

**PRIME MINISTER  
DEPUTY PRIME MINISTER AND  
TREASURER  
MINISTER FOR INFRASTRUCTURE  
AND TRANSPORT  
MINISTER FOR CLIMATE CHANGE  
AND ENERGY EFFICIENCY**

**TRANSPORT UNDER A CARBON PRICE**

The Gillard Government understands fuel costs are a significant share of many household budgets and will ensure that households, tradies, farmers and many small businesses do not face a carbon price on the fuel they use for transport.

However the Government recognises that pollution from transport is a major contributor to Australia's overall carbon pollution, which is the highest per person of any advanced economy.

Many businesses receive tax credits that currently mean they do not pay fuel excise in the same way as households. From 2012-13, fuel tax credits will be reduced for businesses – with some exceptions – so that they face an effective carbon price like other heavy polluters.

Businesses in the agriculture, fisheries and forestry industries will be exempt from the reduction in fuel tax credits and therefore shielded from the effective carbon price on their transport fuel costs.

Heavy on-road vehicles like semi-trailers will also initially be exempt from the fuel tax credit reductions. However the Government intends to apply these arrangements to the heavy on-road vehicle industry from 2014-15.

As aviation fuels do not receive fuel tax credits, domestic aviation fuel excise will be increased by an amount equivalent to the carbon price to provide an effective carbon price from 2012-13.

To find out more information on the treatment of fuel under the Government's carbon price, visit: [www.cleanenergyfuture.gov.au](http://www.cleanenergyfuture.gov.au)

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