

STATUTES AMENDMENT (PETROLEUM PRODUCTS) BILL

Tuesday, 11 September 2007

The Hon. D.G.E. HOOD: I rise to support the second reading of this bill. The bill seeks to amend the Controlled Substances Act and the Petroleum Products Regulation Act, largely due to recommendations of the National Competition Council, to bring our industry-specific legislation into line with other states. I reflect that we are dealing today with an industry very different to the petroleum industry that we were dealing with in the 1970s when this kind of regulation was deemed necessary. Back then we had, first, petrol bowsers outside of general stores and beginning to proliferate in all sorts of places; secondly, accordingly, a relatively large percentage of small business owners selling wholly, or as part of their business, petroleum products. Nowadays, particularly in the case of the Shell/Coles alliance and Caltex/Woolworths alliance, petrol retail is big business with very few small operators remaining. The SA Farmers Federation is one that comes to mind. Thirdly, those were the good old days of the so-called 'service station', with actual driveway service. Finally, petrol sniffing in Aboriginal communities was a problem but perhaps not as well understood as it is today.

Big business is not necessarily good business. Family First is concerned for all the small business operators who are being pushed out of the petrol market by big business. Our principal concern is the ongoing survival of family businesses. The Motor Trades Association in its 2006-07 annual report commented on the federal precursors to the present bill before us, and I think it worth reading into *Hansard* what it said:

The federal government's decision to remove the Petroleum Retail Sites Marketing Act 1980 and also the Petroleum Retail Marketing Franchise Act 1980 and their replacement with a new oil code has again played into the hands of the big oil companies at the expense of small independent operators. The MTA will continue to take up the issue of abuse of market power and predatory pricing by the oil majors with the federal government, which does not

seem to understand that small business creates effective competition and innovation while big business leads to oligopolies and price rises.

I agree and stand by the small independent petrol operators referred to in the above passage. Further to that, reduced competition in petrol retailing has a flow-on effect for families as consumers; namely, rising petrol prices. Family First, I think, ought to win the broken record award, if there was such an award, for calling on the federal government time and again to reduce petrol prices by reducing the petrol excise by 10¢ a litre.

Recent inflation figures have demonstrated the crippling effect that rising petrol prices are having upon family budgets. Accordingly, we think that ensuring competition, rather than having just two or three big market players, will help drive petrol prices down. I know that the matter of petrol prices has also been raised by the Hon. Mr Xenophon in this place as a major concern that he holds. He has also had media attention, and he was probing the fact that regulations with respect to petrol prices must be adhered to and must be increased.

I join with him in being vigilant to ensure that consumers are not taken for a ride by petrol retailers. Vigilance is necessary. Let us not fool ourselves that bodies like the ACCC will be able to protect small players. There was the recent famous case of the ACCC being sent from court with its tail between its legs when it tried to prosecute Geelong petrol retailers for price collusion. On the ACCC's watch, petrol prices continue to rise out of line with the Singapore oil price on occasions. Family First research indicates that some 70 per cent of the petrol retailing sector is controlled between Shell and Caltex alone, involving Coles and Woolworths respectively. The ACCC has failed to prevent Coles and Woolworths taking control of the supermarket sector itself, those brand names in the 20th century, of course, having been more traditionally associated with supermarkets.

Family First lobbied in federal parliament to protect smaller players by ensuring that they could collectively bargain against the big players, despite that activity otherwise being illegal under the Trade Practices Act. We were successful with

that amendment to the federal bill, and I understand that collective bargaining is now under way in that situation. There is the underlying assumption in this bill that suggests that the law of the market—or perhaps the law of the jungle, if you prefer—will prevail to ensure appropriate levels of petrol outlets and industry participation. The market can be brutal to families and small operators, and we record concern at the free market approach being adopted.

I turn now to another aspect of this bill that Family First gladly supports, section 4, amending the Controlled Substances Act. These sections, in essence, get tough on people who buy petrol to provide for others' petrol sniffing or those who sell petrol to minors. This will require petrol station operators to be on their toes, wherever their station might be, irrespective of the perceived prevalence of petrol sniffing in their area. The minister has flagged that 16 years of age will be the threshold. I raise a concern—not that we oppose the bill—for consideration, and perhaps the minister may address it in his summing up. I can picture a situation where a young lad might be mowing a lawn for his father for some pocket money and run out of petrol in the mower and in the shed and, if he is under 16 years of age he will not be able to go to the service station, as is common practice now, to purchase petrol to put it back in the mower and continue mowing the lawn. Or perhaps consider the model aeroplane or boating enthusiasts.

I raise those scenarios because they represent sad casualties of the petrol sniffing scourge in this state, and I hope that one day we might be able to repeal that section of the legislation. Surely our hope must be that this provision on sale to minors will not remain on our statute books for all time, but I hope that through intervention programs we can one day remove this provision once we have minors responsible in the use of petrol. I would, nonetheless, appreciate some indication from the minister of the awareness programs the government will run for both retail outlets and the general public concerning the criminal law aspects of this bill, if any are planned.

In closing, Family First supports this bill, and I raise these matters as matters of interest and concern and not as objections to the bill. The bill is a good measure, it makes sense and Family First supports its passage.