



FAMILY FIRST



Steve Fielding Family First Senator for Victoria

Senator Steve Fielding
Family First Leader

Question without notice: Petrol prices

26 June 2008

Senator FIELDING (2.22 p.m.)—My question is Senator Conroy, the Minister representing the Treasurer. Minister, five years ago families were paying 85c a litre for petrol in Melbourne. Today they are paying \$1.70 a litre. Petrol prices have doubled in that short time.

Is it true that while families are made to suffer from skyrocketing petrol prices, the government is just getting more and more drunk on petrol tax? Is it true that the government tax take on petrol has increased over the last five years by almost 20 per cent to 54c a litre? In other words, is it true that the government has increased its petrol tax take by 8c a litre over the last five years?

The PRESIDENT—Before calling Senator Conroy, Senator Fielding, can I remind you that questions must not be addressed directly to the minister; they must be addressed to the chair.

Senator CONROY—I thank the senator for his question. As has been discussed at length in this chamber and in other places, global crude oil prices have been rising strongly over recent years. This is putting pressure on domestic petrol prices and family budgets.

The world benchmark West Texas crude oil price is now trading around US\$130 per barrel. It has more than doubled over the last two years. These increases have had flow-on effects to petrol prices in Australia. We understand the pain that high petrol prices are inflicting on working families, particularly at a time when they are facing the burden of 12 straight interest rate rises, courtesy of the former government.

That is why the government is taking active steps to deal with the impact of fuel prices on Australian families. We understand the global nature of the challenge

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requires both a global and a domestic response. At the G8 finance ministers meeting, the Treasurer urged the G8 to take collective action to address the structural supply and demand imbalance in the global oil market. At the Jeddah energy meeting in Saudi Arabia on 22 June—

Senator FIELDING—Mr President, I rise on a point of order. Clearly the question was about the extra petrol tax take that the government is taking when petrol prices go up. I am not referring to why petrol prices are going up; I am referring to the extra petrol tax take that government gets when petrol prices go up.

The PRESIDENT—Senator Conroy, you are straying a little from the question. I ask that you return to the question asked by Senator Fielding.

Senator CONROY—The Rudd Labor government is very conscious of the pressures of petrol taxes on Australian families. That is why we are engaged in a range of measures to deal with this challenge and this pressure on Australian families.

These measures include the international approach that I have just outlined and our Fuelwatch initiative, which commences on 15 December 2008, to ensure that motorists are not paying a cent more than they have to at the bowser. As Mr Samuel said in a speech yesterday, petrol prices in Sydney are \$1.70 in some places and \$1.50 in other places, but he does not know where and he does not know how he can tell the people of Sydney where to find the cheapest prices.

That is why Fuelwatch is important. That is why it is important to pass that legislation—to address the very pressures Senator Fielding referred to in his question. This government has a comprehensive package to try and address those pressures on Australian families. We have given the ACCC tough new powers to conduct formal monitoring of unleaded petrol prices, costs and profits.

The government is also delivering substantial support for families in the budget, giving families the means to meet the skyrocketing costs of petrol and other essentials. We are delivering responsible long-term initiatives that put money in the pockets of families and deal with the underlying causes.

Senator FIELDING—Mr President, I ask a supplementary question. Isn't it outrageous that the government is profiteering from higher petrol prices while families continue to buckle under higher petrol prices?

Is it true that, if petrol prices skyrocket to \$2 a litre, the government will increase its tax take by another 2c, which is already on top of families being slugged an extra 8c over the last five years?

Petrol prices are inflationary and have been contributing to higher interest rates, which are also hurting families hard.

When will the government cut petrol tax by 10c a litre?

Senator CONROY—What is outrageous is the suggestion that this Senate could block a range of revenue measures that the budget requires to maintain downward pressure on interest rates. That is what we actually need. That is what is outrageous. Those in this chamber—

Senator FIELDING—Mr President, I rise on a point of order. Both the primary question and the supplementary question were clearly about the petrol tax take by the government. Could you please draw the minister back to the central argument of the question.

The PRESIDENT—I have reminded the minister before about the question and I do so again.

Senator CONROY—All senators in the chamber should take their decision very seriously when they come to vote on these budget measures. If you want to blow a hole in the budget, if you want to be economic vandals, and if those in the minor parties want to join you in being economic vandals, then you will be putting pressure on Australian families. You will be making it harder to pay for petrol as interest rates go up, as interest rates start to drag more and more income away from Australian families.

Interest rate rises will be delivered if those opposite block the budget measures that are coming into this chamber in a few weeks time. Let us be clear about this: what is outrageous is those opposite who continue— *(Time expired)*