



Petroleum Products Subsidy Scheme – Northern NSW

Obligations of buyers and sellers of petroleum products under the *NSW Petroleum Products Subsidy Act 1997*.

NSW paid a subsidy for petroleum products in the five northern zones within the state extending south from the Queensland-NSW border.

The subsidy scheme was designed to ensure NSW sellers of eligible petroleum products are able to compete fairly with Queensland petroleum re-sellers whose on-road fuel is subsidised by the Queensland Government.

Abolition of Petroleum Products Subsidy

Following the abolition of the Fuel Subsidy Scheme in Queensland, the Government has abolished the NSW Petroleum Products Subsidy Scheme from 1 July 2009.

A subsidy may be claimed on petroleum products sold up to 30 June 2009.

A cap has been placed on June 2009 claims and the maximum amount of subsidy payable in respect of petroleum products sold in June 2009 will be the greater of the following amounts:

- a) 10 per cent of the total amount of subsidies payable to a registered person in respect of petroleum products sold in the 11 months preceding June 2009,
- b) \$10 000.

All subsidy claims must be lodged by 30 June 2010.

When are subsidies payable?

Subsidies are payable for:

- sales of petroleum products delivered to the premises of a consumer located within a subsidy zone for use within that zone
- sales of petroleum products to retailers (service stations) within a zone, where the petroleum products are delivered to purchasers on the premises of the retailer.



Who is entitled to claim a subsidy?

A subsidy may be claimed by a registered person who sells on or before 30 June 2009, eligible petroleum products by:

1. wholesale to zone consumers,
or
2. retail on premises within a zone,
or
3. retail to zone consumers

Eligible petroleum products are petroleum products on which duty has been paid in accordance with the *Customs Tariff Act 1995*, the *Excise Tariff Act 1921* or other Commonwealth legislation prescribed under the *Petroleum Products Subsidy Act 1997*. It does not include a product mixed with other petroleum products on which duty has not been paid.

How can you claim a subsidy?

To claim a Petroleum subsidy payment you must register with OSR by completing an Application for Registration form. This form can be downloaded from www.osr.nsw.gov.au or by contacting OSR on 1300 305 191.

Claiming the subsidy

Once registered, you can make a claim for a subsidy by lodging a claim form with the Chief Commissioner. Claims can be lodged over the Internet. Just follow the instructions on our website or, alternatively, claims can be faxed or posted to OSR.

Registered persons should lodge their claims at the end of the month in which the relevant eligible petroleum product was sold. Following the abolition of the subsidy, sales made in June 2009 are the last sales which may be claimed. A claim must be made by 30 June 2010.

Petroleum zone subsidy rates

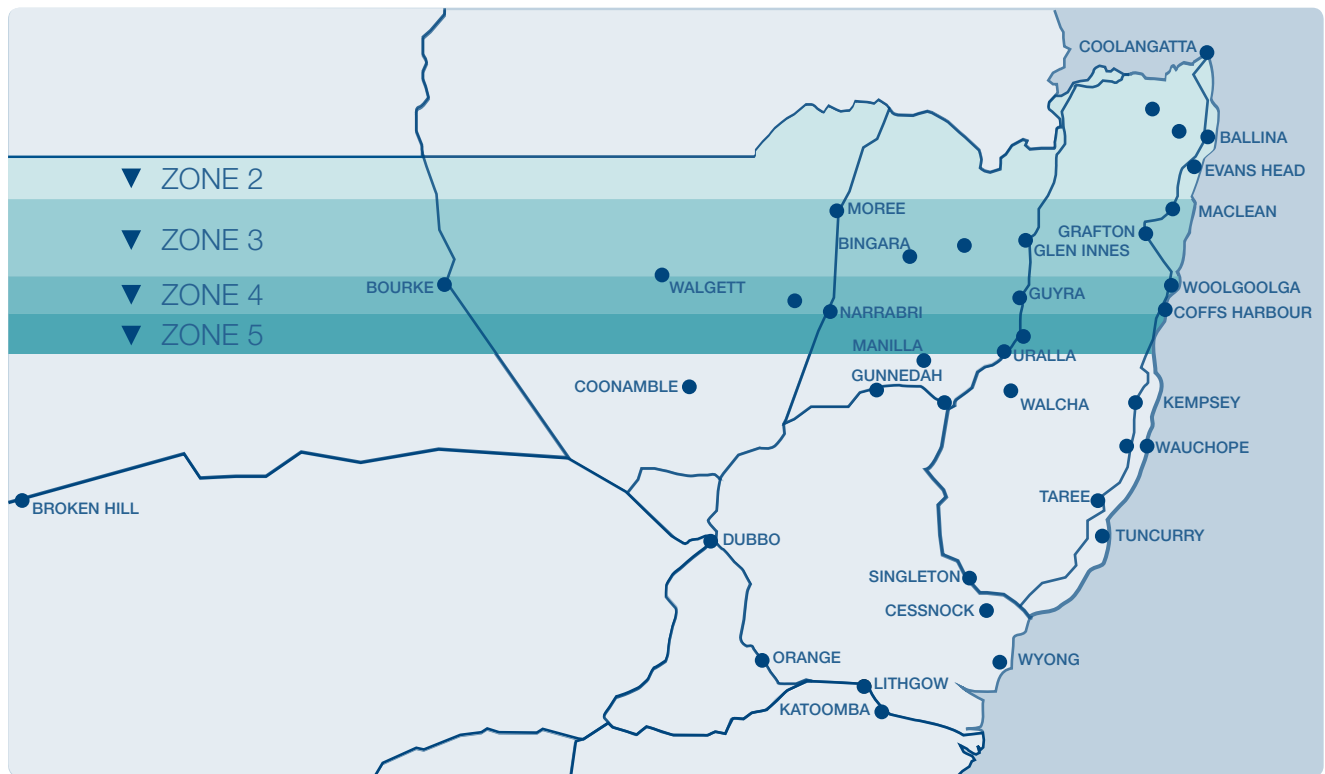
Petroleum subsidy rate for each zone (cents per litre)

Zone	Petrol	On-road diesel
1	8.35	8.35
2	6.68	6.68
3	5.01	5.01
4	3.34	3.34
5	1.67	1.67

Note: Rates are not indexed.

Subsidy zones

The map shows the five NSW Petroleum Products subsidy zones:
Visit our web site to determine your applicable zone.



Zone 1

The towns of Bonshaw, Tenterfield, Boggabilla and Mungindi and the area bounded by the border between NSW and Queensland, the Tweed River, Terranora Inlet and the Cobaki Broadwater.

Zone 2

The area in NSW between latitude – 29 degrees and 21 minutes south and the Queensland border and west to the NSW border. The major towns in this zone are:

Ballina	Bangalow	Bilambil
Billinudgel	Boat Harbour	Bogangar
Boggabilla	Bolivia	Bonalbo
Broadwater	Byron Bay	Cabarita Beach
Casino	Chinderah	Coolgardie
Coraki	Crabbes Creek	Croppa Creek
Deep Creek	Evans Head	Goodooga
Goonellabah	Grevillia	Hastings Point
Kingscliff	Kyogle	Legume
Lennox Head	Lismore	Mallanganee
Mooball	Mullumbimby	Murwillumbah
New Brighton	Nimbin	North Star
Ocean Shores	Old Bonalbo	Pottsville
Rappville	Suffolk Park	Tumbulgum
Urbenville	Wallangra	Wardell
Weilmoringle	Whiporie	Wiangaree
Wollongbar	Woodenbong	

Zone 3

The area in NSW between latitude – 29 degrees 21 minutes and 01 seconds and latitude – 30 degrees south and west to the NSW border. The major towns in this zone are:

Albion Flat	Angourie	Ashby
Bannockburn	Bellata	Berrigal
Bingara	Bookram	Brewarrina
Brooms Head	Calliope	Chatsworth
Collarenebri	Copeton	Copmanhurst
Coutts Crossing	Cowper	Deepwater
Delungra	Emmaville	Gilgai
Glen Innes	Glencoe	Grafton
Gurley	Halfway Creek	Iluka
Inverell	Lawrence	Lightening Ridge
Maclean	Moree	Rowena
South Arm	Tibooburra	Tingha
Townsend	Tyndale	Ulamarra
Warialda	Yamba	

Zone 4

The area in NSW between latitude – 30 degrees 00 minutes and 01 seconds and latitude – 30 degrees and 22 minutes south and west to the NSW border. The major towns in this zone are:

Arararra	Ben Lomond	Boambee
Bourke	Bucca	Bundarra
Burren Junction	Coffs Harbour	Coramba
Corindi Beach	Dorrigo	Edgeroi
Emerald Beach	Glenreagh	Guyra
Karangi	Korora	Llangothlin
Lowanna	Moonee Beach	Mullaway
Nana Glen	Narrabri	North Bonville
North Bourke	North Dorrigo	Pilliga
Red Rock	Sapphire Beach	Sawtell
Toorimina	Ulong	Walgett
Wee Waa	Woolgoolga	

Zone 5

The area in NSW bounded by latitude – 30 degrees 22 minutes and 01 seconds and latitude – 30 degrees and 41 minutes south and west to the NSW border. The major towns in this zone are:

Armidale	Barraba	Bellingen
Bonville	Bowraville	Byrock
Carinda	Ebor	Exmouth
Gwabegar	Louth	Mylestom
Nambucca	Nambucca Heads	Repton
Saumarez	Thora	Upper Manilla
Uralla	Urunga	Valery
Valla	Valla Beach	Wollomombi

MORE INFORMATION



www.osr.nsw.gov.au



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Help in community languages is available.

Australian Taxation Office



www.ato.gov.au



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Diesel

Zone subsidies are available for diesel fuel sold for on-road use only.

The subsidy is also paid on diesel delivered to a customer's site. In this case, the customer must declare the percentage which will be used for on-road use within the subsidy zone.

Where a distributor delivers diesel to a customer's site which the customer plans to use for both off-road and on-road use, the distributor must record the quantities which the purchaser declares will be used for on-road and off-road purposes on the invoice.

Where subsidised and unsubsidised diesel is delivered into a bulk tank it is presumed that the quantity of fuel taken from the bulk tank is in the same order as delivery into the tank.

To offset the higher price of off-road diesel, users can claim a Commonwealth Government rebate under the Energy Grants Credit Scheme. For details of this Scheme, contact the excise branch of the Australian Taxation Office.

Note: Incidental off-road use of a vehicle does not remove the entitlement to purchase subsidised diesel for that vehicle. For example, delivering goods to any off-road site or garaging a vehicle primarily driven on public roads.

'**Off-road purpose**' means any purpose other than the propulsion of diesel-engine road vehicles on public roads.

'**Bulk Tank**' means a tank or other container used in connection with the storage or transport of diesel fuel, other than the running tank of a road vehicle.

Obligations of buyers, sellers and consumers

Distributors who receive subsidy payments and retailers (service stations) who are entitled to purchase subsidised fuel are required to pass on the subsidy to eligible consumers.

A notice disclosing when a subsidy is being passed on must be provided to purchasers of subsidised petroleum products, except when the sale is into the running tank of a road vehicle or the sale of diesel into bulk tanks (in a single day) is less than 100 litres. The notice may be in the form of an invoice. Distributors and retailers are required to keep detailed records of all subsidised petroleum products sold.

Zone consumers must use subsidised petroleum products in the course of a business or activity conducted from premises within the subsidy zone. Subsidised diesel must only be used for on road use.

Consumers must keep detailed records of their consumption unless they purchased their subsidised petroleum products at a service station.

Penalties for false claims

Under the *NSW Petroleum Products Subsidy Act 1997*, a person who makes a false claim for a subsidy to which they are not entitled or sells or purchases subsidised fuel in contravention of the Petroleum Products Subsidy legislation is committing an offence. Offenders are required to repay the subsidy and may be liable to a maximum penalty of 100 per cent of the amount of the subsidy as well as possible prosecution.

Regular audits

Regular audits of wholesalers and distributors who receive subsidy payments are carried out to ensure all subsidy payments are being correctly claimed.

Regular audits are also conducted to ensure consumers of bulk diesel only obtain the benefit of the subsidy on diesel purchased for on-road use within the designated zones.