



Impact of Petrol Pricing Select Committee

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The Impact of Petrol Pricing Select Committee was appointed by the Queensland Parliament on 25 August 2005 to examine a range of issues regarding petrol pricing in Queensland.

Media Release

Parliamentary Inquiry Reports on Impacts of Petrol Pricing

The report of the non-partisan Impact of Petrol Pricing Select Committee was tabled today in the Queensland Parliament.

The report identified a range of impacts and made 18 recommendations.

The impact of higher petrol prices was found to be greatest on those living on fixed or low incomes, rural, regional and outer-metropolitan Queenslanders, community groups and primary producers.

Queenslanders have more cars per capita than the rest of the nation (672 per thousand v 664 per thousand) and drive more kilometres each year (15,600km v 14,800km) than the national average.

Queensland is expected to be Australia's largest consumer of energy by 2029-30 - reflecting Queensland's decentralised nature, increasing population and growing economy. Demand for petrol is expected to continue to grow at 1 to 2% per annum, with diesel demand to grow at 4%.

The non-partisan committee's most significant recommendations included:

- Providing tax relief to consumers stung by higher petrol prices by cutting income tax (see separate release);
- A call to abandon plans to axe the Fuel Sales Grants Scheme and the Petroleum Products Freight Subsidy Scheme – schemes which benefit rural, regional and outer-metropolitan Queenslanders, as well as primary producers(see separate release);
- A review by all levels of government into funding provided to community groups with high petrol costs, such as Meals on Wheels and home based nursing services;
- Overhauling fuel efficiency labelling for new vehicles;
- A call for increased road funding to be provided to Queensland;
- Petrol cooperatives as an option in areas where competition is non-existent.

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The report also said the pensions need to take account of higher fuel prices in light of evidence suggesting some pensioners were foregoing medical treatment to cope with higher fuel prices.

The inquiry was conducted during a time of significant price increases. The average price of petrol in Brisbane increased from 83CPL at the start of last year to a peak of 124.8 – an increase of 50%. Similarly diesel prices rose by 31.5%.

Prices in regional Queensland are higher than prices in the south-east corner. The committee found, while prices in regional markets rise in close alignment with prices in the south-east corner, prices take longer to fall in regional Queensland.

A key finding of the committee was Queensland's fuel subsidy is benefiting consumers, with its full value of 8.354 CPL making it through to the bowser.

One group of people who have felt the brunt of the impact of higher petrol prices are service station employees and owners.

The committee heard evidence about threats and abuse to service station employees, as well as increased rates of fuel theft through "drive-offs".

A separate summary of key findings and recommendations has been published, in addition to the Inquiry's 197 page report.

A full copy of the report of the Impact of Petrol Pricing Select Committee is available at www.parliament.qld.gov.au/petrol

For interviews:

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