

Fuel tax credits



Powering Regional Australia



WELCOME SUPPORT FOR FUEL TAX CREDIT SCHEME FROM LABOR **Statement from the Fuel Tax Credit Coalition**



The Fuel Tax Credit Coalition welcomes the unequivocal support from Opposition Leader Bill Shorten for the retaining the Fuel Tax Credit Scheme.



Mr Shorten's statement that 'We will keep the diesel fuel rebate for mining companies' confirms that he understands that the scheme is sound taxation policy that avoids double taxation on Australia's wealth-producing industries.



The Opposition Leader's support for the scheme further refutes claims that the fuel tax credits are a subsidy and accords with advice from Treasury.



In its 2011 submission to the G20 Energy Experts Group, Treasury stated:

"Fuel Tax Credits are not a subsidy for fuel use, but a mechanism to reduce or remove the incidence of excise or duty levied on the fuel used by business off road or in heavy on-road vehicles."



The Fuel Tax Credit Scheme is vital to the competitiveness of industries operating in regional Australia.

Large export earning industries such as mining, agriculture and tourism rely on diesel to operate heavy machinery off-road and to operate in remote areas off the electricity grid.



Any changes to existing Fuel Tax Credit arrangements would amount to a new tax on regional and rural Australia and would hit industries and jobs in Northern Australia particularly hard.



Given his strong support for the fuel tax credit scheme, we urge Mr Shorten to contact those members of the Labor caucus who don't support the scheme to explain to them the importance of retaining the policy.



The Fuel Tax Credit Coalition released a publication earlier this year highlighting the importance of the scheme and can be accessed here:

http://www.minerals.org.au/file_upload/files/publications/Fuel_tax_credits_publication.pdf



ENDS.



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