



Fact sheet: fuel excise relief measures from 1 April 2026

2 April 2026

Key facts and figures

- The fuel excise paid per litre has been reduced from 52.6 cents to 20.6 cents. This took effect from 1 April and will run for three months. Fuel is expected to be 32 cents per litre (plus GST) cheaper at the bowser.
- The Australian Government has also reduced the road user charge (RUC) from 32.4 cents per litre to zero for three months.
- In total, heavy vehicle operators are expected to save 32.4 cents for every litre purchased over this period.
- For every 200-litre tank filled, that means a \$64.80 saving.

How do these measures affect heavy vehicle operators?

- Every litre of fuel sold in Australia is subject to Commonwealth fuel excise or excise-equivalent customs duty (fuel duty) imposed at either the point of fuel manufacture or import.
- Where fuel is purchased as a business expense, eligible businesses can claim back the full amount of fuel duty via the fuel tax credit (FTC) scheme.
- The road user charge is paid by operators of heavy vehicles travelling on public roads to recover—alongside state/territory registration fees—the heavy vehicle share of all-government road expenditure.
- With the RUC set temporarily to zero, heavy vehicle operators will be entitled to a full FTC of 20.6 cents per litre.
- The ATO will soon update its [FTC calculator](#) to help operators understand the impact on their business.

How long until we see the benefits?

- The benefits at the bowser will be passed on as fuel that is manufactured in Australia or imported is distributed around the country.
- Heavy vehicle operators can already claim the updated fuel tax credit from 1 April 2026.
- Heavy vehicle operators do this through their monthly or quarterly Business Activity Statement (BAS) submission to the Australian Tax Office.

How will this operate differently to the fuel tax cut of 2022?

- When a similar measure to halve fuel excise was announced in March 2022, some heavy vehicle industry stakeholders expressed concern that the road user charge was not changed.
- Even though heavy vehicle operators were better off at the bowser in 2022, they lost their entitlement to claim a partial fuel tax credit. Many smaller businesses rely on the quarterly tax credit payments to manage their cashflow.
- This time, the Australian Government has reduced the RUC to zero to help businesses manage cashflows.