



Speech by

Mr M. ROWELL

MEMBER FOR HINCHINBROOK

Hansard 19 July 2000

DIESEL REBATE SCHEME

Mr ROWELL (Hinchinbrook—NPA) (6.30 p.m.): In rising to join this debate, I support the motion moved by the member for Gladstone. I think it is very important that we acknowledge what she is trying to achieve.

As the Opposition Leader has said, we support the need for the level of rebate to be at the promised level of 100% for all those eligible for the diesel fuel rebate and for that promise to be backdated to 1 July. That will remove the problem that is being experienced under the new arrangements, apart from the cash-flow issue, for off-road users of diesel eligible for the diesel fuel rebate scheme and should mean that they will then be paying no more for off-road diesel under the new arrangements than they were before the scheme came into place.

The problem has emerged for the Commonwealth on this point because the literature associated with the new arrangements promised a 100% rebate on excise. In reality, that has been the promise for as long as the scheme has been in place—which is now 13 years—but the rebate has in fact rarely been at the full 100%. It has nearly always been shy to some extent. For example, even in the weeks leading up to 1 July, the rebate was just short of 100%. The primary producer rebate was 43.96c per litre. The level of excise was 44.137c per litre. That represented a 99% rebate, not a 100% rebate.

In the first month of the new scheme that difference has ballooned out to 1.787c per litre—about a 95% rebate. The difference is the difference between the new excise level of 37.481c per litre and the initial rebate level for July, which has been set at 35.696c per litre. This discrepancy has occurred because the rebates are set on a six-month rolling basis. Quite often people involved in primary industry in particular do not always access those rebates at that particular time. The periods are quite lengthy at times and, of course, there could be some advantage.

The rebate level will slowly catch up with the excise level by January through monthly increments, so that the August rate has already been struck at 36.066c per litre, and for September it will be 36.349c per litre. By January it will be at 100%, and in those intervening months the 1.787c per litre of excise that some will be paying will steadily shrink. But then, in February, there will be another CPI movement in the excise level, and the process will start again, unless the scheme is changed.

As the Opposition Leader has said, the coalition in Canberra is very well aware of the issues raised by the NFF and is looking at how it should respond. One issue that is under consideration is whether the simple backdating mechanism that is being sought necessarily is the best way to deal with the issue. The fact is that more than 70% of farmers make only one claim for their diesel rebate each year, and the rebate that applies is the rebate at the time of the claim, not at the time of the purchase of the fuel. In other words, the only farmers who will feel the full brunt of the 1.787c per litre differential are those who claim their rebate in July for fuel they purchased in July. If they can and do wait, they should get much closer to the 100% rebate. The differential that existed in the final weeks leading up to 1 July was, for example, 0.177c. But it is a problem. The Commonwealth knows that, and it is working on it. Further encouragement from this House to keep working on it—

Time expired.
