

**INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH
WALES**

Name: Mr Jim Beale

Date received: 13/07/2015

The Director

General Purpose Standing Committee No 6

Parliament house

Macquarie St

Sydney NSW 2000

8 July 2015

Dear Sir

Re Fuel Excise p5

The attached letter from my Federal Member, Mr Michael McCormack MP supports my contention that not all funds raised by the fuel tax is spent on roads.

Obviously there is need to negotiate with the Federal Government to secure more funds for roads with offsets of reduced drought support, greater productivity etc from rural areas.

Yours sincerely

Jim Beale

Michael McCormack MP

FEDERAL MEMBER FOR RIVERINA

3 July 2015

Jim

Dear Mr Beale

I write regarding the 3 July 2015 phone call you had with my Wagga Wagga electorate office regarding fuel excise revenue. Thank you for taking the time to contact me about this matter. I understand you will make a submission to the New South Wales Government's *Fit for the Future* program using this advice, as well as to an Upper House Inquiry.

As my staff member discussed with you, I have received advice from the Treasurer's office on your behalf regarding this matter.

Fuel taxes (that is, excise and excise-equivalent customs duty) apply to fuels used in Australia. The Australian Government uses revenue from excise, including fuel taxes, to fund essential services that all Australians receive benefits from, such as the delivery of social services, defence and security, road funding and numerous other areas of spending of benefit to the whole community. Fuel taxes raised \$18.3 billion in tax revenue in 2013-14.

You may also be interested to know that legislation to reintroduce biannual fuel excise indexation has passed both Houses of Parliament. This measure is expected to raise approximately \$3.6 billion over five years to the end of 2018-19. The reintroduction of indexation on fuel excise will give the Government access to secure funding for productivity enhancing road infrastructure projects.

I trust this information will assist you with your submissions to the New South Wales Government and Upper House Inquiry.

Once again, thank you for contacting me on this matter.

Yours sincerely

Michael McCormack MP
Federal Member for Riverina

MM.DH.WGA

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