



Speech by

Hon. R. E. BORBIDGE

MEMBER FOR SURFERS PARADISE

Hansard 20 June 2000

FUEL SUBSIDY SCHEME

Hon. R. E. BORBIDGE (Surfers Paradise—NPA) (Leader of the Opposition) (5.58 p.m.): I move—

"That this House calls upon the Treasurer to direct the Commissioner of Stamp Duties to instigate an immediate investigation using the powers invested in him under the Fuel Subsidy Act 1997 to ascertain the existence of any abuse of the fuel subsidy scheme and, if so, move to prosecute all alleged offenders."

The Beattie/Hamill Government's efforts to impose a fuel tax on Queensland motorists is simply on pause. If Queenslanders re-elect the Beattie/Hamill Government, they will get a fuel tax. After what we have seen over the past three weeks, nothing is more certain. There are three things driving the Beattie/Hamill Government. The first is the Premier's own clearly stated belief in a fuel tax. He has described a fuel tax as fair and equitable. He has said that a fuel tax should be on the agenda and that it should be considered very seriously. He denies it and he backflips now, but the backflips are so back to back that the people know that they are only for the purposes of deception.

The second basis for the Premier's moves towards a fuel tax is pressure from the Left. The Minister for Transport wants a fuel tax in Queensland. The Minister for Transport, the most senior representative of the Left in the Cabinet, has been a driving force behind the bid to scrap the fuel subsidy, which equals implementation of a fuel tax. The Premier is understandably increasingly concerned about the Left. Being a stateless person factionally and given the determination of the Left after the Goss years never to be ridden over roughshod again, the Left is a constant monkey on the Premier's back, a ginger group for more money—more spending—that will not go away.

The third reason the Premier wants a fuel tax is that his Budget is in chaos. He desperately needs every cent he can lay his hands on. He is down at least \$400m on power industry income this year. He says he is down \$180m on royalty income. He says it will be difficult to balance the Budget. He is desperate and he has tried a desperate move.

This move to a registration based alternative to the fuel subsidy was never revenue neutral, as the Premier claimed. It was worth at least \$140m to him in the first year alone, according to the RACQ. Of course, in the longer run, it would have saved him every cent of the moneys he would otherwise have had to divert from Commonwealth revenue to maintain the historical advantage long enjoyed by Queensland motorists by maintaining a fuel subsidy. Within two or three years the short-term decrease in funding from registration would have been absorbed by CPI and by growth in registrations. From that point on, the Government would not only be saving every cent of the subsidy moneys, it would be getting back in front on registration income as well.

So this was very much a short-term and a medium-term plan by the Premier to raise money. It was a rort. He needed to prop up the next Budget, he needed to have a bit more room for an election Budget this time next year and he needed to be able to mollify the Left with the understanding that the full income of the fuel subsidy scheme would be available for them to waste if he won a second term.

But his bid to treat Queenslanders like utter fools did not work, and it did not work because Queenslanders are not fools. They saw right through the charade, the con, the rort. The Premier said that he had to move to stop the rorts. He claimed that there were two forms of rorting. One was an internal rort whereby the subsidy was not being passed on. He suggested that this was the case in

Brisbane as well as in various rural and regional centres. The fact is that the evidence is clearly against him. The agency called Informed Sources, which provides price data to the Australian Institute of Petroleum, shows the subsidy has been passed on. The 8c a litre price differential has by and large been consistently passed on. The Australian Bureau of Statistics shows that the 8c per litre price differential certainly has been there in each and every quarter since the rebate scheme came into existence, just as it existed before the scheme came into existence.

The Premier's efforts to convince Queenslanders otherwise was simply part of an effort to try to create a false premise, a smokescreen, for his imposition of a fuel tax. It was part of the only real rorts associated with this process: the Premier's rorts, the Government's rorts, Labor's rorts. Registration cuts were never going to make up for their losses, and the Premier knows it. In fact, he has regaled this place with detail about how the annual cost to each Queensland family would be of the order of \$400. His \$150 to \$180 rego rebates were not going to cover half the cost of the Premier's move on his own reckoning when he was Opposition Leader. So the only rort in regard to the passing on of the subsidy is the Premier's rorting of the truth.

The second alleged rort involves the cross-border trade in petrol as if that cross-border trade has just been invented, has just started. The fact is that the cross-border trade in petrol from Queensland has been going on for decades. Tankers would fill up on cheap Queensland fuel, take it across the border and make a killing. It has been going on forever; we all know that. Only the Treasurer seems to think that the trade is somehow new. However, the point here is that it became a threat, a concern to Queenslanders, only after the High Court decision that forced the use of a Commonwealth funded subsidy to ensure Queenslanders got the benefit of cheaper fuel because, under the Constitution, the Commonwealth excise that replaced the fuel taxes in other States had to be collected here as well.

Since that event, the interstate trade does potentially diminish Queenslanders' access to the subsidy. The subsidy is limited on a per capita basis. Notwithstanding the nonsense from members opposite, the cross-border trade would remain as attractive if the subsidy was on volume. In fact, it would be even more attractive, and we knew that. It was a fact of life, just as it had been for decades. That is why we put in place in the Fuel Subsidy Act very wide ranging powers for the State to ensure compliance with the scheme and to control the rorting. Stamping it out was perhaps impossible, but the legislation was adequate to limit the trade if appropriate effort was put in.

But the reality is that it has barely been used. That is the other rort. The Premier told us today that there have been but two prosecutions in two years under this Government. Members opposite claim Queenslanders are being denied \$100m a year in subsidies by this trade. That suggests that 60 of the largest petrol tankers on the road capable of carrying 55,000 litres in double tanker trucks are streaming down the Newell Highway and across the border or across the Tweed every day of every week—1.2 billion litres of fuel.

Mr Springborg: I drive that way all the time. I don't see them. That is in my electorate.

Mr BORBIDGE: The member for Warwick does not see them, no. I suspect that that statistic probably comes from the same deep well of deceit which led the Premier to suggest without convincing evidence that the price differential had not been enjoyed under the scheme that the coalition put in place and which the ALP, including the Premier, enthusiastically supported at the time. The Treasurer even congratulated us, which is a bit of a worry. But if that is the case, if the trade is of that scale, then it is a fantastic indictment of the incompetence of this Government and its disinterest in the wellbeing of Queenslanders.

If Queenslanders are being ripped off, as the Premier claims, to the tune of \$100m a year while the best the Premier and the Treasurer can do is tell the House today that there have been but two prosecutions under the Act, then they are quite useless to Queenslanders in their current employment. In fact, it is clearly counterproductive to the real interests of Queenslanders that they be maintained in their current roles, and I would urge every Queenslanders who does not want a fuel tax and who wants to see their fuel advantage maintained to vote both the Premier and the Treasurer out of office at the next available opportunity. If that is not done, then on the demonstration of the past week, Queenslanders will have a fuel tax within weeks of the re-election of a Beattie/Hamill Labor Government.

We have seen all sorts of excuses. Section 92 can be a problem, but it does not stop us from enforcing our laws in this State. We had the admission that it took the Premier 18 months to pick up the telephone to call Bob Carr in New South Wales and ask permission for inspectors to work in that State. He has not been fair dinkum. He has been full of deceit.

Time expired.
