Meeting with Dr Cassandra Goldie – Australian Council of Social Services (ACOSS)

Tuesday 22 April 2025, 2:00-3:00pm

Dr Cassandra Goldie is CEO of ACOSS and Adjunct Professor with UNSW Sydney. She has held senior roles in both the not-for-profit and public sectors, including with the Australian Human Rights Commission and Darwin Community Legal Service. Dr Goldie has a PhD from UNSW Sydney and a Master of Law from University College London. She is also a member of the Economic Inclusion Advisory Committee.

Other Attendees:

s 22

[redacted]

Treasury: Steven Kennedy (Secretary), Damien White (Deputy Secretary, Fiscal Group).

Meeting purpose

- ACOSS CEO, Dr Goldie, requested this meeting to have an informal policy discussion on issues regarding tax reform, poverty measurement, home energy efficiency, commissioning for publicly funded services and peak body funding. A formal agenda is at Attachment A.

s 22

[redacted]

Additional Information

Fuel Tax Credits

- Under ACOSS' "Tax reforms for a fair future" recommended election priority, ACOSS called for the immediate removal of the fuel tax credit for non-agricultural uses (including mining) to reduce fossil fuel emissions and generate the revenue needed to invest in the energy transition and fund essential services.

- ACOSS' pre-Budget Submission also characterised fuel tax credits as a fossil fuel subsidy and recommended that they be abolished for off-road fuel use, to encourage businesses to increase their fuel efficiency or switch fuel types.[8]

  – The fuel tax credit scheme is available to all eligible businesses, including in the transport industry. The scheme aims to remove the tax burden on fuel used when producing goods and services. Generally, business inputs are exempt from taxation, to minimise distortion between inputs.

  – Tax credits paid out on eligible fuel for business activities are the same as the tax revenues collected on that fuel. There is no net payment from Government. Consequently, there is no subsidy, just as a tax refund for income tax paid does not constitute a subsidy.

  – On the topic of switching fuel types, Treasury notes that alternative fuels, such as renewable diesel and biodiesel blends, are also eligible to receive fuel tax credits for relevant business activities.

s 22

[redacted]

[8] Ibid, p 49.

Australian Government
The Treasury

Ministerial Submission

MS25-000179

FOR ACTION - 2025–26 Pre-Budget submission summaries

TO: Treasurer - The Hon Jim Chalmers MP

TIMING

s 22 [redacted]

Recommendation

- s 22 [redacted]

[redacted]

Signature	Date: / /2025

KEY POINTS

- On 21 November 2024 the Government called for submissions on priorities for the 2025-26 Budget. The consultation period formally closed on 31 January 2025, although Treasury continues to accept late submission via email. Treasury received over 1,050 submissions through the process.

s 22 [redacted]

- Consistent with previous practice, we intend to publish non-confidential submissions on the Treasury website. In recent years submissions have been published between one and three weeks before the Budget. We will work with your office to finalise a publication date, and publish non-confidential submissions made up until that date.

<u>Clearance Officer</u> s 22 [redacted] Director Stakeholder Liaison Unit 17 February 2024 *note: reference to 2024 is an error. This should reference 2025 instead.	<u>Contact Officer</u> s 22 [redacted] Analyst Stakeholder Liaison Unit s 22 [redacted]

s 22 [redacted]

ATTACHMENTS

A: 2025–26 Pre-Budget submission summaries

Attachment A – Summary of key submissions

Contents

Australian Conservation Foundation

Summary of proposals	Treasury comments
s 22 [redacted]	[redacted]
End support for coal and gas s 22 [redacted] and remove access to the fuel excise tax rebate for fossil fuel companies. s 22 [redacted] s 22 [redacted]	s 22 [redacted]

Business Council of Australia

Summary of proposals	Treasury comments
s 22 [redacted]	
Pursue productivity-enhancing tax reform s 22 [redacted] s 22 [redacted] and do not remove or make adverse changes to the Fuel Tax Credit Scheme. s 22 [redacted]	• Treasury supports a focus on tax reform to ensure that the tax system remains fit for the economy. • s 22 [redacted] s 22 [redacted] or s 22 [redacted] Tax Framework Unit / Ext: s 22 [redacted] or s 22 [redacted] s 22 [redacted]
s 22 [redacted]	

s 22 [redacted] Fuel s 22 [redacted] s 22 [redacted] Excise Indexation

KEY FACTS AND FIGURES

s 22 [redacted]

FUEL EXCISE

- As a result of indexation in February 2025, the excise rate for petrol and diesel increased by 0.2 cents, from 50.6 cents per litre to 50.8 cents per litre.
- The revenue attributable to indexation of fuel excise since 2014, when indexation was reintroduced, is hypothecated to the States and Territories for road funding via the Fuel Indexation (Road Funding) Special Account.
  - For 2022-23, $1,773 million was credited to the Special Account.
- Fuel tax credits (FTC) ensure that fuel used as a business input is not subject to taxation.
  - Businesses who use fuel for off-road purposes, such as mining or farming receive all excise back as FTCs.
  - Businesses who drive heavy vehicles on-road recieve FTCs reduced by the Road User Charge (RUC). The RUC is currently 30.5 cents.

s 22 [redacted]

Office Responsible	Treasurer - The Hon Jim Chalmers MP	**Adviser**	s 22 [redacted]
Contact Officer	s 22 [redacted]	**Contact Number**	s 22 [redacted]
Division responsible	Personal and Indirect Tax and Charities Division		
Date of Update	25 March 2025		

s 22

[redacted]

<u>Heavy on-road prime mover – 1,100 L tank, diesel</u>

- For fuel used by eligible businesses driving heavy vehicles on public roads, there is no net impact for a business from indexation. The business will claim back any increase in fuel excise when claiming their FTCs. These FTCs will include the impact of the Road User Charge (RUC) of 30.5 cents.

- There is an upfront cash flow impact for this business, however. Using the average diesel price in Sydney CBD for the last week of January 2025 of $1.91, the upfront total cost of filling the tank completely increased by $2.42 from $2,101.00 to $2,103.42. The business will not get this back until they claim their FTCs back on their BAS, either monthly or quarterly. Any upfront increase in GST due to indexation will also be claimed as input tax credits on their BAS.

Office Responsible	Treasurer - The Hon Jim Chalmers MP	**Adviser**	s 22
Contact Officer	s 22	**Contact Number**	s 22
Division responsible	Personal and Indirect Tax and Charities Division		
Date of Update	26 March 2025		

s 22 [redacted] Fuel s 2 [redacted] s 22 [redacted] Excise Indexation

<u>Off-road use of excisable fuel – e.g. miners and farmers</u>

- Further to the cameos above, businesses eligible for full FTCs for off-road users of excisable fuels will be entitled to all increases back as FTCs or input tax credits, including amounts attributable to indexation.

s 22 [redacted]