



9 May 2022

The Hon Scott Morrison MP
Prime Minister of Australia
Parliament House
Canberra ACT 2600

Dear Prime Minister

We seek your commitment to restoring the fuel tax credit effective from 30 March 2022, if re-elected.

The Budget decision for consumer fuel price relief has produced an unintended consequence. This threatens the viability of 53,000 trucking businesses and the economy.

Truck operators rely heavily upon the tax credit when completing their business activity statements. It has been an integral component of truck operators' business model for decades. That model incorporates the certainty of the return of a significant amount through the tax credit. They then offset the tax credit against a substantial portion of their business activity statement obligations.

The loss of the tax credit can not be absorbed by truck operators, large or small. Operators who cannot replace or offset those funds will inevitably collapse in the coming months.

There are already growing reports of business closures. Operators are realising that they will not survive the next 6 months due to the loss of the tax credit.

The vast bulk of the industry comprises small operators. They are price takers and have no capacity to offset the loss of the fuel tax credit. Many of the largest fleets are reliant upon those small operators as integral to their operations.

The fuel tax credit is a significant component of trucking's established business model. Even large fleets are at risk if they are unable to renegotiate their contracts. Their contracts generally impose strict and inflexible controls over movements in freight rates and fuel levies.

The food supply chain can only keep shop shelves stocked if operators can offset the loss of the tax credit. They can only do this through increased rates or a new fuel tax credit levy or other mechanisms. Unless this is resolved, it is estimated that this will add \$20 per week to the average household's food bill. This will negate the cost of living relief which the Government sought to provide.

Restoration of the fuel tax credit, retrospectively from 30 March 2022, will deliver two very positive outcomes for the broader community and the economy:

1. Save \$20 per week on the average household food bill, preserving the cost of living relief; and
2. Ensure viability of the truck industry and its ability to underpin the economy. This includes supplying the community with their daily goods, from toilet paper to food and clothes.

The stress and concern regarding loss of the tax credit was palpable among the 500 operators at the ATA's conference last week.

We seek:

1. Your commitment to restore the FTC retrospectively from 30 March 2022 if re-elected; and
2. An urgent meeting prior to the 21 May 2022 election to discuss and resolve this issue.

Signed by the ATA and all member Associations.



David Smith
Chair of the ATA



