



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Country motorists pay more GST on petrol from tomorrow (July 1)

Independent Member for New England, Tony Windsor is reminding country motorists that as from tomorrow (July 1), they will be paying more GST on their petrol as a result of the Commonwealth Government's decision to scrap the Fuel Sales Grant Scheme introduced to prevent petrol price increases as a direct result of the introduction of the GST in 2000.

"Country motorists will now be paying extra GST as a result of the price differential between city and country areas.

The Fuel Sales Grant Scheme should now be seen as an expedient program to calm the troubled waters that were around at the time of the introduction of the GST.

It was used to shore up the Prime Minister's statement that the GST of itself would not make anything more expensive.

Well there is still a price differential between city and country petrol of between 10 and 30 cents per litre in regional and remote Australia and therefore the circumstances that existed when the FSGS was first established still exists and the Prime Minister's statement should still hold true – that the GST of itself should not make anything more expensive.

This will now not be the case as country motorists will be paying more for their petrol as a direct result of the GST," Mr Windsor said.

Mr Windsor said comments made by some Government members about the subsidy not being passed on to country motorists by the oil companies is a cop out.

"Some Government MPs have said that the scheme worth \$270m per year has not worked with the oil companies not passing on the subsidy.

If this was the case, why didn't the Government act to ensure that the oil companies did pass the subsidy on?

In effect, if this claim by Government MPs is true, the Commonwealth Government has actually been subsidising the oil companies and they should ask for them to pay it back – plus interest.

It's purely a Government cop out," Mr Windsor said.

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