



Issued 11 December 2018

Fuel Tax Credit Scheme is not a Subsidy says PGA

Fuel tax credits are not a fossil fuel subsidy for big business and should not be scrapped to fund the Greens' free education program according to the Pastoralists and Graziers Association.

Under the Greens' higher education plan, university and TAFE student fees would be removed by removing the Fuel Tax Credit Scheme, which Greens' leader Senator Richard Di Natale has labelled a 'fossil fuel subsidy for big business'.

"The Fuel Tax Credit Scheme is not a subsidy," Pastoralists and Graziers Association President Tony Seabrook said.

"It was introduced as the most efficient way to charge all road users the same upfront price for fuel based on the premise that the more you use the roads, the more fuel you use and the more tax you pay.

"Removing the rebate means that primary industry is paying a road funding excise for no roads. This is the equivalent of paying a bank fee for no service!"

"Australia's key economic strengths lie in its commodity exports, such as agriculture and mining," Mr Seabrook said.

"Reducing or abolishing fuel tax credits will only increase industry costs, adding another tax on the production of all of these exports, thus reducing our international competitiveness, resulting in potential mine closures, farm bankruptcies, and unviable pastoral stations.

"This would be an unfair tax hike to those industries, like agriculture, where diesel is a significant operating cost, and a kick in the guts to many farmers and pastoralists, especially those who are dealing with drought conditions in the Eastern States.

(ends) Issued by PGAWA.

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