



Tie diesel fuel credits to emission cuts: Fortescue; Energy rebate

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Body

Fortescue says the Albanese government should consider tying a lucrative fuel tax credit to decarbonisation efforts for Australia's mining giants, but insists it is not advocating for the subsidy to be scrapped for farmers and minor players.

The Commonwealth's diesel fuel excise covers the costs of maintaining public roads, and all users, including mining companies, pay it. But companies can claim a tax rebate when the diesel is used on private roads - such as those on mine sites or farms - as these are maintained by their owners.

Fortescue maintains the diesel tax credit provides more disincentives than incentives for miners to decarbonise, and is pushing for change.

"The government needs to think about levelling the playing field so that companies that do want to decarbonise and shift to clean fuel sources are on a level playing field with those that stay in the current environment," said the company's director of global sustainability and external affairs, Bronwyn Grieve.

"It could look at structuring the diesel fuel tax credit in a way that allows some companies - the big fossil fuel users, your top, big-tier mining companies - to be eligible for some of those credits, only where they are willing to invest those credits into a proper decarbonisation program."

The world's biggest miner, BHP, declined to comment on **Fortescue**'s proposal. But the company's support for the fuel credit remains steadfast. Rio Tinto also declined to comment.

The mining giants are collaborating on battery/electric-haul truck trials in the Pilbara.

The Association of Mining and Exploration Companies, which counts **Fortescue** as a member, said it backed clean energy incentives, but didn't want the fuel credit to change.

"We do not support proposals to change the diesel fuel rebate," said AMEC chief executive Warren Pearce.

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"**Fortescue** has been having discussions with government about the introduction of incentives to encourage decarbonisation within industry. That's something that industry can support, and our member companies are working hard to reduce our emission in line with net zero targets."

Ms Grieve insisted **Fortescue** was not advocating for the fuel credit to be scrapped for farmers and smaller miners, "nor are we pushing for an immediate cessation or removal of the diesel fuel tax credit".

"We think there are much more nuanced and sensible solutions in the near term that can be adopted," she said.

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