MEDIA RELEASE

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ATA WELCOMES AGREEMENT ON FUEL TAX INDEXATION

The Australian Trucking Association (ATA) has welcomed the agreement between the Australian Government and the Opposition to pass legislation confirming the re-introduction of fuel tax indexation. The agreement will provide security for trucking businesses and additional funding for roads.

The Government reintroduced fuel tax indexation on 30 October 2014 through a 12 month tariff proposal. As a result, the fuel tax rate increased from 38.143 cents per litre to 38.6 cents per litre on 10 November 2014, and then to 38.9 cents per litre on 2 February.

The Government and the Opposition have now reached an agreement to pass legislation making the policy permanent, with all revenue dedicated to road infrastructure.

ATA CEO Christopher Melham said the agreement removed a potential financial burden on trucking businesses that could have occurred if the legislation did not pass by October.

“The trucking industry is protected from the increase in fuel tax, because our fuel tax credits automatically increase by the same amount,” Mr Melham said.

“However, if legislation ratifying the tariff proposals is not passed before 30 October, then trucking businesses would have to repay the extra fuel tax credits they received.

“For an owner driver, this could be around $750. A small fleet operator could be required to pay back an extra $4,100; a larger trucking business could be required to return more than $41,900.

“To add insult to injury, the extra fuel tax they paid over that time would have been re-paid to the fuel companies, not the individual trucking businesses.

“Thanks to this agreement between the Government and the Opposition, trucking businesses can now have confidence that they will not have to repay their extra fuel tax credits. I congratulate both sides on working together to reach this excellent outcome.”

As part of the agreement, the Government has announced that the tax increases will be dedicated to road infrastructure, and provide an additional $1.105 billion in funding for the Roads to Recovery Program over the next two years.

Labor’s media release said the prospect of billions of dollars being returned to oil companies was unacceptable, and the deal would see the money spent on roads in regional and outer suburban areas rather than handed back to multinational companies.

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