



**Queensland  
Government**

**Premier of Queensland  
and Treasurer**

---

*Our Reference: PAT-00240*

**22 DEC 2005**

Mr Neil Laurie  
The Clerk of the Parliament  
George Street  
BRISBANE QLD 4000

Dear Neil

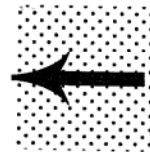
Thank you for your letter of 5 December 2005, forwarding a copy of Petition No. 532-05 received by the Queensland Legislative Assembly on 29 November 2005.

I have enclosed a copy of my response to the principal petitioner for tabling in the Parliament.

An electronic version of the response will be sent to your office.

Yours sincerely

**PETER BEATTIE MP  
PREMIER AND TREASURER**



encl.

---

Executive Building  
100 George Street Brisbane  
PO Box 15185 City East  
Queensland 4002 Australia  
**Telephone +61 7 3224 4500**  
**Facsimile +61 7 3221 3631**  
**Email [ThePremier@premiers.qld.gov.au](mailto:ThePremier@premiers.qld.gov.au)**  
**Website [www.thepremier.qld.gov.au](http://www.thepremier.qld.gov.au)**

---



**Queensland  
Government**

Premier of Queensland  
and Treasurer

---

*Our Reference: PAT-00240*

22 DEC 2005

Ms Robin Boyne  
34 Wilton Terrace  
YERONGA QLD 4104

Dear Robin

Thank you for organising the petition on the high price of fuel in Queensland, which was tabled on 29 November 2005. The petition has been referred to me as the minister responsible for fuel price issues.

The Queensland Parliament and the Queensland Government recognise the financial pressure being placed on Queenslanders by the high price of fuel.

It is for this reason the Queensland Parliament has established the Impact of Petrol Pricing Select Committee (the committee), to examine a range of issues regarding fuel pricing in the state.

The terms of reference of the committee include the following:

- (a) consider the extent to which current petrol price increases the competitiveness of alternative fuel sources such as E-10;
- (b) identify the economic and financial consequences of current fuel prices with a particular emphasis on regional Queensland and outer metropolitan areas;
- (c) identify practical ways that consumers can reduce their petrol bills, including through considering whether existing information on the fuel efficiency of different makes of motor vehicles is sufficient;
- (d) consider the extent to which recent fuel increases could be moderated through enhanced domestic competition, including how the powers of the Australian Competition and Consumer Commission could be strengthened to deliver enhanced competition;
- (e) examine whether Queensland receives its fair share of road funding;
- (f) identify the capacity and benefits of the Commonwealth Government reducing fuel excise to ameliorate the impact of high fuel prices on families and business; and
- (g) identify whether Queensland motorists are receiving the full benefit of the 8.354 cents per litre subsidy and examine the efficiency of administration for the bulk end users scheme.

---

Executive Building  
100 George Street Brisbane  
PO Box 15185 City East  
Queensland 4002 Australia  
**Telephone +61 7 3224 4500**  
**Facsimile +61 7 3221 3631**  
**Email [ThePremier@premiers.qld.gov.au](mailto:ThePremier@premiers.qld.gov.au)**  
**Website [www.thepremier.qld.gov.au](http://www.thepremier.qld.gov.au)**

---

The committee is in the process of examining the issues raised by the petition and is due to report its conclusions and recommendations by 31 March 2006.

The petitioners should note the Queensland Government's only direct influence on fuel prices is through its Fuel Subsidy Scheme, which provides consumers in Queensland with an 8.35 cent per litre subsidy for leaded and unleaded petrol and on-road diesel. The Queensland scheme is by far the most generous fuel price subsidy in Australia.

In relation to the support of alternative fuels, the Queensland Government has in place its *Queensland Ethanol Industry Action Plan* as part of its 'Smart State Strategy'. The Action Plan has been developed to raise public awareness of, and confidence in, ethanol blended fuels, increase domestic demand and export capacity, and assist the development of retail and distribution networks for these fuels.

The Queensland Government also promotes the ethanol industry directly by encouraging the users of its motor vehicle fleet to use the ethanol blended fuel, E-10. Consumption of E-10 fuel by the Queensland Government fleet has been rising significantly and now averages in excess of 200,000 litres per month.

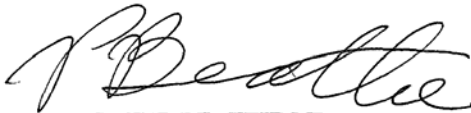
A key issue in relation to fuel prices is to ensure the market is operating effectively and consumers are treated fairly. The Commonwealth Government, through the Australian Competition and Consumer Commission (ACCC), has responsibility for overseeing and regulating competition and trade practices. The Queensland Government has previously referred our concerns regarding fuel pricing to the ACCC to see whether there is any action it can take.

The ACCC in its response indicated it currently does not have the necessary mandate from the Federal Treasurer to use its full powers to more thoroughly investigate retail fuel pricing practices. The Queensland Government has also urged the Commonwealth Government to conduct a national inquiry into the fuel industry and fuel pricing. However, the Commonwealth Government is apparently satisfied with the current situation.

It is the government's hope the Impact of Petrol Pricing Select Committee will not only produce findings to assist reducing the substantial pressure on families and business from high fuel prices, but provide further impetus for the Commonwealth Government to establish a national Royal Commission to address this nation-wide problem.

The Queensland Government suggests the petitioners encourage the Commonwealth Government to act by taking their concerns to the Federal Treasurer.

Yours sincerely



**PETER BEATTIE MP**  
**PREMIER AND TREASURER**

