



Speech by

**Dr DAVID WATSON**

**MEMBER FOR MOGGILL**

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**FUEL SUBSIDY AMENDMENT BILL**

**Dr WATSON** (Moggill—LP) (Leader of the Liberal Party) (8.42 p.m.): I rise to speak on the Fuel Subsidy Amendment Bill, which has just been gagged by the Government. This Bill is just another stepping stone to a Beattie fuel tax. Let there be no misunderstanding, no mistake. Behind this Bill is a hidden agenda. If we did not think there was a hidden agenda before a couple of minutes ago, it was confirmed by the Government's unwillingness to debate this Bill in detail. It was confirmed by the fact that the Government was unwilling to expose this Bill to the full scrutiny of this Parliament at the Committee stage. It was confirmed by the fact that this Government will not allow the speakers on this side of the House to have their full say. Behind this Bill, there is a hidden agenda.

The Premier will never admit these days to favouring a fuel tax, but let me remind members of what he had to say in 1993—

"I do think there will be a time"—

**Mr DEPUTY SPEAKER** (Mr Fouras): The member for Sandgate will leave the Chamber and have his conversation outside.

**Dr WATSON:** Thank you very much, Mr Deputy Speaker. I think decorum is a particularly important aspect of this place, so I think that your enforcement of those rules is appropriate.

In 1993 the Premier said—

"I do think there will be a time, somewhere along the road, when we will need to look at widening the tax base, and maybe issues such as the petrol tax need to be put on the agenda."

The member for Brisbane Central then claimed that a petrol tax would reduce unemployment. He said—

"I believe Queenslanders would be supportive of a 1 or 2c per litre petrol tax if it contributed to job creation schemes."

He went on to say—

"If we are to maintain the services that are provided currently and that the people of this State want, it will be necessary to consider a petrol tax. I believe this matter needs to be put on the agenda for debate."

That was the Premier's view in 1993, and it is still his view today. His arrogant attempt to scrap Queensland's fuel subsidy earlier this year confirmed that nothing much has changed. The hysteria he whipped up over rising petrol prices was just a cynical smokescreen, aided and abetted by his tangle-footed mate from Ipswich, who has now introduced this Bill.

**Mr Borbidge:** "Baldrick".

**Dr WATSON:** That is what I believe that very respected journalist on 4BC, Mr Miller, keeps referring to him as.

As Craig Johnstone observed so astutely in the Courier-Mail of 15 June, the Government's plans were well advanced long before international oil prices started to bite at the bowser. The Premier and his Treasurer couldn't believe their luck at having a ready-made excuse to accelerate their plans for

a fuel tax. Johnstone's comment is worth quoting at some length, because I think the point was well made by that journalist. He said—

"It is passing strange that on May 29, the day the first reports appeared about high petrol prices in Queensland, Mr Hamill and Premier Beattie had a suggested solution.

A more believable scenario would be that they were waiting for the right moment to spring it on motorists.

Mr Hamill is insisting the Treasury was only acting on recent concerns expressed by the RACQ about the high Queensland pump prices relative to other States.

But this Government would not be relying on the RACQ or media to inform it about the operation of a \$500m subsidy.

More likely the Government and Treasury have taken advantage of the furore to bring forward a policy change that has been in the works for months."

**Mr Borbidge:** Hear, hear!

**Mr Springborg:** Hear, hear!

**Dr WATSON:** "Hear, hear!", the Leader of the Opposition and the Deputy Leader say. Johnstone hit the nail on the head. This was a premeditated attack on Queensland motorists. That is precisely what it was. The Premier saw an opportunity to implement his long-term plan for a fuel tax and he seized it with both hands. He tried to outort the rorters. He poured \$400,000 worth of taxpayers' money into blatant propaganda, and went perilously close to succeeding, until the commonsense of the Queensland public kicked into gear.

The Premier's whole strategy was based on lies, lies and more lies. First he claimed the subsidy was not being passed on, when all the hard data showed that it was. Then he claimed that the Government had not even considered a fuel tax until petrol prices started to rise. But all the evidence showed otherwise. Then he claimed that every last cent would be returned to motorists, when independent experts such as the RACQ estimated the Treasury tax grab at \$140m. Then he threatened to go it alone with a State-based inquiry into petrol prices. To quote his own words from the Melbourne Age of 22 August, "There will be an inquiry in relation to petrol", he said. "If we can't get a national one, rest assured, the State will be holding one." Big talk, but we are still waiting.

It is very interesting that even this morning—and it is still sitting on the table here—the Premier tabled a gigantic petition—

**Mr Springborg:** A gigantic cop-out.

**Dr WATSON:** A gigantic cop-out, as the member for Warwick says. That petition asks the Federal Government to institute a Senate inquiry.

**Mr Borbidge:** He didn't petition himself.

**Dr WATSON:** No. In fact, he said in the Melbourne Age, "If we can't get a national one, rest assured, the State will be holding one."

**Mr Borbidge:** And then he swallowed real hard.

**Dr WATSON:** That's right. Weeks later, months later, he comes into this Chamber, tables a boxful of petitions for the Federal Government to do something, and he is found wanting. He does not have enough gumption, does not have enough internal fortitude to hold one himself, because he knows the answers. The Premier has obviously reached the conclusion that one inquiry in Queensland is one too many.

The piece de resistance was his silly assertion that existing arrangements were being rorted to the tune of \$100m a year. Someone at the Executive Building forgot to check the maths. With a subsidy rate of 8.3c a litre, the volume of fuel needed to sustain a rort of \$100m would be 1.2 billion litres a year. That works out to about 3.3 million litres of fuel a day, or 60 tanker loads at an average capacity of 55,000 litres. That is what the Premier wanted us to believe, that there were 60 tankers heading south every day, 365 days a year, with subsidised Queensland fuel. If that were the case, the tankers would have been backed up from Coolangatta to Southport. I very much doubt that there are 60 tankers in Queensland on any given day, let alone 60 tankers carrying contraband petrol interstate.

Of course, we all know about the Premier's research. He gets a couple of his ministerial minders to phone half a dozen service stations before breakfast and jot down their answers on a canteen napkin. That is it. The Premier's methodology makes Ros Kelly's whiteboard look like rocket science. He makes it up as he goes along.

According to one of Australia's leading economic commentators, the Premier has elevated the standard of debate on petrol prices to postgraduate level ignorance. Unlike honourable members in this Chamber, Terry McCrann was not inhibited by the niceties of parliamentary debate. I could not possibly

repeat his personal assessment of the Premier's rantings, but it was about six buttons short of a boofhead—the Homer Simpson of Australian politics. I think the Leader of the Opposition, the member for Surfers Paradise, had an equally colourful way of expressing it in the House a few weeks ago. As Mr McCrann so rightly observed, if the Premier really wanted to do something about rising petrol prices all he had to do was hand back the 9c a litre he was getting from the GST.

The reality is that the Premier was hoping to use the GST as a Trojan horse for his own tax grab. That is what he has always been on about. He sought to perpetuate a massive deceit on the people of Queensland but he was caught out. We would not buy it, the RACQ would not buy it, the Motor Trades Association would not buy it, the Local Government Association would not buy it and, of course most importantly of all, the people of Queensland would not buy it.

The Treasurer was not adverse to a little bit of deceit either. When we caught him out ripping \$40m off beer drinkers earlier this year, he claimed that the money would be used to subsidise the cost of the petrol. That \$40m would have cut the price by nearly 1c a litre, but it never happened. When the Government rants and raves about the Federal Government I find it amazing that it has not passed on that \$40m at all. Every cent has disappeared into consolidated revenue. When the Premier's grand plan started to unravel in June, he set up the Price Watch Task Force headed by the member for Woodridge.

**Mr Springborg:** He'd be good at locating rorts.

**Dr WATSON:** One has to admit that there is a certain irony about the former secretary of the ALP being appointed to investigate alleged rorting.

**Mr Paff:** Alleged?

**Dr WATSON:** It is alleged rorting in the case of petrol. We can only hope that he has more success with petrol than he had with his Labor colleagues and the electoral corruption during the 1990s.

Of course, the other great irony during the course of this debate was that the only players backing the Government's attempt to axe our fuel subsidy were the oil companies, the alleged rorters. No wonder the people of Queensland smelt a rat. If the purpose of this Bill is to cut out the oil companies, as suggested by the Government's own web page and reported in the Courier-Mail on 19 September, someone should remind the Treasurer that most service stations are owned and controlled by the oil companies.

When the Premier announced his new fuel scheme on 18 September, he said that it would ensure that the entire subsidy of 8.35c a litre was knocked off the pump price. Well, how? If the Government cannot control the oil companies, how will it control their retail outlets? If the oil companies were ripping off the subsidy before, what will stop them now? How can we even tell when the petrol price can fluctuate by 10c a litre between dawn and dusk? Every one of us in the past couple of days when driving around Brisbane would have seen that. When I was coming into Parliament in the morning it was 79.9c a litre at the petrol stations in my area and when I was going home in the evening it was 89.9c. If the Government cannot stop the oil companies from employing fluctuations of that magnitude, how will it stop them under the proposed system?

This Bill does nothing to address the biggest single bugbear for the Queensland motorist. The price of petrol will still be bouncing around like a bungee jumper on speed. This Bill will increase administrative costs tenfold without any guarantee of increased compliance. What is the point? There is no point. We will still have to contend with market forces, we will still have to contend with the rorting of the margins and we will still have to contend with the roller-coaster prices. There will be no discernible impact on the cost of petrol at the bowser. Ordinary motorists will get no benefit and the bulk end users will be even worse off. This Bill will transfer financing costs from the Government to business and industry. It will build in yet another disincentive to investment and jobs.

Far from what the Premier said in 1993 about a fuel tax creating jobs, this particular piece of legislation will do exactly the reverse. The Treasurer wants us to believe that this Bill is the bees knees, that it will stop the mythical convoy of phantom petrol tankers trucking contraband fuel across the border and deliver peace and prosperity for all in our time.

This is the same bloke who thought that it was okay to rort his parliamentary travel entitlements, who thought the tollway was a good idea and who gave his mates a multimillion-dollar casino licence.

**Mr Springborg:** He closed the railway line.

**Mr Borbidge:** He woke up one morning and tried to close down a third of QR, too.

**Dr WATSON:** And the members for Warwick and Surfers Paradise remind me of the closure of the railway lines.

**Mr Borbidge:** A third of the QR network.

**Dr WATSON:** He closed a third of the QR network overnight.

**Mr Springborg:** What about the school uniform allowance?

**Dr WATSON:** That was the \$50 cheque—the \$50 bribe—that went out just before the election.

**Mr Springborg:** He is the human personification of a Demtel ad.

**Dr WATSON:** That is right. Why should we have confidence in anything he says? It is worth noting that every Labor MP supporting this Bill also supported the Premier's plan to abolish Queensland's fuel subsidy—every one of them. There was not one member over there who spoke out against it. Not one member came out publicly and said that that was a bad idea. Every Labor MP supporting this Bill also supported the Premier's push for a de facto fuel tax. That alone should be cause for thought.

The acid test of this Bill is this: will petrol be any cheaper as a result of this Bill?

**Mr Springborg:** No.

**Dr WATSON:** The answer is no. As reflected by my colleagues a moment ago, no is the answer. The answer is no. Some users will pay more but no-one will pay less.

This Bill is just a strategic retreat from a failed political swindle. It is a cosmetic face-saver for an arrogant Premier who is hell-bent on introducing a fuel tax at the earliest opportunity. The coalition will not be a party to such a pointless, cynical charade.

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