



Speech by

Hon. R. E. BORBIDGE

MEMBER FOR SURFERS PARADISE

Hansard 30 May 2000

FUEL SUBSIDY SCHEME

Hon. R. E. BORBIDGE (Surfers Paradise—NPA) (Leader of the Opposition) (10.18 a.m.): At the outset I say that the Opposition will offer bipartisan support to any reasonable move by this Government to make sure that the benefits of the fuel subsidy scheme go through to Queensland motorists and that our investment in that scheme is protected. Today I wish to comment on a couple of matters raised by the Treasurer.

The fuel subsidy scheme came about as a result of a High Court decision that invalidated a number of State Government taxes. Following a request from the States, the Commonwealth agreed to collect those taxes and pass those taxes on to the States. Because under the Constitution the Commonwealth cannot discriminate between the States, the decision was made that Queensland would be compensated for having the equivalent of a fuel tax, and the Queensland Government would rebate through a fuel subsidy scheme what was received from the Commonwealth and what was collected. That is the history of the scheme.

I make the observation that the abolition of the fuel subsidy scheme equals the introduction of a fuel tax in Queensland. That will be the result. I note the Government's intention to say, "Righto, we will use these funds, effectively collected from a fuel tax, to reduce motor vehicle registration in this State." That is fatally flawed, because what it will mean is that those people in this State who drive over a certain number of kilometres per year—who take the kids to school, who live in rural and regional Queensland—will run the risk of subsidising those who do not. That is where what the Government is proposing is fatally flawed.
