



Speech by

Hon. Robert Swarten

MEMBER FOR ROCKHAMPTON

Hansard Thursday, 2 November 2006

MINISTERIAL STATEMENT

Q-Fleet

Hon. RE SCHWARTEN (Rockhampton—ALP) (Minister for Public Works, Housing and Information and Communication Technology) (10.08 am): I rise to update the House on the current status of Q-Fleet. The national decline in the used vehicle market has been well documented. It is the result of a number of factors, including rising fuel prices and a glut of used cars for sale across the country, especially big six and eight cylinder vehicles.

As I have reported previously, at the end of June 2005 the government's fleet operator had a stock of 2,353 used vehicles awaiting sale. We introduced a number of successful strategies to reduce this stock, including a lease extension program for larger vehicles, introduction of Saturday auctions, a wholesale sales program and additional regional auctions.

I am pleased to report that by mid October 2006 Q-Fleet had successfully reduced the number of vehicles for sale across the state to 522. That is an impressive achievement in the current market. While between 1996 and June 2005 Q-Fleet returned a profit of \$80 million to taxpayers, as was detailed in the last MPS the predicted trading loss for 2005-06 was \$14.2 million. I can advise the House today that the actual trading loss was \$13.3 million—almost \$1 million less.

Another exercise we have embarked on is the revaluation of the entire government fleet in accordance with standard accounting practices. It had been valued at \$335 million. This revaluation, supported by the Queensland Audit Office and Queensland Treasury, will show up in the annual report to be tabled soon as a write-down of eight per cent or \$24.6 million across the fleet of 13,700 vehicles. This is well within the devaluation guidelines of up to 12 per cent for used car stock quoted by national industry experts such as the Australian Fleet Management Association. Q-Fleet will bear the loss on behalf of its client agencies so there will be no negative effect on government services.

Let me assure members that Q-Fleet remains a very solid business. It is back on track and I am pleased to advise that at the end of the first quarter of 2006-07, as a result of the strategies we have put in place, the fleet operator held a positive trading position.