



Speech by

ANDREW McNAMARA

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LIQUID FUEL SUPPLY AMENDMENT BILL

Mr McNAMARA (Hervey Bay—ALP) (9.57 p.m.): I rise to oppose the Liquid Fuel Supply Amendment Bill 2002 introduced by the Leader of the Opposition. In doing so, I wish to put on the record my very strong support for the development of an economically viable and ecologically sustainable import replacing ethanol industry. I sympathise with the position of the Leader of the Opposition who, while understandably trying to create the impression of giving political leadership from opposition, regrettably has fallen into the trap of overplaying his hand by telling people what they want to hear. 'Just do it' is a fine advertising slogan, but it is a very poor ethos for a government. In its desire to look hairy chested on this issue, the opposition is saying, 'Just make it law and damn the consequences'. But governments have to consider the consequences—both good and bad—of the laws that they pass. Make no mistake: there are clear negative consequences in the opposition's crash-through or crash approach.

There is something quaintly old fashioned about the philosophy which underpins this bill from the Leader of the Opposition. It is very fifties in its belief that a state government can just unilaterally intervene in a national market without consultation and cooperation with the particular industry, without matching or template legislation from other states to regulate that national market, and without support from the Commonwealth despite the clear probability of subsequent Commonwealth legislation overlapping and causing section 109 constitutional problems and section 92 problems outlined by both the Premier and Treasurer earlier. The bill is simply unconstitutional, but in an effort to limit repetition I will put that to one side and not repeat what has been said earlier. I will proceed to make my contribution on the basis that that is a given. Nevertheless I will move on.

This is old-fashioned, big government legislation. It is simplistic in its charming faith in the government's ability to fix industry problems with the stroke of a pen. It is offset, unfortunately, by the carefree abandon with which it seeks to blithely interfere in the petroleum market. I would hope—

Mr Flynn: Why make it difficult?

Mr McNAMARA: The honourable member should recall that I am working here, and I would ask him not to interfere. I did not go around to the burger shop where he used to work and spit on the burgers.

I would hope that philosophically the opposition is not a believer in unilateral and monolithic government. In his contribution on the Racing Bill the Leader of the Opposition criticised the government for allegedly bringing in that bill without consultation with the industry. But where is the consultation with interstate fuel distributors? Where is the consultation with the hire car industry, with the insurance industry or with consumer groups? Why does he just ignore the clear advice of the fuel companies? There has been no thought beyond a facile and ill-conceived appeal to very desperate farmers. But it is a trick, a mirage—a cruel and feckless charade. There is nothing in this bill which would guarantee local ethanol producers one dollar's worth of sales if ethanol were put into fuel here.

Putting to one side the unconstitutionality of the bill, the likelihood is that the passing of this bill would probably kill our infant ethanol industry. The local industry could not meet the huge surge in output required and, in the absence of any protection, could reasonably expect fuel companies imposed on in this way to source their ethanol from overseas. This bill would kill the industry before it got off the ground, and that is the problem with the just-do-it approach. It is devoid of any economic rationale or political philosophy, or even a simple business plan.

We do not often speak about political philosophy in this place, which I think is a mistake. It is an important discipline to ask what our core beliefs are and what economic and social theories work and to put any policy proposal through that analysis before supporting it and its implementation in law. Before I came to this place I had heard it said that the Queensland National Party was the last true socialist outfit operating in an Australian parliament. That unique brand of agrarian socialism is apparently not a rumour. It is self-evident in this bill which, if passed, would see fuel prices rise and all Queenslanders taxed.

Mr Flynn interjected.

Mr McNAMARA: I have never found a fuel company warning that petrol prices will go up to be wrong. Paying through the petrol bowser affects all Queenslanders, without any guarantee that this cross-subsidisation will wind up in the pockets of the farmers the National Party claims to help. Do opposition members believe that government should unilaterally and fundamentally change the operation of markets? Do they have a political philosophy? Do they call themselves conservatives, and if so why? This legislation should offend anyone who believes that governments should work with business, not run business.

I suggest that it is a blind spot of enormous proportions for members who think of themselves as economically and politically conservative to simply trample over business operations—so many large and small, as I mentioned before—in this way. We are not just talking about up-ending the operation of fuel companies. All those small businesses I mentioned earlier would be affected. Opposition members should go out and sell this to them and then come back and claim popular support. They should go out to the electors of Queensland and say, 'We may be putting your fuel bills up by 2c a litre and forcing you to in fact support Brazilian ethanol producers.' They should see how they go. There is no more reason to suggest that fuel companies are wrong when they say that fuel prices are going up simply because opposition members wish it were not so.

I have sugar producers in Hervey Bay, but this quick-fix or just-do-it approach will not help them. We need to develop an ethanol market which is national, uniform, stable and developed in consultation with all those industries and businesses that would be affected. I support an ethanol ceiling which is determined by reference to the capacity of the Australian ethanol market to supply it. I think we can play a leading role in bringing in a national system of ethanol in fuel, but not like this.

As law-makers we have a huge responsibility to tell the truth, to not beat up expectations and to not promise more than we can deliver. All members here should avoid saying things that people want to hear if they do not actually know they can deliver. It is a cruel and intellectually dishonest approach to promise outcomes that any dispassionate analysis can demonstrate are highly unlikely to be achieved. That might be economic rationalism; it is also just simple honesty.

These are the facts. The Australian ethanol market is immature and will require years of nurturing to reach a position where it can supply a 10 per cent component of Australian fuel requirements. Implementing this bill would instantly force the fuel industry to start importing large volumes of ethanol, probably from Brazil—not from Hervey Bay, not from Mackay and not from Whitsunday, but from Brazil. Any honest appraisal of this bill would acknowledge that it is fatally flawed in that it is not part of a national legislative scheme adopted in consultation with the industries affected. Honourable members, let us take this opportunity to recommit to putting forward laws which we believe in—reforms which honestly present the achievable rather than the imaginary.

As it is drafted, this bill offends section 92 of the Constitution and it has to be rejected for that reason alone. But there are many other reasons, which I have outlined. John Kenneth Galbraith once said that politics was the never-ending choice between the unpalatable and the unacceptable. We do our people no favours by promising snake oil cures and quick fixes that just do not add up. Government must work with industry and not just rule by edict. I cannot support this bill, and nor should anyone who supports an open, fair, capitalist economy.