



Speech by

Hon. R. E. BORBIDGE

MEMBER FOR SURFERS PARADISE

Hansard 22 August 2000

FUEL PRICES

Hon. R. E. BORBIDGE (Surfers Paradise—NPA) (Leader of the Opposition) (6 p.m.): I move—

"That this Parliament calls on the Premier to establish a commission of inquiry into petrol pricing in Queensland as promised on the Government's Petrol Price Watch web site."

The Premier is trying to have a lend of Queenslanders over the rising price of petrol and diesel. I will not be as unkind as Terry McCrann was in the Courier-Mail this morning and accuse the Premier of being Homer Simpson. I will not be even more unkind and quote the uncensored version of that particular column which ran in the southern States and which carried an even more pointed reference to the quality of the Premier's intellect on this issue. To compare him with Homer is an insult to Homer. To describe him as Mr McCrann did in the uncensored version is, I think, very unfair to the member.

The reality is that the Premier has been trying to have a lend—

Mr Hamill interjected.

Mr BORBIDGE: It was very subtle. The member picked it up.

The reality is that the Premier has been trying to have a lend of Queenslanders over the price of petrol and diesel ever since he realised that he was going to have to pass on an element of his GST revenue to maintain Queensland's no fuel tax status, that maintaining that status was not going to be costless. This situation occurred as a result of the agreement between the Queensland Government and the Commonwealth under which, as part of the GST package, the Commonwealth would cease collecting the 8.354c per litre excise surcharge from 30 June this year.

That excise surcharge had been added to existing Commonwealth excise since 1997 and it was raised on behalf of the States and paid back to the States because of the High Court case which outlawed State excises on tobacco, liquor and fuel. For most of the States—for all of the States except Queensland—that excise surcharge took the place of their fuel taxes and they pocketed the money. The surcharge was a Clayton's State fuel tax. Queensland had no fuel tax and under the coalition we were determined that there would be no fuel tax. So we undertook to return that surcharge to Queensland motorists, and we did that.

Under the subsequent deal—the deal between the Queensland Government and the Commonwealth—the States were to keep the GST revenue in lieu of the excise which was no longer going to be collected, operative from 1 July this year. So from that point on—from 1 July on—if the Premier was going to maintain Queensland's no fuel tax status, all he had to do was return from his GST earnings the equivalent of at least the ruling rate of the excise surcharge as at 30 June, which was 8.354c per litre. The Premier did not want to do that. He wanted to impose a GST on petrol and diesel. He wanted to pocket the money. Of course, he was howled down. He was forced by the weight of public opinion to maintain the State's no fuel tax status and to devote some of his GST revenue to maintaining the State's no fuel tax status. So on that particular point the Premier was short-circuited.

Now he is trying to have a lend of Queenslanders again on a related topic but for a totally different reason. This time he is looking for a diversion from the vote-rigging scandal in Townsville because he knows how serious it is. He knows that this scandal could engulf the Australian Labor Party and engulf it not just in Queensland but in every State in the Commonwealth and at the Commonwealth level as well. What the Australian Labor Party got up to in Townsville threatens to make

Labor unelectable in any jurisdiction. So the Premier is looking for a diversion and it has taken the form of a call for a Senate inquiry into petrol pricing.

The very substance of the call reveals this to be just another stunt from the Premier in a very long line of stunts. The Premier promised an inquiry when he established that toothless little tiger of a PR stunt, the petrol price watch committee. Where is the inquiry? Forget the Commonwealth. He was not referring to the Commonwealth when the promise of an inquiry became point four of his plan on petrol prices, when he established the price watch mechanism. He can bring it on here and now as he said he would. The time has come to stop playing games, to stop pulling PR stunts and just do it.

It is clear that Queenslanders want answers, and they deserve answers. The only way they are going to get them is from a properly constituted inquiry, as promised by the Premier and as suggested by the Opposition long ago as the best way to deal with the issue. People are not going to get answers from the Premier's rhetoric, and it is clear that the oil companies do have some explaining to do. As the Prime Minister indicated at the time the GST package was in the planning stages, there was no need for petrol prices to rise after the introduction of the GST. Of course, that was particularly the case in Queensland.

Here in our State we have the situation in which, however reluctantly, the State is maintaining the 8.354c per litre rebate on petrol and diesel for on-road use at the pumps, which is now being funded from the GST revenue the State is receiving from fuel. In addition to that, we have a reduction in the overall excise rate so that the impact of the GST on fuel in Queensland is effectively revenue neutral subject to the base price of fuel. In other words, the great bulk of the undoubtedly very significant increases in the price of fuel in Queensland since 1 July is not so much to do with the actions of Government as it is to do with increases in the other elements that make up the price of fuel. There are really only two: the refinery price and the retailer's margin.

According to Shell, in information quoted in the press today, the refinery price has increased from 37.7c per litre at 30 June to 45.1c per litre today. That is a 20% increase in the base price of fuel inside two months, and I believe that is one of the issues for an inquiry into petrol pricing. What the oil companies say is that the increase is based on the rising price of oil internationally. Prima facie, there is validity to that, at least in relation to the current import parity pricing formula and the tactic of the OPEC producers in varying production to boost their own profits. A couple of years ago, oil was selling for US\$12 a barrel. Recently, it has been over US\$30 a barrel.

Whatever the validity of the market controls engaged by OPEC, that is obviously going to put upward pressure on prices, and we have seen that. But we deserve to know just how valid are the price rises that we have seen and whether they can be justified at the level that they have occurred, particularly in regional and rural areas. That alone justifies a royal commission. We also need to consider the issues surrounding the level of excise and of GST. The Premier has been quick to shoot from the hip and blame everybody, and obviously that has some public appeal. The public are hurting with these high prices and he seeks to capitalise on that. But his rhetoric gets us nowhere. It is empty political point scoring.

The reality is that the Premier and the member he put in charge of examining rorts, who was State Secretary of the Labor Party at the time a fair bit of rorting was going on in Townsville—he should know all about rorts—know very well that they can petition the Senate until the cows come home. The Democrats do not support them and the Deputy Leader of the Labor Party, Simon Crean, does not support them. The numbers are not there in terms of a Senate inquiry.

What the Government can do if it is prepared to abandon the Beattie doctrine of "its always someone else's fault" is establish a commission of inquiry today. It can be up and running in a week. It might like to justify to that commission of inquiry its allegations of 60 trucks per day rorting the public purse of Queenslanders in terms of the cross-border trade. It might like to substantiate its actions in trying to effectively introduce a State fuel tax. It might like to justify trying to blame everyone else for its own inadequacies.

The facts are simple: the Premier promised a commission of inquiry if petrol prices continued to treat Queenslanders unfairly. That was on his web page yesterday; it is on his web page today. It is under point four of stopping the rorts and keeping the oil companies honest. That is what he promised to do. All this motion before the House tonight asks is for the Premier to honour his promise—honour the promise that his own web page as recently as today is saying is his policy. It is very easy to call for a Senate inquiry when he knows he does not have support for a Senate inquiry. However, he has all the numbers and all the support he needs for a home-grown Queensland commission of inquiry.

Time expired.
