

MEDIA RELEASE



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FUEL TAX INDEXATION WILL NOT AFFECT GROCERY PRICES

The Government's decision to reintroduce fuel tax indexation will not affect the net fuel price paid by trucking operators, the Chief Executive of the Australian Trucking Association, Stuart St Clair, said today.

As a result, the decision will not affect freight costs or grocery prices.

In the Budget this evening, the Government announced that the fuel tax rate will increase twice a year in line with inflation, starting on 1 August 2014. The fuel tax rate has been frozen at 38.143 cents per litre since 2001.

Mr St Clair said the decision would not increase the net fuel price paid by trucking operators because of the fuel tax credits system.

"Under the fuel tax credits system, businesses can claim fuel tax credits for each litre of fuel they buy for use in trucks that meet one of four environmental criteria," Mr St Clair said.

"Businesses can claim for the full amount of tax they paid on the fuel when they bought it, minus the road user charge, currently 26.14 cents per litre. As a result, the twice-yearly indexation of the fuel tax rate will result in matching increases in the fuel tax credits operators can claim."

Mr St Clair welcomed the Government's decision not to change the fuel tax credits system.

"The ATA pressed the Government to keep the fuel tax credits system as it is, despite suggestions that it could take a haircut," he said.

"The Government's decision is a win for the trucking industry. The fuel tax credits system helps reduce the cost of transporting freight and keeps our exporters competitive."

Mr St Clair said the trucking industry more than paid its way on the road system through the road user charge and very high registration charges.

"Last year, the National Transport Commission concluded that the truck and bus industries would be overcharged by \$232 million in 2014-15. The Government's decision not to increase the road user charge this year will reduce the level of overcharging, but we will still pay \$200 million too much."

He said the Government's infrastructure investment package would deliver the roads the trucking industry will need to do its job as the economy grows.

"Australia's road freight will almost double by 2030. The Government's investment will make the roads safer and deliver improved productivity," he said.

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About the [ATA](http://www.ata.net.au): The ATA is the peak body representing trucking operators. Its members include state and sector transport associations, some of Australia's largest logistics companies and businesses with leading expertise in truck technology.

A safe, professional and viable trucking industry