



Speech by

Hon. R. E. BORBIDGE

MEMBER FOR SURFERS PARADISE

Hansard 19 July 2000

DIESEL REBATE SCHEME

Hon. R. E. BORBIDGE (Surfers Paradise—NPA) (Leader of the Opposition) (6.20 p.m.): The Opposition supports the motion moved by the member for Gladstone to the extent that there should be, at the very least, no net cost and, hopefully, net benefits for all off-road users of diesel as a result of the recent changes to the diesel fuel rebate scheme.

The key issue for primary producers is that there has to be action from the Commonwealth to end the 1.787c per litre differential between the level of excise and the level of rebate. The promise for a 100% rebate was unequivocal, and we support industry groups in calling on the Commonwealth to remedy that situation and backdate the remedy to 1 July.

I know from my personal discussions with him that John Anderson is seeking a resolution of this issue. I understand that there is a general recognition by the Commonwealth that the promise of a 100% rebate simply has to be met. With a 100% rebate in place and a 100% rebate on GST costs assured for off-road diesel use by primary producers, the outcome of the new scheme for them, dependent on the price activities of the oil companies, should be revenue neutral.

For private on-road activities in smaller vehicles, primary producers should ultimately see significant benefits from the new arrangements. The State based rebate of 8.354c per litre will continue to apply, but GST will be payable. They should be paying prices at or near what they were before 1 July, again dependent upon the behaviour of the oil companies.

For on-road use of vehicles heavier than 4.5 tonnes there will be clear new benefits for primary producers. They will be able to access the 17c per litre rebate that, along with the 6.656c per litre cut in the overall excise rate—from 44.137c per litre to 37.481c per litre—the maintenance of the State based rebate and reimbursement of the GST, should create quite a significant advantage overall for the primary producers. Miners, the transport sector and maritime users will be in the same position. The one complication here is that off-road users of diesel eligible for the diesel fuel rebate will have the cash flow issue of meeting the GST cost up front. Once they are over that hurdle there will hopefully be plain sailing.

The group I personally feel sorry for under the new arrangements is the civil contractors, who have been referred to by other speakers. While this area of industry did not have access to the diesel fuel rebate scheme prior to the Commonwealth's new tax package, there was an effort by the Commonwealth to extend the rebate to all off-road diesel users, including that industry, as part of the original package. This particular decision was rejected by the Democrats in their niggling over agreement to the overall package. Obviously, the Democrats would not have been able to carry this typical bit of fairies-at-the-bottom-of-the-garden politics through but for the at least tacit backing of the Australian Labor Party.

The coalition certainly backs the extension of the diesel fuel rebate scheme to the civil contracting industry as a simple matter of justice, let alone commonsense, and we are actively pushing that issue in Canberra. The simple reality is that the coalition in Canberra cannot deliver for the civil contracting industry as long as the Labor Party takes the stance it does in the Senate, where it is often happy to accommodate the stupid politics of the Democrats.

The Opposition certainly backs the core sentiment of this motion, but I think, with respect to the honourable member for Gladstone, the best way the State can guarantee there will be no pain, even in the short term, for off-road diesel users caused by the gap between excise and rebate is for us to join together in calling on Canberra to meet its obligation to a 100% rebate—in calling on the Senate, particularly the Democrats in the Senate, to allow this to happen. The other option for the State is to ensure that any complaints it receives from users of off-road diesel concerning inordinate price rises get to the right authorities rapidly and join together in calling on the Senate to come to its senses and give civil contractors a share of the benefits of the scheme, which was the original intention of the Commonwealth Government.
