BUS INDUSTRY CONFEDERATION

moving people

Excise and Fuel Tax Legislative Instruments

June 2026

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The Bus Industry Confederation

The Bus Industry Confederation (BIC) is the national independent peak body for the Australian Bus and Coach Industry. We represent over 160 bus and coach operators, body, chassis and complete bus manufacturers and suppliers, parts and service providers, professional services, and state bus associations on issues of national importance.

Our membership is becoming increasingly diverse as key energy and infrastructure partners join as we transition the fleet to low and zero emissions. The BIC advocates on behalf of our members to federal, state and territory governments and associated bodies, to ensure the safe and efficient carriage of passengers, along with safe and sustainable operations and supply chains that support the industry.

About Buses

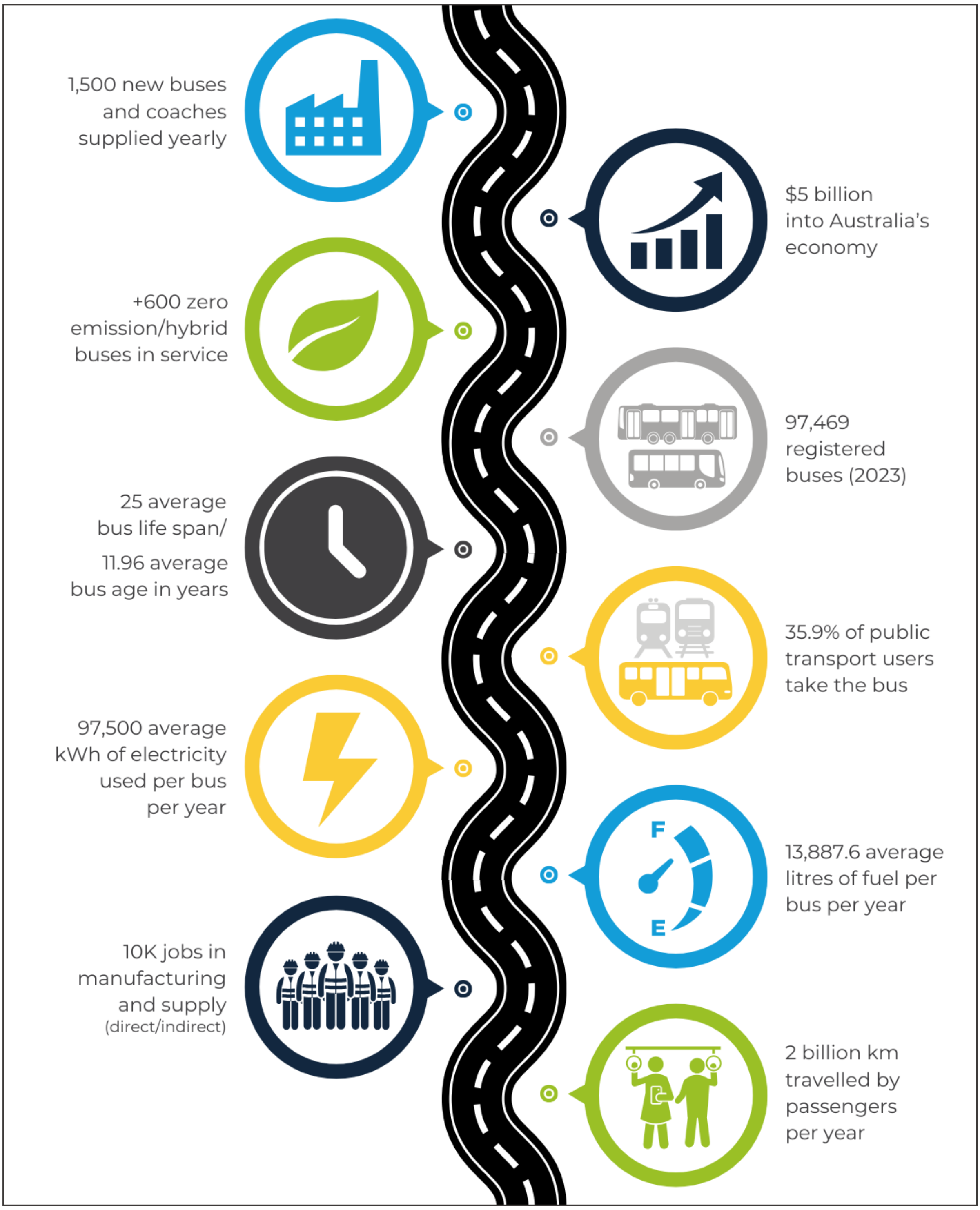
Buses serve as mass transit, delivering benefits like reduced congestion, lower pollution, and enhanced productivity, as well as providing critical social mobility through frequent local routes. These benefits extend to improved public health, lower crime rates and better overall social outcomes, resulting in reduced costs for health and legal systems. The Australian bus industry is uniquely positioned to lead the transition to zero-emission technologies1. for heavy vehicles, assisting decarbonising strategy for the nation.

Buses have a strong and diverse manufacturing, and supplier presence in Australia providing 10,000 direct and indirect jobs in Australia. This encompasses full manufacturers, assemblers, importers, component manufacturers, suppliers, and importers. We provide an economic contribution $5Billion yearly to the Australian economy.

Buses provide a cost-effective safe role in moving people from and to their destinations every day, whether it is dense urban outer urban, regional, remote, or interstate. For example, in outer suburban areas, where other mass transit options are scarce, buses are vital in addressing poverty, disadvantage, and the financial strain of car ownership. They offer essential mobility to communities facing isolation, poor services, and socio-economic challenges.

Buses carry more people further than any public transport mode

Industry Snapshot | 2025



Response

The Bus Industry Confederation (BIC) welcomes the opportunity to provide input to the Australian Taxation Office (ATO) Excise and Fuel Tax Legislative Instruments consultation

This submission provides a consolidated response to the consultation relevant to the bus and coach industry.

1. Fuel pricing certainty (diesel, LPG, CNG)

Several of these instruments now standardise how fuel is measured for excise purposes:

- LPG temperature/pressure correction
- Liquid fuels (e.g. diesel) standard conditions
- CNG mass measurement rules

For bus and coach operators, this matters because:

- Fuel is often bought in bulk or through contracts linked to excise-inclusive pricing.
- Standardised measurement reduces disputes between suppliers, terminals, and large fleet operators.
- It improves price predictability, especially for LPG and CNG fleets (e.g. regional coaches or depot-based buses).

In short: the updated method means less ambiguity in how fuel volume is calculated → more stable invoicing and fewer billing adjustments.

2. Fuel tax credits (important for diesel bus fleets)

The Fuel Tax (Fuel Blends) Determination 2026 now affects when fuel is treated as taxable and how credits apply.

For bus operators:

- Most heavy vehicles (including buses and coaches over 4.5 tonnes) claim fuel tax credits for diesel used in eligible operations.
- Clarifying which blended fuels are "taxed fuel" helps determine:
    - whether credits can be claimed
    - how much can be claimed
- It reduces the risk of over-claiming or under-claiming credits, especially when using biodiesel blends or alternative fuel mixes.

3. Recycled oil and maintenance operations (fleet workshops)

The Excise (Volume – Captive Use Recycled Oil) Determination 2026 mainly affects bus operators who:

- Re-refine or reuse oil internally, or
- Have large depots handling used lubricants

For bus companies with in-house workshops:

- It now simplifies how recycled oil volumes are measured for excise purposes.
- Reduces compliance burden where exact measurement is difficult.

Impact is modest but helpful for large fleet depots.

4. Compliance and auditing improvements

Across all five determinations, a common theme is:

- Standardised calculation methods
- Reduced reliance on manual estimation
- More consistent audit expectations (e.g. from the Australian Taxation Office)

For operators, this means:

- Fewer disputes in audits about fuel quantities
- More predictable record-keeping requirements
- Slightly more formalised measurement systems for bulk fuel users

5. Alternative fuel fleets (LPG/CNG buses)

For operators using or considering:

- LPG buses (some limited regional or older fleets)
- CNG buses (used in some urban fleet transitions)

These rules:

- Make excise calculation clearer and more consistent
- Reduce uncertainty in fuel cost modelling
- Support long-term planning for alternative fuel adoption

Bottom line for the bus & coach industry

- No new tax increases or rate changes here
- But:
  - Fuel accounting becomes more standardised
  - Fuel tax credit claims become clearer and safer
  - Bulk fuel pricing and invoicing become more consistent
  - Compliance risk (especially audit disputes) is reduced

The biggest practical effect is better certainty in fuel costs and tax credit calculations, especially for large fleet operators running diesel-heavy intercity or charter services.

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