

Appendix F: State retail petrol and diesel subsidies in 2010–11

In 2010–11, South Australia was the only state to provide subsidies at the retail level for petrol and diesel. These subsidies were discontinued from 1 January 2011.³¹¹ They are described in Table F.1.

The possible effect of these subsidies on average annual retail unleaded petrol and diesel prices in regional locations in Australia in 2010–11 are estimated (and included in table F.1). The calculation is based on the assumption that the full amount of the subsidies in South Australia were passed on to consumers.

Table F.1 South Australian retail price subsidies and the possible effect on average annual retail prices in regional locations in Australia in 2010–11

Fuel	Amount (excl. GST) cpl	Application	Possible effect (incl. GST) cpl
Petrol	0.82 or 3.33	0.82 cpl for towns 50–100 km from GPO; 3.33 cpl for towns >100 km from GPO	–0.2
Diesel	1.94	1.94 cpl for towns >100km from GPO	–0.1

Source: ACCC calculations based on Informed Sources data

Over the past five years, a number of states and territories have discontinued their subsidies for petrol and diesel. These include: Victoria (from July 2007); Tasmania (from October 2007); the Northern Territory (from May 2009); Queensland (from July 2009); New South Wales (from July 2009) and South Australia (from January 2011).³¹² Consequently, from 1 January 2011 there were no state subsidies at the wholesale or retail level for petrol and diesel.

³¹¹ Revenue SA, Information Circular no. 18, State Budget 2010–11, issued 16 September 2010, <http://www.revenuesa.sa.gov.au/petrol/index.html>, accessed 30 November 2011.

³¹² These subsidies are described in chapter 6 of the ACCC's 2007 Petrol inquiry report and in appendices to previous ACCC petrol monitoring reports.

