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**ROAD TRANSPORT INDUSTRY HAS SHOULDER TO THE WHEEL IN ECONOMIC REVOVERY PHASE**

***ISUZU Comment: Andrew Harbison, IAL Director and Chief Operating Officer***

Overcoming supply chain disruption, significant changes to border restrictions and an entirely new set of health and safety guidelines, including the recent [Freight Movement Protocol](https://www.infrastructure.gov.au/vehicles/vehicle_regulation/files/freight-movement-code-for-the-domestic-border-controls.pdf), Australian transport operators have proved sufficiently agile to support a nation under duress.

It has been especially heartening to see that as Victoria comes out of its second virus wave, optimism and confidence in road transport in the southern state is buoyant, with [94 per cent of operators](https://www.fullyloaded.com.au/industry-news/2010/victorian-industry-optimism-continues-to-defy-pandemic) agreeing their businesses will go on to be more prosperous, post-COVID.

There’s no doubt this optimism is directly correlated with record volumes of freight and marked increase in online shopping, but some credit may be given to the government’s sweeping fiscal stimulus measures required in the first half of the year—prominently, [JobKeeper,](https://www.ato.gov.au/general/jobkeeper-payment/) [boosting cash flow](https://business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business/boosting-cash-flow-for-employers), [the increased instant asset write-off and Backing Business Investment](https://content.isuzu.com.au/news-media/covid-19-stimulus-package-what-when-how/)—all of which we must acknowledge have floated business confidence, even in Victoria.

But in saying this, as always, I acknowledge road transport has remained comparatively above water compared with industries critically affected by social and public health restrictions.

As the steadfast performance of the trucking community goes duly recognised throughout this year, it is also important to recognise the ongoing contribution our industry will make to Australia’s future economic recovery. In light of this, the intent behind the 2020-21 federal budget, with its core focus on sustainable growth and jobs in a diversified economy, will signal further positive outcomes for road transport.

**A roadmap out**

Amongst the range of announcements made on the night, there are key messages around investment and support for business operations to take away from the federal budget this year.

On the micro level, a range of [additional personal income tax relief](https://budget.gov.au/2020-21/content/factsheets/download/tax_fact-sheet.pdf) and backing actions for small and medium businesses is welcome news. Announced measures including [uncapped, immediate write-off for depreciable assets](https://www.smallbusiness.nsw.gov.au/news/federal-budget-202021-assistance-small-business) (building on the existing instant-asset write-off scheme) and [temporary loss carry back](https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Loss-carry-back/) can only help to boost business spending, with a flow through to the wider economy.

It is also good to finally see the spotlight on skills training, with [the FBT exemption](https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/boost-skills-training-fringe-benefits-tax-exemption) encouraging for both employers and employees transitioning to new employment opportunities. With skills shortages evident in our own industry, including a [broad gap in trained technicians](https://www.dieselnews.com.au/solving-australias-automotive-skills-shortage/) and more recent demand for skilled drivers, this is a measure of which we can and should take advantage.

In concert with the pre-announced federal and state [JobTrainer Fund](https://www.dese.gov.au/jobtrainer-fund), the budget’s [Boosting Apprenticeship Commencements](https://www.employment.gov.au/boosting-apprenticeship-commencements)—which aims to back 100,000 new apprentices across Australia—is a vital move in getting job seekers and young people back to work quickly. This is further supported by the [JobMaker Hiring Credit](https://www.ato.gov.au/General/New-legislation/The-Australian-Government-s-economic-response-to-coronavirus/JobMaker-Hiring-Credit/) scheme. And no doubt there is room for debate on the details here, but these are a required step toward generating new jobs in growing areas.

**Building boom**

On the topic of growth, the 2020-21 budget’s macro focus on infrastructure development and manufacturing is a sound way to boost local jobs and revenue for a broad range of businesses.

A commitment of [$110 billion for land transport infrastructure](https://investment.infrastructure.gov.au/about/budget.aspx) over 10 years is a good start. A further $1 billion to the Local Roads and Community Infrastructure Program and significant additional funding for the Road Safety Program. It is good news for all road users, but greater news for road transport in helping to meet the national freight challenge, and in supporting interconnected trades and construction businesses.

Expectedly, manufacturing is back in headlines, with $1.5 billion over four years committed to [identified manufacturing priorities](https://www.minister.industry.gov.au/ministers/karenandrews/media-releases/2020-21-budget-manufacturing-australias-future) including resources technology, critical minerals processing, and recycling and clean energy.

Continued investment in manufacturing projects is an important factor in strengthening what has sadly been a [critical but declining industry](https://www.rba.gov.au/publications/bulletin/2016/jun/pdf/bu-0616-4.pdf), and our competitiveness in the international market.

Tied in with this is renewed attention to Research and Development (R&D), which has been wholly welcomed across the board. A [refundable R&D tax offset](https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Better-targeting-the-Research-and-Development-Tax-Incentive/), generously appointed for small and larger companies, gives businesses a chance to spread wings and foster new ideas.

Like many of you, I believe our industry has the fundamentals to be a leader of innovation in this country, and with economic encouragement, I have no doubt we will achieve this. Indeed, the Australian road transport industry has proven this many times over, especially during the pandemic.

**Big thinking, forward momentum**

If the COVID-19 situation has taught us anything, it is the strength and resilience of essential operators under pressure, and the ability of businesses to pivot meaningfully with demand. This came to a head with the challenges faced in domestic and global supply chains processes, and really brought to mind the notion business supply chains are dependent on *everyone* succeeding—from last-mile delivery to the origins of the production line.

From this perspective it has been a lesson in strategy to see freight companies like the [Glen Cameron Group](https://www.ownerdriver.com.au/industry-news/2008/test-of-resolve) shifting to a more [fluid operating environment](https://www.fullyloaded.com.au/industry-news/2008/glen-cameron-group-test-of-resolve), delivering goods and supplies. Similarly, Woolworths [large-scale acquisition in PFD Food Services](https://www.afr.com/street-talk/woolworths-buys-552m-stake-in-pfd-food-services-20200819-p55n3k) has again highlighted the value of collaboration in overcoming logistics challenges.

In the truly forward-thinking industry of Aussie road transport, I have every confidence we will be seizing opportunities like this with both hands. In doing so, we can diversify to meet new challenges and support our nation’s need for economic growth in the coming years.

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