



Speech by

**Hon. D. HAMILL**

**MEMBER FOR IPSWICH**

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Hansard 30 May 2000

### **MINISTERIAL STATEMENT**

#### **Fuel Subsidy Scheme**

**Hon. D. J. HAMILL** (Ipswich—ALP) (Treasurer) (10 a.m.), by leave: I rise on a matter that is of great concern to hundreds of thousands of Queenslanders. The fuel subsidy scheme designed to give Queensland motorists the cheapest fuel in Australia is not working. Worse than that, it appears that the scheme is being deliberately undermined. The subsidy scheme was introduced in 1997 in a deal between the Borbidge and Howard Governments after the Federal Government increased fuel excise to replace taxes which had been imposed in all States except Queensland. The proceeds from this extra tax were returned to the States and Territories. Consistent with this State's long-held opposition to a State fuel tax, Queensland decided to pay a subsidy to fuel wholesalers to offset the increased Federal tax and maintain Queensland's cheaper fuel regime.

The Beattie Government has continued to return every dollar we receive from the Commonwealth fuel excise to the Queensland motorist in the form of subsidised fuel prices. That represents half a billion dollars a year to ensure that Queensland motorists have an 8c a litre saving at the bowser. Yet today I stand before the House with grave news of the stark reality—that Queensland motorists are paying the same and, in some cases, more than drivers in New South Wales and the ACT.

Let me quote from the very figures provided by the Australian Institute of Petroleum and its member companies BP, Caltex, Mobil and Shell. By their own calculations last month, motorists in Sydney paid as much as 8c less for unleaded fuel than motorists in Rockhampton, Emerald, Charters Towers, Charleville, Mount Isa, Roma and Longreach. That is 8c cheaper than here in Queensland, where prices are supposed to be the cheapest in the country—and there is more. Mackay, Townsville and Cairns motorists were not much better off. They paid about the same as Sydney drivers. It is not only in country Queensland. In Brisbane, on average, prices range between 4c and 6c below those in Sydney.

**Mrs Sheldon** interjected.

**Mr HAMILL:** I know the member for Caloundra will be sensitive about this. In some cases, Brisbane motorists have been paying higher prices than their Sydney counterparts. I do not know where our fuel subsidy is going, but it is very clear where it is not going, and that is to the motorists of Queensland. My Government will not idly stand by and watch half a billion dollars in subsidies—taxpayers' hard-earned dollars—disappear into the pockets of oil giants or get siphoned off into the pockets of Sydneysiders. I can assure the House that the Beattie Government has zero—that is zero—tolerance for any situation that leaves Queensland motorists short-changed.

This is not the first time I have expressed concern about the fuel subsidy scheme itself, but perhaps it will be the last. We are seeking urgent talks with fuel companies this week to uncover why our fuel prices are rivalling New South Wales prices despite the additional tax on their pump price. The fuel subsidy scheme is designed to subsidise Queensland motorists, not oil companies and not interstate consumers. We do not go to the fuel wholesalers with a cheque for half a billion dollars and a note saying, "Pass it on or don't pass it on—it's up to you." Let me assure the people of Queensland that, if the full fuel subsidy is not reaching Queensland motorists, we will find another and more direct way of delivering our subsidy. If the oil companies cannot be trusted to pass on the full subsidy and deliver what should be the cheapest fuel in the country, then we will cut out the middleman.

There are a number of options I am exploring. If we are being denied the cheapest fuel in the country, then perhaps we can have the lowest vehicle registration costs in the country. If we cannot guarantee that fuel wholesalers will pass on the fuel subsidy to Queensland motorists, then perhaps we can provide Queensland motorists with a \$150 reduction in their rego. Whatever the outcome, let me assure the House that the Government will not sit by and see Queenslanders taken for a ride. The hundreds of millions of dollars that we provide to the fuel wholesalers are Queensland motorists' dollars. One way or another, we are going to deliver those dollars to Queensland motorists.

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