

Costarosa Pty Ltd Trading As

M & T CUTTS HAULAGE

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Senate Economics Committee

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2 pages

14/9/08

To : Nola Marino
Member for Forrest
PO Box 2028
Bunbury WA 6231.

Re: Gas Explosion Varanus Island

Dear Ms Marino,

We are a small company operating only 9 trucks, 8 as double road trains with 1 as a spare; we have 16 trailers and 8 dollies.

Before the gas crisis we had 8 trucks working full time contracted to

- Plantation Logging (Local)
- Dawsons Contracting (Local)
- Brookes Transport (a local division of K & S Freightlines)
- Milross Grains (Local)
- Sims Metals (Port Hedland)

On the 6th June 2 units were stood down and on the 20th June another 2 units were stood down until the gas crisis is over and businesses have recovered and back on track. It was initially thought that the crisis would only be for 3-4 weeks so to cope with the situation for the short term we bought forward maintenance on every unit ,truck's, trailer's , and dollies at a significant cost.

Drivers were sent on holidays and this has used up their entitlements. Although we have had to let one driver go we have been paying drivers to stay at home some days so that we did not have to dismiss them , because when the work becomes available we need to know that we have the drivers readily available and not have to worry about finding new drivers and get them inducted and trained.

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At present of the 4 units stood down 2 are back at work at 80 - 90% capacity and 1 at 50% capacity. We are aware that the crisis is coming to and end but we have been informed by the companies' we contract to that we will not be working at full capacity until Jan / Feb 2009.

In the month prior to the Varanus Island explosion our business was doing ok having turned over approximately \$400,000 for the month of May. As a direct result of the explosion in June, July and August our turnover has halved. Previously we had been trying to absorb the regular increase in the cost of fuel, but the downturn in work since the gas crisis started and the fuel prices combined have stretched our limited resources to breaking point. We have applied to the various finance companies we deal with to have our equipment loans deferred but things are still very tight. We have been considering selling our family home to try and save the business and this is putting a constant strain on our personal and family life (stress levels are exceptionally high).

Regards

Maurice and Tracey Cutts
Directors
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