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Millmerran. Qld 4357

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IMPACT OF PETROL PRICING
SELECT COMMITTEE

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SUBMISSION

TENDERER

Alan Philip MAY

Wylahra Grove

Millmerran .. 4357

Age 64 years

Disability Pensioner

Length of residence at this address 12 years

OVERVIEW OF REFERENCE AREA

WYLAHRA GROVE

Wylahra Grove commences at the Sporting Shooters Association of Australia Captains Mountain complex approximately twenty three kilometres from the township of Millmerran and straddles the Gore Highway for a little over ten kilometres towards Goondiwindi.

Within this area is found 530 x 8 hectare (20 acres) blocks surrounded by numerous larger blocks ranging from 250 hectares to large commercial farming blocks of several thousand hectares.

This mass represents approximately 25% of all rateable blocks of the Millmerran Shire

The only public amenities permitted by Council within this area is a public hall, built by the residents utilising a grant from the Gaming Machine (Jupiter's Casino) Fund and two Rural Fire Brigade sheds of which only one is fully equipped .

There have been two public bores created by Council.

*Both bores are non potable and labelled
" Not suitable for human consumption."*

RESIDENTS and EMPLOYMENT

The residents of Wylahra Grove follow the usual pattern of remote rural residential dwellers. When first released a lot of residents came here in order to "disappear" for some reason or other.

However, those days have all but gone and the area has witnessed the influx of highly respectable dwellers constructing houses that are the equivalent of any found in any suburban street.

Like all residential areas today the residents fall into roughly four socio-economic groups:-

1. Rural workers employed, either full time or on part time manual piece work such as cotton chipping, or
2. Retirees and pensioners, as well as,
3. Unemployed persons on Centrelink benefits and finally.
4. A minute number are self employed, growing olives etc.

Irrespective of which group residents fall into, it must be realised that the most affluent must be the working people, however rural wages being what they are, and the drought affecting the number of category 4, it is recognised that all within the area are living in penury compared to the remuneration, costs and amenities enjoyed by city dwellers.

We do have the Millmerran Power Station that has been built within the district but employment opportunities are limited and mostly very specialised.

We have a school bus that takes students to Millmerran for Primary School or to Pittsworth for High School.

The residents of the area have only one fuel outlet apart from Millmerran township, and that is the B.P. Roadhouse at Captains Mountain

I have carried out fuel cost comparisons in order to demonstrate what the residents of the area have to contend with:-

	Matilda/ Warwick	Drayton/Toowoomba	Captains Mountain
ULP.	116 CENTS	115.7 CENTS	122.9 CENTS
ULTIMATE 98	122 CENTS	NON AVAILABLE	133.9 CENTS
DIESEL	124 CENTS	124.7 CENTS	125.9 CENTS

Prices verified 13th October 2005

PROLOGUE

I am tendering this submission not so much as an individual but on behalf of the residents of this area. I have observed the fuel and associated products (LPG gas etc.) unprecedented cost increase create problems and dangers among a vulnerable society that has no recourse to succour.

I qualify myself for tendering this submission on behalf of the general area on the basis of my many years of community service in every organisation that has existed for the promotion and betterment of the area and its residents.

I shall refer to your terms of reference individually in the chronological order given within your brochure.

After addressing these terms of reference I shall conclude this submission by placing before you areas of concern that I feel is not addressed by of your panel, indeed I have the feeling that the members of this panel, being mainly city or large town dwellers, are unaware that the problem exists.

In conclusion to this section may I tender a hope that this submission is accepted in the same spirit that it is compiled, in the expectancy of solution oriented co-operation.

THE EXTENT TO WHICH CURRENT PETROL PRICES
INCREASE THE COMPETITIVENESS OF ALTERNATIVE
FUELS SUCH AS E10.

One of the concerns commonly expressed is the suitability of Ethanol to power and not harm older engines. Within this area there are a large number of older, carefully tended vehicles driven by people who realise the impossibility of affording a new vehicle on the level of income or pension they are receiving.

A severe blow was dealt to these people by the withdrawal of Lead Replacement Petrol from service stations leaving them with engines that require the higher octane Premium or Ultra fuel at a much higher cost (please refer to fuel cost comparison in earlier section) and this cost is further exacerbated by having to purchase a special additive to prevent valve burnout.

An advertising campaign is being waged at present assuring motorists that their new car warranty will not be affected by the usage of E10 fuels, but this is the problem, all emphasis is on new cars

An unknown factor that needs addressing urgently is a campaign advertising as to which vehicles will be harmed by Ethanol and which of the older vehicles can use it without harm, at the present there is a black void of information that is beset with rumour and innuendo.

I would hate to see a situation where the inclusion of this fuel would adversely effect the engines and leave stranded those who could least afford it

A further query is what will Ethanol do to small engines, a great majority of residents of Wylahra Grove depend upon home generation for their power supply, will it effect them? what will it do to chainsaws or pump motors? Is E10 compatible with two stroke oil? We are all operating in the dark.

As an example of these well founded fears permit me to quote from the Honda stationary engine handbook,

Honda small engines are, in all probability, the most used engines for driving generators and pumps for home service.

QUOTE

"Gasoline's containing alcohol.

If you decide to use a gasoline containing alcohol (gasohol), be sure its octane rating is at least as high as that recommended by Honda. There are two types of "Gasohol," one containing Ethanol and the other containing Methanol. DO NOT use gasohol that contains more than 10% Ethanol. DO NOT use gasoline containing Methanol (methyl or wood alcohol) that does not also contain cosolvents and corrosion inhibitors for Methanol. NEVER use gasoline containing more than 5% Methanol even if it has cosolvents and corrosion inhibitors.

NOTE

Fuel system damage or engine performance problems resulting from the use of fuels containing alcohol's is not covered under the warranty. Honda cannot endorse the use of fuels containing alcohol since evidence of their suitability is as yet incomplete.

Before buying fuel from an unfamiliar station try to find out if the fuel contains alcohol, if it does confirm the type and percentage of alcohol used. If you notice any undesirable operating symptoms whilst using a fuel that contains alcohol, or one that you suspect contains alcohol, switch to a gasoline that you know does not contain alcohol."

END OF QUOTE

Two questions :-

- 1. How can we switch to a gasoline that does not contain Ethanol if you intend to put in every grade of petrol ? or,*
- 2. How can we be certain that the percentage rate of Ethanol is accurate ? If companies decide to "skim" by adding more of the cheaper product will the Government indemnify us for damage caused ?*

A personal query emanates from the statement made by the Industry Minister Ian Macfarlane, (Toowoomba Chronicle 14 October) in which he states that "The inclusion of Ethanol will save the motorist 4 cents a litre."

We all recognise that today's extreme fuel prices are created by the international benchmark price of crude oil, not the refining costs per barrel which is reasonably stable, but if, even at these maximum pricing levels, we can only manage to save four cents per litre at a ten percent dilution rate. Therefore 100 percent Ethanol must be merely 40 cents a litre less than this extreme price of petrol, and this price excludes import levies.

Based upon these cited figures then the cost of refining this grain based fuel must be far higher than the refining costs of crude.

For unlike crude, the cost of grain has not trebled.

If this hypothesis is accurate, can we afford Ethanol? Or is Ethanol another motorist rip-off?

*THE ECONOMIC AND FINANCIAL CONSEQUENCES OF
CURRENT FUEL PRICES.*

The figures stated in the Overview segment will indicate that the residents of Wylahra Grove have a minimum of 46 kilometres (if they were on the boundary, in my case it is 63 kilometres and many have much further than that) round trip to the township of Millmerran.

This means that they are faced with this distance if they require

(a) Medical treatment

(b) hospital treatment

(c) post a letter or purchase a stamp

(d) attend a specific denomination church

(e) make an enquiry pertaining to Centrelink via the representative at the Community Support Centre, or comply with the "Job Search" regulations or

(f) even the basics such as purchase a simple loaf of bread.

This situation has been brought about by the refusal of our Shire Council to allow a shop or a House of Worship to be constructed within the boundaries of Wylahra Grove.

What is not apparent to a lot of city or large town residents is that some rural Councils, just like their urban counterparts, can be dominated by commercial operators who realise the potential loss if a more convenient outlet for goods and services is made available.

For local residents of Wylahra Grove that require Dental treatment the consequences are even more oppressive, for this service we have to travel to Toowoomba, a round trip distance of up to 250 kilometres in some cases.

PRACTICAL WAYS THAT CONSUMERS CAN REDUCE
THEIR PETROL BILLS.

This is a moot point, several things must be taken into consideration :-

(a) These people are rural dwellers that, in a lot of cases require vehicles with sufficient power to pull laden trailers etc. It must be realised that we do not have services to our door like urban dwellers, for example even our garbage must be transported to "collection sites" for disposal, it is not economical to perform this task daily with one bag of garbage, so it is collected until a trailer load can be transported, likewise
(b) Water is essential for so many jobs, when it is not laid on this very heavy necessity must be transported from the public bores to home, in my case I have a special tank and system set up to service my septic toilet. This type of utilisation is essential in this drought condition to conserve the collected potable water for personal use within the household.

All of this explanation is to demonstrate that vehicles of a suitable power to weight ratio must be utilised, reducing petrol bills is extremely difficult.

Car pooling is practised when possible, however again we are in a unique position where we reside so far from amenities, and fuel prices are so high that shopping trips are, of economic necessity, made as infrequently as possible. This victualling is now commonly stretched to once a month, which makes it impossible to combine the trip, for several peoples monthly groceries cannot all fit into one vehicle.

Everything required for all facets of living must be purchased, for as previously stated, we are not in a position to saunter to the local store.

*WHETHER EXISTING INFORMATION ON THE FUEL
EFFICIENCY OF DIFFERENT MAKES OF MOTOR
VEHICLES IS SUFFICIENT.*

Another moot point, please refer to the "overview" and consider the financial basis of the vast majority of Wylahra Grove residents. These people are not Primary Producers who can factor in new vehicles with all of their rebate entitlements or lease vehicles with regular updates that are tax deductible, these citizens mostly stick with what they possess for a long time.

IT IS A COMMON FACTOR THAT THESE PEOPLE CANNOT AFFORD NEW VEHICLES SO THE FUEL EFFICIENCY OF NEW VEHICLES CANNOT CONCERN THEM.

What I would like the Members of this Select Committee to understand is that there are valid multiple reasons for this continued usage of older vehicles other than the cost of their replacement, even though they may be more expensive to run than the computer controlled newer vehicles.

These reasons are as follows :-

(a) When one lives so far from town it is useless to own a vehicle that, upon developing a minor flaw, particularly electronic, can cost many hundreds of dollars in towing charges alone, in order to reach a repair agency that has the appropriate computer equipment to diagnose and discover what piece of electrical equipment or computer chip to throw away and replace.

(b) We live on a very busy interstate highway, what responsible father would chance his wife and children driving a vehicle that cannot be repaired in an emergency. Who can predict what manner of person could be attracted to a situation of helpless people stranded in a useless vehicle? Many women can, and often do, repair older cars in an emergency situation and so avoid a potentially dangerous situation.

HOW THE A.C.C.C. POWERS COULD BE STRENGTHENED
TO DELIVER ENHANCED COMPETITION.

There is no discernible method that the A.C.C.C. could use to enhance any competition to benefit Wylahra Grove without fracturing the status quo and being challenged over its method and intention.

Whilst it is recognised that the main aim of the TRADE PRACTICES ACT 1974 is to promote efficiency and competition to protect consumers from unlawful and anti competitive business practices, the only way for that charter to be fulfilled is for the A.C.C.C. via the State Government to over-ride the restrictive local situation and allow a service station and local shop to be constructed on Wylahra Grove.

The mind boggles just imagining the hooting and hollering that would emanate from the L.G.A.Q. and local authorities in relation to having their autocracy over-ruled, not to mention the scream from Western Petroleum in an attempt to retain its lucrative district monopoly.

It is apparent to me, in observing the overall situation, that the State Government has permitted Local Government far too many concessions to power for them to be able to over-ride them and redress the social inequities their thirst for totalitarianism has enabled them to create.

I have, in past years lodged a complaint to the Office of Fair Trading pertaining to the cavalier attitude to pricing and addition of extraneous charges a certain company pertaining to the pricing of domestic L.P.G. The Office of Fair Trading passed the complaint on to A.C.C.C.

The only action I received from both organisations was an amazing plethora of reasons as to why they couldn't act, culminating with the statement that "The industry has been deregulated and market forces will dictate prices." It is wonderful how, in this area without power the market prices are often cited as higher than areas in which it is not essential.

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TERM OF REFERENCE 6
WHETHER QUEENSLAND RECIEVES ITS FAIR SHARE
OF ROAD FUNDING

I am not privy to the official accurate figures so I will not speculate on hearsay.

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TERM OF REFERENCE 7
THE CAPACITY AND BENEFITS OF THE FEDERAL
GOVERNMENT REDUCING FUEL EXCISE TO AMELIORATE
THE IMPACT OF HIGH FUEL PRICES ON FAMILIES AND
BUSINESS.

Again I am neither privy to the official amount of income that the excise places into the coffers of Treasury nor do I have the expertise to evaluate the effect of its loss if it were to cease.

The one comments that I would make pertaining to the issue is simply that a Government should have the moral obligation to ease any hardship that is being suffered by the community if it has the power to do so.

The only danger is that if the excise level was abandoned the amount of savings that would occur *MUST* be protected vigilantly and the fuel companies not be allowed to ease their bowser prices up to absorb the savings for their own benefit.

With the wild fluctuations that occur right across the fuel pricing spectrum it would be virtually impossible for the average motorist to be aware that the excise price drop has not been highjacked by "bracket creep."

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TERM OF REFERENCE 8

WHETHER QUEENSLAND MOTORISTS ARE RECEIVING
THE FULL BENEFIT OF THE 8.354 CENTS PER LITRE
SUBSIDY

Again, this is a moot point, with the daily pricing fluctuation and unless one has access to the same day prices south of the border one simply cannot know.

The only sure way for Queensland motorists to be certain of access to this benefit would be to introduce the system I suggested almost two years ago. I feel that this would serve multiple purposes.

I have included a copy of that concept for your re-evaluation

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TERM OF REFERENCE 9

THE EFFICIENCY OF ADMINISTRATION FOR THE BULK
END USERS SCHEME.

This is another T.O.R. to which I have insufficient knowledge and data to enable me to comment accurately, I shall therefore refrain from doing so.

Wylahra Grove (bracketing a large area of the Dunmore State Forest) lies within a very high fire risk area, we have been faced with three very dangerous fire incidents this year alone. The last burned for three days and virtually spanned the Shire from Scrubby Creek through the Dunmore State Forest to Cecil Plains.

This rural residential district contains two separate Rural Fire Brigades, Scrubby Creek Brigade covering the southern side of the Gore Highway and, on the north side, the Forest Pines Rural Fire Brigade that is a young brigade whose fire shed has just recently been "officially" opened by the powers that be.

Forest Pines Brigade was formed out of necessity because of the size of the area to be protected and, since its inception, and because of circumstances, has one of the first into "action" in the latest emergencies.

As previously stated, we have managed to construct a shed as a base. The equipment we have is rudimentary, two slide on units and a base trailer, no trucks, the residents have to use their own vehicles (please note comments on page 8 pertaining to Term of Reference 3) and hope they are adequate for the dangerous conditions they are risking their lives in facing.

There is a fire levy component of our rates charges and this is given to the Brigade, but as there are fewer residents on the north side of the highway there is little money to be garnered, and as we desperately require equipment this pittance is very soon taken up in providing safety essentials to protect lives.

This leaves these virtual hero's in an unenviable position during a state of emergency of having to provide all fuel and expenses from their own pocket.

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FURTHER COMMENTRY CONT.

There is an inverted ratio that dictates that the fewer residents the larger expanses of scrub between them that creates a greater fire hazard, but it is inexcusable that in an emergency these people, on the lower socio economic scale of things, have to beggar their meagre bank accounts in order to respond to a crisis.

I hope to God it will never happen that in an emergency one day, these people will reach such a state that they find that their cash on hand dictates that, because of the ever climbing fuel costs, they simply cannot afford the impost of responding to the call. Then some hapless resident will die.

B.P. Captains Mountain have been approached to provide a fuel card that could be used in an emergency, however the Brigade could not guarantee the continuous imposed weekly spending level demanded, so the request was summarily refused.

This situation is common to both Brigades on Wylahra Grove, however the garnered amount of levies via the rates is much greater within the area controlled by the fully equipped Scrubby Creek Brigade so I cannot report with any certainty that their members face the level of personal expense that ours do in reacting to an emergency.

There must be some way for these public spirited citizens to be reimbursed, at least in part, for the essential and public service they provide for both citizens and Government.



Alan P. May
J.P. (qual.)

INFORMATION ENCLOSURE
FOR PETROL PRICING SELECT COMMITTEE

The Right Honourable Lord Mayor Cr. Jim Soorley
Brisbane City Council
G.P.O. Box 2287
Brisbane...4001

Dear Lord Mayor,

Please excuse my temerity for writing in this fashion, I have been contemplating upon the dilemma of delivering to the motorists of Queensland fuel prices that reflect the benefits of residing in the low taxed State, as well as providing an increase of revenue to authorities in order to provide a much needed upgrade of roads, transport and associated infrastructure..

Unfortunately, one of the publicised problems generated by Queensland's refusal to place a State tax on petrol, is that our system being "rorted" by interstate opportunists purchasing bulk amounts of our cheap fuel and running it south across the border where there is a State tax, reselling the fuel at the increased prices and therefore profiting at our expense.

In light of the fact that you have expressed the necessity for an increase in funding spent on roads and the apparent impasse on persuading the Federal Government of this urgent requirement, I decided to proffer some of my thoughts in the hope that they may prove useful.

Whilst I certainly do not claim any relationship to the Oracle I feel that it is imperative that our Government :-

1. Legislate a State tax on fuel that is the equivalent to that levied in New South Wales. This level must not be exceeded for reasons that shall become apparent later.
2. In order to offset this State fuel tax I suggest that every vehicle registered in Queensland be issued with a "Privileged Queenslander" registration "smart" card.

This card will be programmed with the specifications of the vehicle registered and the capacity of its fuel tank. This information is virtually recorded on the registration documents in existence now, e.g.. Small vehicle 4 cylinders, Medium vehicle 6 cylinders, Large vehicle 8 cylinders, etc. all that is required is the actual fuel tank capacities to be encrypted.

At the point of sale State fuel tax will be included in the price of fuel, it is only when this "Privileged Queenslander" registration card is presented and

swiped through the outlets computer that the State fuel tax is deducted from the total fuel cost, but only to the maximum fuel tank capacity recorded for the vehicle.

The number of times this card is used during the day cannot be restricted as long distance drivers may have to fill their vehicles several times, however I suggest that vigilance be promoted to prevent this card being "loaned" for the wrongful use by others or the use of stolen cards.

In the case of cards being "loaned" I suggest that the card be withdrawn so that the transgressor be forced to pay the State tax for the balance of their vehicles registered year.

Any modified vehicles (long range fuel tanks etc.) must be Queensland Transport approved and the specifications recorded on the card issued.

Existing regulations covering primary producers, trucks, interstate hauliers etc may be left in place, this concept is purely to prevent cheap petrol " bootlegging ".

3. The "Privileged Queenslander " smart card is to be considered as part of the vehicles registration documentation and must stay with the vehicle, if a motorist has no card then fuel tax discounts do not apply.

The vehicles registration due date is encrypted on the card and like Bankcards, if the date is past, the card will not work. A current card will be issued when the new registration fee is paid.

Other benefits come to mind,

(a) The delivery of untaxed fuel and improved road systems to Queensland motorists will be subsidised by interstate tourists who cannot complain because the impost is exactly the same as they have in their home state or, if they are from further afield, they will have paid this amount whilst travelling through New South Wales to get here.

This will negate any complaint of imposition from the tourist industry but will deliver millions of dollars revenue to Queensland for roads and infrastructure without costing our residents one red cent..

(b) The card will limit the amount of tax free fuel to the capacity of the fueltank only, this denial of cheap fuel for cargo loads will halt the interstate trafficking for profiteering.

(c) The coalition cannot throw the same tantrum as they did a short time ago about the imposition of a fuel tax because the fuel will be delivered to Queensland motorists tax free.

(d) To deliver the concept of Queensland motorists being promoted by the Queensland Labor Government as being special, and enjoying benefits

demonstrably not available to their interstate counterparts, must be a concept that any advertising firm worth their salt can capitalise on just prior to the next election.

Throw in the fact that the scheme is receiving a subsidisation that was not available previously and I personally feel that this could be win - win situation

Thank you for taking the time to read my musings.

Yours faithfully,

Alan P. May