

## Increase Fuel Excise will Milk Motorists Dry

Written by Jason (Neutral)  
Monday, 12 May 2014 09:36

---



Treasurer, Joe Hockey, is expected to announce an increase in the excise on fuel of between 3 and 5 cents per litre (cpL) and a return to fuel excise indexation in the Federal Budget on Tuesday 13 May.

Fuel excise is currently collected by the Federal Government at a rate of 38.14 cpL, however the impost on motorists is compounded by an additional 3.8 cpL GST on top of the fuel excise - effectively a tax on a tax.

VACC, representing more than 5,000 small business members in Victoria and Tasmania, opposes the reported increase in fuel excise and is against the reintroduction of fuel excise indexation, which was removed, for good reason, prior to the introduction of GST.

“Fuel excise currently generates more than \$14billion annually for the Federal Government and yet it wants more. Motorists cannot be expected to keep giving and they pay enough as it is through road tolls, insurance premiums, vehicle registration, licence fees and record fuel prices,” VACC Executive Director, David Purchase, said.

“Increasing the excise on fuel will also make the cost of doing business and providing goods and services higher. It’ll negatively affect the mobility of small business owners, families and individuals, impacting the economy and communities.

“We are also concerned about the reintroduction of fuel excise indexation. This automatic adjustment has no ceiling or expiry date, and does not take into account other economic

## Increase Fuel Excise will Milk Motorists Dry

Written by Jason (Neutral)  
Monday, 12 May 2014 09:36

---

challenges faced by small businesses.

“Motorists should not be penalised for using vehicles or viewed as an easy revenue source. Vehicle owners are not cash cows to be exploited and the Federal Government has to stop milking motorists dry,” Mr Purchase said.

Want to grab a great deal on a new car? We recommended using bidmycar

