



Speech by

**DESLEY BOYLE**

**MEMBER FOR CAIRNS**

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Hansard 19 July 2000

### **DIESEL REBATE SCHEME**

**Ms BOYLE** (Cairns—ALP) (6.35 p.m.): I rise to support the Treasurer's amendment to this motion, and I am pleased to join with all the honourable members of this House who have expressed concern about the off-road diesel fuel scheme arrangements. The Commonwealth, with the introduction of its GST, resumed responsibility for subsidising off-road diesel users, which had been provided until now by the State Government. That is its option and there is nothing improper about that. However, it is the manner in which it is choosing to go about doing that that this House must call into question.

The Howard Government took back the State funds used to provide this subsidy—this year, as our Treasurer has said, \$175m—and the Howard Government is now, therefore, responsible for ensuring off-road diesel users are no worse off. But already we are well into July and that is in fact not the situation. Clearly, the Federal Government had not thought through the impacts of its taking over of the administration, had not thought through the impacts that there could be on businesses, particularly civil contractors and marine operators, but also on local governments. Certainly there are those of us in the far north who have to say again about that central Government in Canberra: what little knowledge it has of the real world out there, of the broader Australia, of the rural and remote areas and of the life of a small-business person.

So far as the civil contractors and local governments are concerned, think of those, for example, spread up around the Cairns area and then up into the cape and the gulf territory. They undertake essential works in a highly competitive business, and yet they do it with very small budgets and very small differentials. The councils have a small number of people and a small number of businesses and properties on which to rely for their rates, their fees and their charges, and yet the kind of civil works that they are expected to undertake in often quite large electorates are tremendous. For them not to have the option of the off-road diesel fuel scheme would be bad enough. But even if it were to be clarified that they were to have the appropriate rebates, to have to carry the costs until they can be rebated at some later time is beyond the capacity of many.

Consider with me if you might the marine operators in the far north of Queensland. I know just from the port of Cairns that approximately 3,000 people per day board boats for tourism purposes—to visit the reef, to go diving, to go on charter fishing trips—and some of these are, of course, large companies, world-famous companies; some are quite small local operators who are fighting to make ends meet and to establish themselves in this very competitive market.

It is probably so that many members of this House would realise—and therefore also the Federal House of Representatives and Senate would realise—that for major tourism businesses marketing internationally, such as many of our reef fleet operators, their prices have to be set at least 18 months in advance to be advertised around the world. Then those prices are set. They cannot have the tourists arrive in Cairns and say, "Well, look, a little mix-up with our Federal Government. We have to change the advertised rates." Not at all. So that where they are carrying costs that were not there before, or where they are carrying even the uncertainty of not getting back that full rebate, their businesses are seriously at risk. For small operators, whose cash flow is so dependent week by week, to carry this uncertainty is beyond reason.

Really, of course, in the end the businesses would have to one way or another pass on the costs to us. Well, to whom would the costs be passed on to exactly? They are tourism businesses, and

so, in the end, the costs would be passed on to the tourists. As wonderful as the Great Barrier Reef may be, the competition that we have from other wonderful ecological sites around the world would put these businesses out of business.

I am pleased to have heard that, in this last week, the Taxation Office has clarified that in fact eligibility will be given to hire or charter vessels operated by a tourism business for fishing or other recreational activities. The sooner the process is clarified, the better. However, I am sorry to inform the House that presently it is its determination that not eligible for rebate will be planning, development or construction of waterways, ports, docks, freight terminals, marinas or similar facilities or infrastructure. Civil contract construction in the port areas—not eligible.

I congratulate this House and all members on speaking up this evening. I join with them, and I hope we will keep the pressure on the Federal Government to do what is its responsible duty.

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