Senator Ross Cadell
SHADOW MINISTER FOR WATER
SHADOW MINISTER FOR FISHERIES AND FORESTRY
SHADOW MINISTER FOR EMERGENCY MANAGEMENT
NATIONALS SENATOR FOR NSW

[redacted]

Re: Research Request – Fuel excise and fuel tax credits

Thank you for your interest petroleum fuel excise and fuel tax credits. I have commissioned a third party with expert knowledge in this field to conduct the research on behalf of the Office of Senator Ross Cadell. I trust you will find the information contained below useful, and please do not hesitate to reach out if you have any questions. I have looked into:

1. The total value of the fuel excise
2. the value of fuel tax credits (reimbursement of fuel excise) to individual sectors:
    a. Agriculture, forestry and fishing
    b. Primary production support
    c. Mining and quarrying
    d. Construction and earthmoving
    e. Manufacturing and industrial operations
    f. Marine transport and commercial vessels
    g. Rail transport
    h. Heavy vehicles (> 4.5t GVM)
    i. Electricity generation in remote areas
3. the number of registered vehicles in Australia, by vehicle classification.
4. the average number of km travelled by registered vehicles, broken down by vehicle classification.

Caveat

While every attempt has been made to provide you with a concise and accurate brief, it should not be regarded as comprehensive.

Fuel excise revenue

The total value of fuel excise is reported as a revenue item in *Budget Paper No.1, Budget Strategy and Outlook* each year and in the *Final Budget Outcome.*

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In the 2025-26 Budget, estimates of gross fuel excise receipts for that financial year are reported in Statement 4: Revenue, while outcomes for the previous financial year (2024-25) are reported in the Budget 2024-25 Final Budget Outcome (Table 1).

In 2024-25, gross excise collected on petrol and diesel was $24.6 billion, made up of $7.3 billion in revenues from petrol and $17.3 billion from diesel (Table 1).

Table 1 Australian government (cash) receipts

	Actual ($m)	Actual ($m)	Estimates ($m)			
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Excise and customs duty						
Petrol	6,941	7,306	7,450	7,600	7,800	8,100
Diesel	16,092	17,262	17,850	18,770	19,470	20,060
Total	**23,033**	**24,568**	**25,300**	**26,370**	**27,270**	**28,160**

Sources: Commonwealth Government, Budget 2025-26 Budget Paper no.1, p.103, and Budget 2024-25 Final Budget Outcome, p.6.

Fuel Tax Credit refunds

The Fuel Tax Credits (FTC) system subsequently refunds amounts paid in fuel tax to eligible businesses where the fuels are used for creditable purposes. Businesses can claim fuel tax credits equal to the full excise paid for eligible fuels they use in business activities on private roads, off public roads, and for non-fuel uses. Businesses can claim fuel tax credits for a portion of the excise paid on eligible fuels they use in heavy vehicles travelling on public roads if the vehicle meets certain conditions (e.g. it is used in carrying on a business, and has a gross vehicle mass (GVM) greater than 4.5 tonnes).

FTCs are therefore refundable tax offsets used to reduce the amount owed by a business in their BAS or, if the offset exceeds the amount owed, the business will receive a cash refund of the excess.

As the Parliamentary Budget Office explain, FTCs are treated as a budget expense rather than a reduction in revenue 'because they do not relate to tax actually paid by the taxpayer... and because the amount of the credits can be paid as a cash refund'.

Total FTC expenditure is reported in *Budget Paper No.1, Budget Strategy and Outlook* each year. In the 2025-26 Budget it is reported in *Statement 5: Expenses and Net Capital Investment* under the 'fuel and energy' sub-function (Table 2).

Table 2 Total Fuel Tax Credit expenses, 2024-25 to 2028-29

Program	Estimates ($m)				
	2024-25	2025-26	2026-27	2027-28	2028-29
Fuel Tax credits	10,151	10,805	11,515	12,254	13,107

Source: Commonwealth Government, Budget 2025-26 Budget Paper no.1, 136.

Net excise collections on petrol and diesel (excise *minus* amounts paid out in FTCs) are therefore significantly lower than the gross revenues listed in section 1 above.

FTC claims paid by sector

The Australian Taxation Office (ATO) publishes statistics on claims paid under the fuel tax credits scheme.

The latest release (published 27 June 2025), provides data on FTC claims paid by broad and fine industry sectors up to and including FY2023–24. These data are summarised for the specific sectors requested in Table 3 below. Note that, for some of the sectors requested, there was no direct match among the ATO's broad or fine industry classifications. In those cases, I have therefore provided the closest available alternative. Definitions for ANZSIC classifications are available from the ATO.

Table 3 Fuel Tax Credit claims by industry sector, 2023-24

Original request	ATO Industry classification^ Broad	Fine	FTC Claim ($m) 2023-24
Agriculture, Forestry and Fishing	A. Agriculture, Forestry and Fishing	All sectors except 052 (Agriculture and fishing support services)	**1,404.8**
Primary production support	A. Agriculture, Forestry and Fishing	052 - Agriculture and fishing support services	**60.2**
Mining and quarrying	B. Mining	All sectors	**4,503.0**
Construction and earthmoving	E. Construction	All sectors	**693.9**
Manufacturing and industrial operations	C. Manufacturing	All sectors	**378.5**
Marine transport and commercial vessels	I. Transport, Postal and Warehousing	481 - Water Freight Transport	70.9
	I. Transport, Postal and Warehousing	482 - Water Passenger Transport	50.8
	I. Transport, Postal and Warehousing	521 - Water Transport Support Services	114.9
Marine transport and commercial vessels		*Total*	***236.6***
Rail transport	I. Transport, Postal and Warehousing	471 - Rail Freight Transport	285.4

Original request	ATO Industry classification^ Broad	Fine	FTC Claim ($m) 2023-24
	I. Transport, Postal and Warehousing	472 - Rail Passenger Transport	29.1
Rail transport		*Total*	***314.5***
Heavy vehicles (> 4.5t GVM)	I. Transport, Postal and Warehousing	461 - Road Freight Transport	873.5
		462 - Road Passenger Transport	103.7
Heavy vehicles (> 4.5t GVM)		*Total*	***977.2***
Electricity generation in remote areas	D. Electricity, Gas, Water and Waste Services	261 - Electricity generation	**65.7**

Notes: ^ ATO Industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes.
Source: Australian Taxation Office, Excise and fuel scheme statistics for Taxation statistics 2022–23, Table 4: Fuel tax credits scheme – claims paid by broad and fine industry, 2006-07 to 2023-24 financial years, 27 June 2025.

Number of registered vehicles

Answered in the accompanying spreadsheet.

Average vehicle mileage

Answered in the accompanying spreadsheet.

Thank you for requesting we undertake this research.

Please do not hesitate to contact my office at senator.cadell@aph.gov.au should you have any questions or wish to discuss this further.

Kind regards

RP Cadell

Senator Ross Cadell

25 Feb 26

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Registered vehicles in Australia by class

Source: Table 1, Road Vehicles Australia (January 2025)
Table 1, Road Vehicles Australia(January 2024)

Vehicle Type	2025	2022
Passenger vehicles	16,080,036	15,050,528
Campervans	103,481	90,573
Light commercial vehicles	4,195,833	3,784,952
Light rigid trucks	263,292	185,477
Heavy rigid trucks	403,946	377,034
Articulated trucks	128,383	115,650
Non-freight-carrying vehicles	43,677	36,459
Light buses	55,716	49,285
Heavy buses	48,916	46,182
Motorcycles	982,067	940,456
Total motor vehicles	**22,305,347**	**20,676,596**

Average km travelled by registered vehicles by class

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Source: Table 4.2, Australian Infrastructure and Transport Statistics 2025

NOTE: Uncertainty in these estimates is higher after 2020 when the last Survey of Motor Vehicle Use was completed

Vehicle Type	2025 (in Km)	2022 (in Km)
Passenger cars	11,024.9	10,564.4
Motorcycles	2,454.0	2,435.0
Buses	23,033.1	23,149.4
Light commercial vehicles	14,411.9	14,864.1
Rigid and other trucks	18,689.0	20,675.2
Articulated trucks	71,193.2	74,448.8