



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 15 November 2000

FUEL PRICES

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (10.01 a.m.): I formally second the Premier's motion. In so doing, I draw the attention of the House to the extreme hurt that is actually occurring in the community as a result of escalating fuel prices. One has only to look at surveys of business confidence to understand that there are three factors which are really damaging economic activity in Australia today.

Mr Slack interjected.

Mr HAMILL: That is notwithstanding the bleatings of the member for Burnett, who really could not care less about fuel prices. He travels around only Brisbane these days. He does not get a chance to go up to his electorate.

Mr SLACK: I rise to a point of order. I find that remark offensive and I ask that it be withdrawn.

Mr HAMILL: Whatever he found offensive, I withdraw. But the facts are these. There are three factors which are damaging business confidence in Australia today. One is rising interest rates, being spurred by the GST. There are the paperwork and compliance requirements of the GST. The other factor which is really hurting industry, which is really hurting business and families, is escalating fuel prices. If Opposition members will not believe the Government on this, they should go out and talk to their constituents. My constituents say to me that fuel prices are hurting and that they are eroding the quality of life, the standard of living, of Australians today.

There is an ability to address the issue. It is true that we cannot control world oil prices. But what we can do is implore the Federal Government to reduce its tax take. As the Premier has said, out of every dollar that people spend putting fuel in their tanks, 50c goes to the Federal Government. The Federal Government can address the tax take, and that is what we are saying through this motion.

It is worth while having a look at the issue of excise. As of 1 August this year, 38.1c a litre is imposed by the Federal Government on every litre of fuel that Australian motorists put in their tanks. If the Federal Government goes ahead and reaps the windfall caused by the GST-induced inflation and further increases in the excise on fuel in February, then it will be over 40c a litre that the Federal Government is taking by way of excise—40c a litre! Yet the Opposition says, "You can't do anything about it." Well maybe, if the truth be known, the Opposition is not prepared to say to the Federal Government, "Do something about it." The very simple thing the Federal Government can do is to not take the extra cents per litre in February next year, not take the windfall at the expense of the Australian public because of the GST-influenced CPI rise on excise.

What is also interesting is that the Federal Government made great play of the reduction in fuel excise effected at 1 July this year when it removed some 6.7c per litre from the excise that it was charging to make way for the 10% goods and services tax. When the figures are studied, what is found is that the Federal Government really did nothing in terms of its take in relation to excise; effectively all it did was wind back the extra excise that it had put on in 1997. That was excise that it was rebating to the States and the Territories. What we have seen consistently over the last decade, and certainly since the Howard Government has been in place, is that every year, twice a year, the excise goes up.

As I said yesterday, the fraud that was perpetrated on the Australian public by the Howard Government that the GST would not increase the price of fuel was exposed very, very clearly in the

research paper that was being distributed by the member for Dawson in trying to refute the argument that the Federal Government has no control over the escalating price of fuel. The research paper states quite clearly that the 6.7c per litre reduction in excise was insufficient to compensate for the impact of the GST. As the Federal Parliamentary Library research paper states, "Consumers are worse off." What that means is that the Federal Government pulled a fraud, an absolute scam. It promised no increase in fuel prices because of the GST. What the research paper shows is that the GST has increased the price of fuel over and above the compensation measures, and it is consumers, it is industry, it is farmers and it is people in regional Australia who are bearing the cost.

Dr Watson interjected.

Mr HAMILL: Members opposite sit here and seek to defend the indefensible. Not only do they condone the rip-off on fuel perpetrated through the goods and services tax, they are actually condoning the rip-off that the Federal Government is pursuing because it is using GST-generated inflation to further rip off the Australian public and Queensland motorists. Isn't it a very fine rip-off indeed—over \$600m, on the Prime Minister's own admission.

Surely the Federal Government could forgo the further increase that is set down for February. Surely the Federal Government could find in its heart some compassion for those who are suffering the burden of escalating fuel prices. Indeed, last night in the Parliament, most members of this Parliament—those who cared to participate in the debate—shared the Government's view. We in fact supported the motion moved by the member for Gladstone and seconded by the member for Barambah. We believed there was a measure of bipartisanship in this place in respect of this matter. But no, no, no, that was not to be.

The position that was held to by the Leader of the Liberal Party was the very position which he had canvassed publicly but a few days ago. When challenged on the matter of the February hike in fuel excise, what did he say? "Oh, the Prime Minister would know best." That is the position of the Leader of the Liberal Party in this place. When he says things like that one would think he was still the Federal member for Forde. He has forgotten that he happens to be the Leader of the Liberal Party in this place. He happens to have forgotten that he purports to be a Treasurer in a future coalition Government. Yet he doesn't have a position on a matter which is so fundamental to the people of Queensland, so fundamental for economic activity in this State and so fundamental to his party having a position in the community.

Mr Seeney: Why don't you do something? Why don't you have a royal commission?

Mr HAMILL: The member for Callide says, "Why doesn't the Queensland Government do something about it?" We have done something about it. We have guaranteed that a full 8.354c a litre will go back to Queensland motorists, go back to Queensland industry and go back to those who use diesel, unleaded petrol and leaded petrol on Queensland roads. And we have implored the Federal Government to extend that benefit to all those who received the subsidy in respect of off-road diesel use when it was under the control of the Queensland Government. What has it done? Absolutely zilch! All members opposite do is come in here and make excuses; they make excuses for the Federal Government and they make excuses for why the Federal Government does not extend off-road diesel rebates to civil contractors. They blame everybody else other than their own Government's legislation in Canberra.

Mr Bredhauer interjected.

Mr HAMILL: As the Minister for Transport correctly states, by its failure to deliver the off-road diesel subsidy to civil contractors, the coalition Government in Canberra has increased the cost of civil construction to every local authority and every public authority in the country.

As a response to the question I posed about what has the coalition done in relation to fuel, nothing could be more eloquent than the question that was asked by the would-be Leader of the National Party, the member for Toowoomba South, when he was asking a question of my colleague the Minister for Fair Trading. He was actually drawing attention to what he called a substantial price differential in fuel prices in petrol stations on the Warrego Highway. Obviously, he must have noticed this as he was coming to and from his electorate. We have been saying there have been problems in petrol pricing for some time. It is good that the message has finally sunk in to the head of the member for Toowoomba South.

What did he do in relation to this matter? He actually asked a question about what was the Queensland Government doing to advantage Toowoomba motorists in relation to fuel prices. The answer is: we deliver a subsidy. What does the Federal Government do? It delivers a goods and services tax and increased excise! In other words, Labor in Queensland reduces the price of fuel; the coalition in Canberra increases the price of fuel.

Mr HORAN: I rise to a point of order. The Treasurer is misleading the Parliament. My question was what is the Government doing—

Government members: Ha, ha!

Mr HORAN: Sit down, sit down.

Mr SPEAKER: Order! Is this a point of order or not?

Mr HORAN: My question on notice was: what is the Government doing about the differential?

Mr SPEAKER: That is not a point of order, that is a debate.

Mr HORAN: What is the Government doing—

Mr SPEAKER: That is not a point of order, that is a debate.

Mr HORAN:—about the differential? Absolutely nothing! It walked away from it.

Mr HAMILL: I table the question that was put forward by the member for Toowoomba South and I reiterate the answer. What the Labor Government in Queensland does is lower fuel prices by delivering a subsidy to motorists. What does the coalition Government in Canberra do? It increases fuel prices to the people of Queensland! It increases fuel prices by adding the GST, it increases fuel prices by adding excise and it increases fuel prices to civil contractors by not allowing them to obtain the off-road diesel rebate. The evidence is clear, and it is the coalition which stands condemned for its inaction in relation to this matter.

There is another furphy I wish to address and that is this claim by the Federal Government that, "Oh well, all the GST comes back to the States." Nothing could be further from the truth because what we have here is yet another sleight of hand by the Commonwealth in respect of funding. We know this year that, under the Commonwealth Government's tax reform arrangements, between \$2.5 billion and \$3 billion was to be made up to State Budgets through Commonwealth Budget balancing grants. That was an impost or a burden that had to be borne by the Commonwealth to ensure that no State or Territory would be worse off because of the implementation of the goods and services tax.

What this means is that should the GST generate more dollars to Canberra the Federal Government is relieved of that responsibility to provide the Budget balancing grants. That means if the GST generates an extra \$2.5 billion this year the States and the Territories are no better off but Peter Costello and John Howard have an extra \$2.5 billion to play with, and next year it will be an extra \$3 billion to play with. It is about time the Commonwealth came clean on this. The Commonwealth is obtaining an enormous windfall through GST and also through excise. It can do something about the excise immediately; it can abandon the indexation of the excise in February.

But the people of Queensland are watching this and the people of Queensland are watching the member for Moggill. They saw the Liberal Party in Queensland squib the issue about whether it would exchange preferences with One Nation and whether it would sit in Government with One Nation after the last election. The Liberal Party did not have a position on that matter.

Mr Schwarten: Publicly they didn't state a position.

Mr HAMILL: At least publicly it did not have a position. But there are plenty in the community who know exactly what the Liberal Party was prepared to do if the whiff of ministerial leather was just too overpowering. Likewise, it is time for the Leader of the Liberal Party to stand up on the issue which is affecting the mums and dads and families right across this nation, particularly in Queensland where regional Queenslanders pay much more for fuel—and that is fuel excise.

The Leader of the Liberal Party cannot afford to not have a public position on the matter. He cannot afford to simply be the lap-dog of John Howard. Either he stands up for the people of Queensland or he stands up for the Federal Government. He either takes some responsibility here and becomes an advocate on behalf of the people of Queensland or becomes simply yet another apologist for the Federal Government.

The ball is squarely in his court. Many members have spoken on this issue and have exercised their vote on this matter over the last few weeks. It is about time we heard from the member for Moggill, the Leader of the Liberal Party.
