



# Territory On-Road Fuel Subsidies

***The purpose of this Circular is to advise of the Territory's fuel subsidy arrangements being: the general fuel subsidy of 1.1 cents per litre (cpl) for petroleum (motor spirits) and diesel used for on-road purposes; and the procedures for claiming the on-road diesel subsidy by bulk end users.***

### **General subsidy for petroleum (motor spirits)**

A subsidy of 1.1cpl will be paid to a fuel supplier who makes the 'initial supply' of petroleum (motor spirits) in the Territory. However, the subsidy is to 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 via subsidised (reduced) prices.

The scheme commenced in relation to petroleum (motor spirits) supplied from 5 July 2000.

### **General subsidy for diesel used in road vehicles**

A subsidy of 1.1cpl will be paid to a fuel supplier in relation to diesel supplied to a **fixed retail outlet** (eg. a service station) in the Territory. However, the subsidy is to 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 for its sales to other customers such as other fuel suppliers or bulk end users. Those persons must apply directly to the Territory for the subsidy.

The scheme commenced in relation to diesel supplied on or after 17 July 2000.

The application form for claiming these subsidies can be obtained from the Territory Revenue Management web site [www.revenue.nt.gov.au](http://www.revenue.nt.gov.au) or by telephoning 1300 305 353.

Applications for the general subsidy for both petroleum and diesel sold to a fixed retail outlet must be made no later than three years after this fuel has been supplied by the applicant. However only in relation to supplies of fuel made on or after the applicable commencement dates for these schemes.

### **Subsidy claims by bulk end users of diesel used for on-road purposes**

A subsidy of 1.1cpl is available to persons who purchase diesel for use in a road vehicle from a fuel supplier other than from a fixed retail outlet. Such persons must apply for the subsidy in an approved form to Northern Territory Treasury (Territory Revenue Management).

The scheme commences in relation to diesel supplied on or after 17 July 2000.

The conditions and eligibility criteria for claiming the subsidy are as follows:

- applications must be made in an approved form. 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. The application form for claiming the subsidy can be obtained from our web site [www.revenue.nt.gov.au](http://www.revenue.nt.gov.au) or by telephoning 1300 305 353.
- The diesel must be purchased directly from a fuel supplier other than from a fixed retail outlet. Diesel acquired from a fixed retail outlet is already subsidised and thus does not qualify for further subsidy.

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# Territory On-Road Fuel Subsidies - cont'd

## Subsidy claims by bulk end users of diesel used for on-road purposes - cont'd

- The diesel must be delivered to the applicant in the Northern Territory.
- 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).
- The diesel must be used in a road vehicle for on-road use (see general definitions below). 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).
- Applications are to be made on a quarterly basis or can be made more frequently for a minimum supply of 20 000 litres of diesel.
- In all cases, applications must be made by no later than three years after the diesel has been supplied to the applicant. However only in relation to supplies of diesel made on or after 17 July 2000 being the commencement of this subsidy scheme. Applications may be made in advance of actual use of the diesel.
- Applicants must agree (included in the application form) to repay the subsidy if the diesel is not used for on-road purposes.
- Applicants must retain records of diesel in respect of which a subsidy has been claimed for a period of three years and agree (included in the application form) to make them available to officers of the Northern Territory Treasury upon request.

## General definitions

**Fixed Retail Outlet** – a structure that is permanently affixed to land from which fuel is sold by retail to final consumers predominantly into supply tanks of road vehicles by a metered pump. As such, an outlet that supplies diesel predominantly to marine vessels does not meet this definition.

**On-Road Use** – Diesel used to propel a road vehicle and includes:

- diesel used by the diesel engine of such a vehicle to operate equipment on the vehicle (ie. hydraulics for a hoist); and
- diesel drawn from a supply tank on such a vehicle that also supplies diesel for purposes other than for propelling the vehicle (ie. a refrigeration unit).

**Road Vehicle** - means 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.

**Revenue Circular RA 001, which sets out information on the revenue circular system, is incorporated into and is to be read as one with this Circular.**

For general information, please contact Territory Revenue Management on 1300 305 535.

