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Australian Capital Territory

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SPECIAL ONE-OFF SUBSIDY FOR HOME DIESEL USERS

A special one-off subsidy of \$300 will be paid to the 137 users of diesel for home heating which will compensate for the removal of subsidies as a result of the introduction of the Goods and Services Tax, Treasurer, Gary Humphries, announced today.

Mr Humphries has introduced legislation which gives effect to the one-off subsidy payment (at a one-off cost to the ACT of \$41,100), and which removes the Commonwealth surcharge of excise (which replaces the business franchise fees, struck down by the High Court) on diesel and low-alcohol liquor products.

Note: The impact of this legislation is not related to the Commonwealth's diesel subsidy scheme for truck drivers.

"As the Commonwealth is removing the Surcharge of Excise payments to states and territories, the payment of subsidies for those excise payments needs also to be removed so as to prevent the payment of a subsidy for something which no longer exists.

"But the ACT Government recognises that this change will cause some hardship for the users of diesel for home heating, of which there are few but many of them are older Canberrans.

"Even though the payment is a one-off, replacing the annual subsidies which have existed in the past for those users, the one-off payment equates to an average of ten years' subsidies under the old scheme.

"This concept has been discussed with the ACT Council on the Ageing, noting that most users of diesel for home heating are older people. It will replace a scheme which would be costly and inefficient to administer for 137 people at around \$30 a year.

"The scheme will be administered by the ACT Revenue Office. Staff from that office will contact users of diesel for home heating early in the new financial year to arrange forwarding of the one-off payment," Mr Humphries said.

Statement Ends

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