



MEDIA RELEASE

Brisbane Central Business District Bicycle Users Group

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Scrapping wasteful Queensland Fuel Subsidy Scheme long overdue

The State Government's announcement that it is scrapping the Queensland Fuel Subsidy Scheme from 1 July 2009 is long overdue according to the Brisbane Central Business District Bicycle Users Group (CBD BUG).

The fuel subsidy scheme was introduced in 1999 by the then Treasurer Joan Sheldon, and in 2009-10 was predicted to cost the state \$580 million.

The CBD BUG has come out in support of the scheme being scrapped, saying it has been a massive waste of taxpayer's money that would be much better spent on improving infrastructure for active transport modes such as cycling, walking and public transport.

CBD BUG spokesperson Mr Paul French said "the Queensland Government is to be commended for making the decision to rid taxpayers of this excessive burden on the state's coffers."

Industry groups have opposed the scheme being scrapped. However Mr French pointed out that farmers, truck drivers and fisherman can still claim their fuel costs on their tax returns meaning they are being subsidised by the Federal Government anyway.

Mr French also said that "farmers and rural residents may think they are losing the subsidy, but the simple economics of this scheme are that in the bush there is very limited price competition. In the absence of competition the subsidy will not be passed on."

The scheme was revealed by evidence at the Queensland Fuel Subsidy Commission of Inquiry to be wide open to fraud by unscrupulous fuel retailers, and then on top of all this there are the hefty costs of the scheme's administration.

"Quite simply the fuel subsidy was an expensive luxury Queenslanders can no longer afford. It was ludicrous in this era of concern about climate change and traffic congestion for the State Government to be encouraging people to drive their cars by subsidising their fuel costs" Mr French said.

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