COMMISSIONER'S GUIDELINE
CG-FS-001:
Territory on-road fuel subsidies

Guideline History

Version	Issued	Dates of effect	
		From:	To:
1	5 May 2005	5 May 2005	30 December 2007
2	2 January 2008	1 January 2008	4 May 2009
3	5 May 2009	5 May 2009	Current

Purpose

This Guideline explains the Northern Territory's fuel subsidy arrangements in relation to the general fuel subsidy of 1.1 cents per litre (cpl) for **petroleum** or for **diesel** used for on-road purposes. This Guideline also sets out the procedures for claiming the on-road diesel subsidy by bulk-end users.

Period of scheme

The fuel subsidy scheme commenced in relation to the petroleum supplied on or after 5 July 2000 and diesel supplied on or after 17 July 2000. The scheme ceased in relation to petroleum and diesel supplied on or after 5 May 2009.

General subsidy for petroleum

A subsidy of 1.1 cpl will be paid to a **fuel supplier** who makes the **initial supply** of petroleum in the Territory prior to 5 May 2009. However, the subsidy will be reduced by the amount that the supply of fuel has been subsidised by another state or territory. In most cases, the subsidy recipients will be oil companies who must pass on the benefit of the subsidy through to their customers through reduced prices.

General subsidy for diesel used in road vehicles

A subsidy of 1.1 cpl will be paid to a fuel supplier in relation to diesel supplied to a **fixed site retail outlet** (such as a service station) in the Territory prior to 5 May 2009. However, the subsidy will be reduced by the amount that the supply of fuel has been subsidised by another state or territory. The fuel supplier does not qualify for the subsidy on sales to other customers such as other fuel suppliers or bulk end users. Those persons must apply for the subsidy in their own right.

Subsidy payments will be paid on a monthly basis in arrears. Applications, in an approved form, must be made prior to 5 May 2010 (twelve months after the scheme ceased to apply) and no later than three years after the fuel is supplied, whichever is the earlier.

Claiming the general subsidies

The application forms (F-FS-001 and F-FS-002) for claiming these subsidies can be obtained from Territory Revenue Office's (TRO) website.

Subsidy claims by bulk end-users of diesel for road vehicles

A subsidy of 1.1 cpl is available to persons who purchased diesel prior to 5 May 2009 for **use in a road vehicle** from a fuel supplier other than a fixed site retail outlet. Such persons must apply for the subsidy in the approved form.

The conditions and eligibility criteria for bulk-end users claiming the subsidy are as follows:

1) The initial application must provide details to satisfy the extent of the diesel used or to be used in road vehicles. Subsequent applications must provide details of any change in usage or the addition or disposal of any equipment that alters the percentage of diesel used in road vehicles last claimed.

2) The diesel must have been purchased directly from a fuel supplier other than a fixed site retail outlet.

3) The diesel must have been delivered to the applicant in the Northern Territory.

4) The amount of the subsidy will be reduced by the amount that the diesel has been already subsidised under this scheme or a corresponding scheme of another state or territory (if applicable).

5) The diesel must be used in a road vehicle for on-road use. It does not matter if the vehicle subsequently travels interstate (ie. the full subsidy applies providing the diesel was delivered to the applicant in the Territory).

6) Applications are to be made on a quarterly basis or can be made for a lesser period where the accumulated purchases of diesel for use in road vehicles exceed 20 000 litres during that lesser period.

7) In all cases, applications must be made prior to 5 May 2010 and no later than three years after the diesel has been supplied to the applicant. Applications may be made in advance of actual use of the diesel.

8) Applicants must repay the subsidy if the diesel is not used in a road vehicle. Payment is to be made within 30 days after the date the diesel was used for an ineligible purpose or the date the intended use changed, whichever is the earlier.

Records

Fuel suppliers and end-users of diesel must retain records of fuel in respect of which a subsidy claim has been made for a period of three years. They must also make the records available at any time to the Commissioner of Territory Revenue or a delegate of the Commissioner.

Terms explained

Diesel

Diesel has the same meaning as in section 3(1) of the *Fuel Subsidies Act*, including regulation 3 of the *Fuel Subsidies Regulations*.

Fixed site retail outlet

A fixed site retail outlet is a structure that is permanently annexed to land from which diesel is sold by retail to final consumers, predominantly into the supply tanks of road vehicles by a metered pump. Accordingly, an outlet that supplies diesel predominantly to marine vessels does not meet this definition.

Fuel supplier

A fuel supplier is a person who supplies fuel to fixed site retail outlets for sale to final consumers.

Initial supply

A person makes an initial supply of fuel to a place in the Northern Territory if:

1) the person, for the purposes of the Commonwealth *Customs Act 1901* or *Excise Act 1901*, enters the fuel for home consumption or delivers the fuel into home consumption and either:
   a. supplies the fuel to another person who takes delivery of the fuel at a place in the Territory; or
   b. consumes the fuel at a place in the Territory for the person's own purposes; or
2) the person carries on a business in another state or territory of supplying fuel to other persons who take delivery of the fuel at a place in the Northern Territory.

Petroleum

Petroleum has the same meaning as 'prescribed fuel' in section 3(1) of the *Fuel Subsidies Act*, including regulation 4 of the *Fuel Subsidies Regulations*.

Road vehicle

A road vehicle is a vehicle designed solely or principally for transporting people or things by road but does not include a vehicle in respect of which a pastoral vehicle permit under section 137B of the *Motor Vehicles Act* is in force.

Use in a road vehicle

Used in a road vehicle means diesel that is used to propel a road vehicle (including diesel consumed by the engine of a road vehicle whether the vehicle is moving or not) and includes diesel:

1) used by the diesel engine of a road vehicle to operate equipment on the vehicle (such as hydraulics for a hoist); and

2) used for operating other equipment on a road vehicle (such as a refrigeration unit), where that diesel is drawn from the supply tank on the vehicle that supplies the diesel used to propel the vehicle.

Commissioner's Guideline CG-GEN-001, which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Guideline. All Circulars and Guidelines are available from TRO's website.

Date of effect

This version of the Guideline takes effect from 5 May 2009.

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COMMISSIONER OF TERRITORY REVENUE

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