



Speech by

Lawrence Springborg

MEMBER FOR SOUTHERN DOWNS

Hansard Wednesday, 31 October 2007

QUEENSLAND FUEL PRICE INQUIRY

Mr SPRINGBORG (Southern Downs—NPA) (9.53 pm): I rise tonight to point out some very real concerns I have about the government's inquiry into the Fuel Subsidy Scheme and the unrealistic expectations it is creating within the community. Many Queenslanders have no idea of the origins of the Queensland Fuel Subsidy Scheme and therefore wrongly believe that they are the beneficiary of significant government generosity. This scheme should be renamed to reflect the fact that it is a tax rebate to motorists brought in to effectively maintain our historical fuel tax-free status following the national application of state based fuel taxes resulting from a High Court ruling in 1997.

The Beattie government made a major policy mistake in the year 2000 when it transferred responsibility for the administration of the rebate scheme's claim processes from refiners and wholesalers to retailers and bulk-end users, based on spurious and unproven allegations of misuse of the scheme. Consequently, the state government has pocketed significant amounts of money which bulk-end users are entitled to because many do not apply for the rebate due to the complications with the record keeping and application process. Small retailers similarly struggle with the bureaucracy and administration of the scheme.

Obligation for the administration of the scheme should be returned to wholesalers and refiners ensuring more simplicity and less bureaucracy. The fuel tax rebate must be maintained with no move towards its incremental abolition by transferring some or all of it to registration reductions, as this would only be a shifty move by the government to pocket the money to make up for its revenue shortfalls.

Personally, I warn against the introduction of regulated fuel prices, as this will ultimately reduce competition, become grossly unworkable and drive prices up as service stations are forced to close. The best way to ensure transparency, competition and lower prices for motorists is to establish a petrol price commissioner under the Queensland Competition Authority with the full power of a standing royal commission to demand petrol companies open their books to scrutiny and guard against anti-competitive practices, which is a growing risk particularly as the major chain stores gain a greater share of the fuel market. The commissioner would also ensure that the fuel tax rebate is passed on.

Maximum competition and fearless protection of its diversity is the best way to keep fuel prices down. If there is a knee-jerk reaction to the justifiable concerns of Queensland motorists, we may end up with a worse long-term outcome for them.