

"Fuel is 19 per cent of our costs, basically one-fifth, so if prices go up by 50c that means our fuel surcharge will go up 10c," Mr Luff said.

He said he dropped the levy when prices decreased.

Ron Finemore, of Ron Finemore's Transport, said fuel accounted for 30 to 35 per cent of the company's costs and diesel prices had jumped 37 per cent in the past 13 months.

"There's no choice but to recover the cost from customers," he said.

"Our rates have gone up between 11 and 15 per cent.

"Without that it would be costing us a heap of money because our margins are only 5 per cent."

Martins Albury general manager Lionel Gillman said the fuel price rise was having a devastating effect.

He said the company had been losing

money on charters and tours booked six months ago when diesel was lower.

"We have to honour those quotes and we're trying to keep up with it."

On ticketed city buses, a litre of diesel was used every 3km and the rising costs could not be passed on because the NSW Government set fares.

Independent couriers such as Trevor Rhodes, of Crockett's Couriers and Neil's Kwik Freight and Kevin Haslam, of Kev's Parcels to Pallets, say fuel prices are killing their businesses.

Mr Rhodes said the cost of fuel had risen from 87c two years ago to \$1.32 and he lifted his rates 10 per cent in July, while Mr Haslam was forking out \$3000 a month for diesel.

Mr Haslam's said his rates would have to rise, too — some jobs from Albury to Wodonga at \$5.50 lost money.

"But you have to do those jobs and others for very little profit just to keep the business," he said.



● Mr McMillan's fuel bill is \$11,800 higher a month since fuel costs increased.

When it gets to \$2 a litre, Doug can say no

DOUG McMillan wishes the price of diesel would hurry up and reach \$2 a litre.

The D and P Haulage owner is paying \$11,800 more for fuel every month than he was six months ago but is struggling to recoup the price rise.

Mr McMillan said 80 per cent of his customers refuse to pay a fuel levy and escalating fuel prices were quickly eating away his savings.

He said if fuel hit \$2 a litre, he could refuse to work unless customers agreed to a surcharge.

"The quicker the fuel gets to \$2 a litre the better," Mr McMillan said.

"With the price just sneaking up a few cents

every few days I can't negotiate a fuel levy.

"If it went to \$2 a litre, I could say I can't turn the key unless someone pays for the load."

Diesel for his five trucks now equates to a sizable chunk of Mr McMillan's costs with a fuel bill of \$63,800 rolling in each month.

At the start of the year, the account was about \$54,000.

"My fuel costs have progressively gone up between \$3000 and \$4000 extra a month," Mr McMillan said.

Of the extra \$11,800 now on his monthly bill Mr McMillan said he recoups about \$1200 in subsidies.

"I'm having to use money I make through industry teaching but that is fast running out," he said.

Mr McMillan said he had been forced to change his account payment dates from a 30 or 60-day cycle to paying every 90 days.

"I don't like to do that but it's very tough times," he said.

As an owner-driver who operates as a subcontractor Mr McMillan said he was "a price taker not a price setter" and it was difficult to recover fuel costs from customers.

Mr McMillan said the most he had paid for diesel so far was \$1.50 at Alice Springs.

Unions push for compensation

EMPLOYERS will be pushed to compensate workers for the rising cost of fuel following a decision by one of Australia's most powerful unions yesterday.

The national executive committee of the big Construction Forestry Mining and Energy Union yesterday resolved to pass on ballooning petrol prices directly to employers.

The union says it will make compensation for the high cost of fuel a component of any new enterprise agreements it negotiates on behalf of its tens of thousands of members.

CFMEU national secretary John Maitland said the union had not yet determined how much it would ask employers to pay but the amount would likely be calculated as a percentage of workers' weekly petrol costs.

"We are very much responding to a huge outcry by our members about what's taking place, particularly those in regional and rural Australia who have no choice because they can't use public transport," Mr Maitland said.

Petrol price rises were costing workers up to \$50 extra a week and in many cases had wiped out any wage rises for the year, he said.

"There's been a huge outcry in the community for the Government to do something but the Government's done nothing and just said it's market forces."

Segments of the construction industry already recognised the need to compensate workers for travel expenses but the union planned to extend the scope of those provisions, Mr Maitland said.

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