

AUSTRALIAN LIVESTOCK AND RURAL TRANSPORTERS ASSOCIATION 2026-27 PRE-BUDGET SUBMISSION

Executive Summary

This submission asks the Australian Government to take two practical decisions in Budget 2026–27:

- (1) Retain Fuel Tax Credit (FTC) access for on-road heavy vehicles and end damaging uncertainty by ruling out structural change in 2026–27; and
- (2) Fund Phase 1 of a staged national program to commission contained heavy-vehicle washdown and managed effluent disposal facilities for livestock and bulk agricultural freight (including grain) on priority rural freight corridors.

ALRTA represents specialist livestock and rural transport operators—the essential freight link moving animals between properties, saleyards, feedlots and processors. Australia’s red meat and livestock industry turnover was \$81.7 billion in 2022–23 and the industry employed approximately 418,921 people. When livestock transport is disrupted, processors and producers can’t operate normally.¹

The two asks are linked: essential freight cannot absorb large, sudden policy shocks, and compliance cannot be delivered by enforcement alone when lawful options are absent. Government can secure both viability and compliance with a clear 2026–27 decision on FTCs and a low-regret, staged investment that builds practical washdown and disposal capacity where it is needed most.

Budget asks (2026–27)

- **Priority 1 — Fuel Tax Credits (FTC):** Retain on-road FTC access for heavy vehicles. In 2026–27, confirm no structural change to FTC settings affecting heavy on-road vehicles; publish impact analysis; consult; and sequence any future reform with realistic transition.
- **Priority 2 — National washdown + managed effluent disposal program (livestock + bulk agricultural freight):** \$45 million over four years to prove and scale a corridor-based network of contained heavy-vehicle washdown and managed disposal sites. Fund Phase 1 (\$12 million in 2026–27) to confirm and commission 6–10 initial sites and publish a national blueprint; release Phase 2 (Years 2–4) only where KPIs are met and co-investment and O&M arrangements are confirmed.
- **Enabler — Fix the delivery pathway (SLRIP / HVRA guidance):** Clarify and/or amend eligibility guidance so integrated livestock corridor compliance nodes (washdown + managed disposal) can be funded where they form part of an eligible road-based project.

¹ Meat & Livestock Australia n.d., ‘The red meat industry’, Meat & Livestock Australia, viewed 29 January 2026, <<https://www.mla.com.au/news-and-events/industry-news/the-red-meat-industry/>>.

If Government does nothing

- FTC uncertainty continues to flow into freight pricing, investment and contract settings—raising costs across essential supply chains.
- Compliance remains fragile and uneven because lawful washdown/disposal options remain patchy and shrinking—leaving operators and communities with recurring problems.
- Government forfeits a staged, value-for-money pathway to build national readiness for a major animal disease event and instead faces higher-cost, higher-risk, bespoke builds later.

Priority 1 — Fuel Tax Credits: retain on-road access and end uncertainty

Fuel Tax Credits (FTCs) are a core feature of Australia’s fuel tax system and are intended to ensure businesses are not taxed on fuel used as a business input.² For heavy vehicles operating on public roads, FTCs are reduced so operators pay a net fuel charge intended to represent the heavy vehicle Road User Charge (RUC)—that is, a contribution towards the costs heavy vehicles impose on the road network.³

As at 2025–26 settings, the diesel fuel excise is 51.6 cents per litre and the RUC is 32.4 cents per litre, which results in an on-road heavy vehicle FTC rate of 19.2 cents per litre (i.e., excise less the RUC). The fiscal scale is also material: Budget Paper No. 1 (2025–26) estimates Fuel Tax Credits Scheme payments of \$11.515 billion in 2026–27, and the Parliamentary Budget Office notes that FTCs refund over one-third of fuel tax collected.^{4 5}

Policy uncertainty has intensified. FTCs—and heavy vehicle charging more broadly—are now a recurring focus of reform commentary. The Productivity Commission has recommended phasing out fuel tax credit access for heavy vehicles on public roads as part of its net zero transformation work.⁶ Meanwhile, the heavy vehicle charging framework is in active review. The Infrastructure and Transport Ministers’ Meeting has asked the National Transport Commission (NTC) to consult on annual charge adjustments and, as a matter of priority, on a forward-looking cost base model as an alternative to the current pay-as-you-go approach.⁷ That reinforces the case for stability in the FTC/RUC framework while that work is underway.

For livestock and rural transport operators, uncertainty in this area matters because diesel costs and the diesel rebate/credit settings are direct inputs to road freight rates and therefore flow quickly into pricing and contracts across regional supply chains. Livestock transport is also a time-critical, welfare-

² Parliamentary Budget Office n.d., ‘Fuel taxation in Australia’, Parliamentary Budget Office, viewed 29 January 2026, <<https://www.pbo.gov.au/publications/fuel-taxation-australia>>.

³ Productivity Commission 2025, Investing in cheaper, cleaner energy and the net zero transformation: final report, Productivity Commission, Canberra, viewed 29 January 2026, <<https://www.pc.gov.au/inquiries/completed/cheaper-cleaner-energy/final>>.

⁴ Australian Government 2025, Budget strategy and outlook: Budget Paper No. 1 2025–26, Commonwealth of Australia, Canberra, viewed 29 January 2026, <https://budget.gov.au/2025-26/content/bp1/download/bp1_2025-26.pdf>.

⁵ Parliamentary Budget Office n.d., ‘Fuel taxation in Australia’, Parliamentary Budget Office, viewed 29 January 2026, <<https://www.pbo.gov.au/publications/fuel-taxation-australia>>.

⁶ Productivity Commission 2025, Investing in cheaper, cleaner energy and the net zero transformation: final report, Productivity Commission, Canberra, viewed 29 January 2026, <<https://www.pc.gov.au/inquiries/completed/cheaper-cleaner-energy/final>>.

⁷ Infrastructure and Transport Ministers’ Meeting 2025, Communiqué, 11 August 2025, Australian Government, viewed 29 January 2026, <<https://www.infrastructure.gov.au/infrastructure-transport-ministers-meeting-communique-11-august-2025>>.

constrained task—with regulated limits on time off water and mandatory spelling requirements once limits are reached—so there is limited operational flexibility to absorb cost shocks through “waiting it out”, re-timing or mode substitution.⁸

ALRTA’s request in 2026–27 is not additional program funding. It is a clear Budget-year statement that on-road FTC access will be retained in 2026–27 and that any future consideration of reform will be evidence-based, consultative and transitional. That certainty is critical for operators setting rates and contracts, investing in fleet, and planning workforce and service coverage.

What ALRTA is seeking in 2026–27

- Confirm no structural change in 2026–27 to FTC settings affecting heavy on-road vehicles (including eligibility settings and any de facto phase-out pathway).
- Publish impact analysis before any decision is taken, including freight cost pass-through considerations and impacts on essential supply chains and regional communities.
- Ensure any future reform is sequenced and transitional, recognising contract cycles and the lead times required for business adjustment.

Anticipated questions

Is ALRTA asking for new spending? No. The 2026–27 request is policy certainty and orderly process, not new expenditure.

Isn’t this a subsidy? No. Fuel tax credits are a long-standing feature of the fuel tax system intended to avoid taxing business inputs inappropriately. For on-road heavy vehicles, the FTC is reduced so operators pay the Road User Charge (RUC). We encourage Government to avoid characterising this framework as a “subsidy” in public language, because that framing obscures its role as a structural element of fuel taxation and road charging. If Government wants to revisit settings, it should do so openly, with published evidence and a realistic transition—without a Budget-year shock.

Does ALRTA oppose reform in principle? No. ALRTA supports evidence-based reform over time, but not structural change in 2026–27 without consultation, published analysis and a realistic transition.

Priority 2 — Washdown + managed effluent disposal infrastructure (livestock + bulk agricultural freight): a practical compliance and preparedness investment

This is a practical fix for a structural compliance constraint. Where there is no accessible, lawful washdown and controlled disposal option on priority routes, compliance depends on workarounds—and enforcement cannot deliver the outcome Government expects. A staged national program will restore practical compliance options, improve community amenity, and strengthen preparedness for a major animal disease event.

⁸ Jurisdictional guidance reflecting the Australian land transport standards (time off water / spelling requirements), e.g. Northern Territory Government guidance page (summary table).

Livestock transport is governed by mandatory animal welfare requirements and shared responsibilities along the supply chain.⁹ In real operating conditions, incidental effluent loss in transit cannot always be eliminated: the National Transport Commission has recorded that there is “no product, or method available” that can both maintain welfare-compliant ventilation and contain all effluent, and that operators can be penalised for minor, incidental spills.¹⁰

Compliance therefore depends on more than enforcement: it depends on having practical, lawful washdown and controlled disposal options where they are actually needed—on-route and near major livestock nodes. When those options don’t exist, the problem doesn’t disappear; it shifts into detours, delays, and ad-hoc workarounds, with avoidable amenity, environmental and biosecurity impacts.

Food security and market access are also in scope. Bulk agricultural freight—particularly grain—relies on contamination-free transport. Grain industry guidance requires truck washing after carriage of certain treated fertilisers because chemical residues have been detected on subsequent grain loads and Maximum Residue Limit (MRL) breaches have occurred.¹¹ Access to compliant washdown and controlled washwater disposal is therefore a practical food-supply-chain requirement, not just a livestock or biosecurity issue.

Fertiliser and high-nutrient washwater can also be harder to manage through conventional washdown arrangements. Water authorities typically impose strict trade-waste limits for nitrogen/ammonia, meaning fertiliser-contaminated washwater may require higher-spec capture, storage and specialist treatment/disposal pathways.¹² A contained, managed program enables fit-for-purpose facilities that safely handle both livestock effluent and higher-risk bulk-commodity residues.

Where lawful options are absent, compliance becomes a paper standard: enforcement cannot substitute for on-route washdown capacity and controlled disposal. A practical network turns regulation into something operators can actually comply with.

Evidence and urgency

- On-route disposal is a binding constraint. A Biosecurity Tasmania strategic review reported that on-board effluent tanks can be full within 10–50 km. Stakeholders said drivers “can’t physically get between truck washes without the effluent tank being full”, and that the lack of designated dump sites increases road spillage and roadside dumping risk.¹³

⁹ Animal Health Australia 2012, Australian Animal Welfare Standards and Guidelines: Land Transport of Livestock, Edition 1, Version 1.1 (21 September 2012), Animal Health Australia, Canberra, viewed 29 January 2026, <<https://www.animalwelfarestandards.net.au/files/2011/01/Land-transport-of-livestock-standards-and-guidelines-Edition-1-Version-1.1-21-September-2012.pdf>>.

¹⁰ National Transport Commission 2018, Livestock effluent and load restraint: consultation report, National Transport Commission, Melbourne, viewed 29 January 2026, <<https://www.ntc.gov.au/sites/default/files/assets/files/Livestock-effluent-and-load-restraint-consultation-report.pdf>>.

¹¹ Grain Trade Australia 2018, Truck cleaning procedure: treated fertiliser, Grain Trade Australia, viewed 29 January 2026, <<https://www.graintrade.org.au/documents/cleaning-procedure-treated-fertiliser->>.

¹² Barwon Water n.d., Trade waste acceptance standards, Barwon Water, viewed 29 January 2026, <<https://www.barwonwater.vic.gov.au/water-and-waste/trade-waste/trade-waste-acceptance-standards>>.

¹³ Tasmanian Government (Biosecurity Tasmania) 2016, Strategic review of livestock truck washdown facilities, Department of Primary Industries, Parks, Water and Environment, September, viewed 29 January 2026, <<https://nre.tas.gov.au/Documents/Strategic%20Review%20of%20Livestock%20Truck%20Washdown%20Facilities-September%202016.pdf>>.

- Industry has already built practical guidance with regulators. The National Heavy Vehicle Regulator has registered *Managing effluent in the livestock supply chain* (the “Effluent Code”), developed with ALRTA and partners, to help parties meet Heavy Vehicle National Law duties. The Code improves practice, but it cannot substitute for physical washdown infrastructure and lawful disposal points where they don’t exist.¹⁴
- Publicly accessible infrastructure is fragile and shrinking. Agriculture Victoria notes that it commissioned a review into the adequacy of Victoria’s livestock truck wash network and that subsequent truck wash closures are “putting pressure on livestock transporters and the broader industry.”¹⁵
- The need is recognised nationally. The National Transport Commission has recorded stakeholder calls to identify, construct and/or upgrade truck wash and effluent disposal facilities nationwide. It also noted a \$10 million NSW Government–Commonwealth commitment (2016) to build and upgrade wash-out facilities in NSW (via Fixing Country Truck Washes).¹⁶
- Preparedness stakes are high. ABARES estimates the economic impact of a large multi-state foot-and-mouth disease (FMD) outbreak could be around \$80 billion over 10 years (present value), making practical washdown/disposal capability a low-regret investment that supports lawful operations in normal conditions and strengthens surge capability in abnormal conditions.¹⁷

Why Commonwealth action adds distinct value

Livestock movements cross state borders, but infrastructure decisions are typically local. The predictable result is patchy coverage, inconsistent standards and under-investment on routes of national significance. Commonwealth funding adds the most value when it creates a repeatable national approach: standard designs, consistent approvals pathways, and an operating model that can be replicated site-by-site—backed by independent evaluation to produce a national blueprint for scale.

¹⁴ National Transport Commission 2023, Heavy Vehicle National Law high-level regulatory framework: decision regulation impact statement, National Transport Commission, Melbourne, viewed 29 January 2026, <<https://www.ntc.gov.au/sites/default/files/assets/files/Heavy%20Vehicle%20National%20Law%20High-Level%20Regulatory%20Framework%20Decision%20Regulation%20Impact%20Statement.pdf>>.

¹⁵ Agriculture Victoria n.d., Victoria’s livestock truck wash network review, Victorian State Government, viewed 29 January 2026, <<https://agriculture.vic.gov.au/biosecurity/animal-diseases/truck-wash-and-effluent-disposal-facilities-review>>.

¹⁶ National Transport Commission 2018, Livestock effluent and load restraint: consultation report, National Transport Commission, Melbourne, viewed 29 January 2026, <<https://www.ntc.gov.au/sites/default/files/assets/files/Livestock-effluent-and-load-restraint-consultation-report.pdf>>.

¹⁷ Department of Agriculture, Fisheries and Forestry 2022, Direct economic impacts of a foot-and-mouth (FMD) disease incursion in Australia: an update of ABARES 2013 estimate, ABARES, viewed 29 January 2026, <<https://www.agriculture.gov.au/abares/research-topics/biosecurity/biosecurity-economics/fmd-update-of-2013-estimate>>.

Budget measure at a glance

Item	Detail
Measure	National heavy-vehicle washdown + managed effluent disposal program (livestock + bulk agricultural freight) (prove-and-scale pilot + blueprint for national scale-up)
Funding sought	\$45 million over four years. Phase 1 (2026–27): \$12 million to confirm and commission 6–10 initial sites and prove the model. Phase 2 (Years 2–4): \$33 million released only where KPIs are met and co-investment and O&M arrangements are confirmed.
What the Budget buys	Year 1: Commission the first tranche of sites where feasible; independent evaluation; low-burden compliance supports; and a publishable national blueprint (standard designs, approvals pathways, operating models, unit costs and prioritised pipeline). Phase 2: Progressive roll-out in line with blueprint and stage-gate results.
Minimum facility specification	Contained washdown pad; managed collection and storage; contracted lawful disposal/removal; access controls and signage; operations and maintenance plan; low-burden logging (e.g., QR check-in).
Who delivers	Commonwealth coordinates; delivery via capable partners (state/local government, landholders and/or private operators) using a co-investment and operating-commitment model.
Timeframe	Phase 1 (2026–27): site selection, approvals, procurement and commissioning of initial sites where feasible. Phase 2 (Years 2–4): staged delivery and operations evidence, evaluation updates and blueprint refinement.
How success is judged (KPIs)	Utilisation/throughput; uptime/availability; operating cost per wash/disposal event; maintenance burden; compliance tool uptake; community indicators where available (complaints/clean-up incidents). KPIs are the stage-gate criteria for Phase 2 funding release.

Delivery approach (Phase 1 — prove; Phase 2 — scale)

Phase 1 is designed to move first where delivery partners are ready and where need is highest. It will confirm sites and facility requirements; secure approvals quickly and consistently; commission 6–10 initial facilities; and report independent evaluation against the KPIs that govern any scale-up.

Evaluation findings will be consolidated into a publishable national blueprint covering standard designs, approvals pathways, operating models, indicative unit costs and a prioritised investment pipeline—positioning Government to scale investment based on operating evidence rather than assumption.

Phase 2 funding (Years 2–4) should be released only where KPIs are met and where co-investment and ongoing operations and maintenance arrangements are confirmed.

Indicative Phase 1 candidate corridors (examples — final sites to be agreed with Government and jurisdictions)

- Warrego Highway, QLD (Ipswich–Toowoomba; below the Range): SEQ–Downs livestock gateway; establish an on-route compliant washdown/disposal node.
- Cunningham Highway, QLD (Ipswich–Warwick): major Downs / Northern NSW connector; establish an on-route node to reduce detours and non-compliant disposal risk.
- Brisbane Valley Highway, QLD (Ipswich–Esk–Kilcoy): livestock artery linking saleyards/depots/processors; establish an on-route node servicing routine washdown and controlled disposal.
- Geelong–Melbourne corridor, VIC (Princes Freeway / West Gate approaches): major bulk-freight gateway supporting grain exports and fertiliser freight; establish a high-throughput “super-site” washdown and managed disposal facility capable of handling livestock effluent and bulk-commodity washdown residues to protect market access and food security.¹⁸

Enabler — fix the delivery pathway (SLRIP / HVRA eligibility and guidance)

Delivery of Priority 2 depends on having a workable Commonwealth funding pathway for corridor washdown and managed effluent disposal infrastructure. The Safer Local Roads and Infrastructure Program (SLRIP) Guidelines (June 2024) list vehicle washdown facilities and livestock effluent disposal facilities as potentially eligible project types. However, the Heavy Vehicle Rest Area (HVRA) initiative guidance lists “truck wash facilities” and “stand-alone effluent disposal facilities” as ineligible examples of projects not designed for rest.¹⁹ This creates avoidable uncertainty for proponents and can block the most practical delivery model for livestock corridors: co-locating washdown and controlled disposal with existing rest areas or stopping points. ALRTA therefore seeks a clarification and/or amendment to SLRIP/HVRA guidance (or a fit-for-purpose eligibility category) to confirm that integral washdown and managed livestock effluent disposal infrastructure is eligible where it is required to support lawful livestock freight operations, including when delivered as part of a corridor compliance node.

¹⁸ GeelongPort n.d., Trade statistics, GeelongPort, viewed 29 January 2026, <<https://geelongport.com.au/port-operations/trade-statistics/>>.

¹⁹ Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2024, Safer Local Roads and Infrastructure Program guidelines, Australian Government, June 2024, viewed 29 January 2026, <<https://investment.infrastructure.gov.au/sites/default/files/documents/slrrip-guidelines.pdf>>.

In practical terms, Government can implement this by aligning guidance so ineligibility settings for stand-alone truck washes do not capture integrated livestock corridor compliance nodes that are integral to an eligible road-based project.

- Clarify that washdown/effluent disposal components are eligible when integral to an eligible road-based project.
- Update HVRA guidance so 'truck wash' / 'stand-alone effluent disposal' ineligibility does not capture integrated corridor compliance nodes.
- Create a small, explicit eligibility category for livestock corridor compliance infrastructure (washdown + managed disposal) where safety, amenity and operating controls are met.

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