

## QUESTIONS WITHOUT NOTICE

### Fuel Prices

[Mrs HULL](#) (2.08 p.m.)—My question is addressed to the Prime Minister. Prime Minister, how will a national FuelWatch scheme reduce the price of petrol in Wagga Wagga, where today the price is \$1.58 per litre? Will the Prime Minister guarantee that no motorist will pay one cent more for petrol under his FuelWatch?

[Mr RUDD](#)—In response to the honourable member's question, and for those in regional and rural Australia as well as in our cities, I draw her attention to the report delivered by the ACCC on the implementation of a response to the petrol price inquiry. What I find interesting about this document is that it was commissioned not by this government; it was actually commissioned by the previous government. In fact, the document was commissioned in June 2007 by the member for Higgins. So I turn to 247 of this document, which says as follows:

The main finding from this econometric analysis is that the average of the price margin reduced by a statistically significant amount for Perth relative to the eastern capitals in the time since the introduction of FuelWatch. The relevant weekly average price margin was around 1.9 cpl less on average for the period from January 2001 to June 2007 than for the period from August 1998 to December 2000.

- Further it goes on:

These results are robust to using monthly averages rather than weekly averages. This reduces further any influence of weekly price cycles. A decrease of around 1.9 cpl—

[Dr Nelson](#)—Mr Speaker, I raise a point of order. Prime Minister, will you guarantee that FuelWatch will not increase—

**The SPEAKER**—The Leader of the Opposition will resume his seat. The Prime Minister is responding to the question.

[Mr RUDD](#)—The rest of the paragraph I was reading from, which is part of a report written in consequence to a request delivered by the member for Higgins on the part of the previous government, provides the factual basis for the policy upon which we have proceeded.

The results are also robust to using the low points of the week's prices rather than simple weekly average prices. Here the indicative decrease was smaller at around 0.9 cpl on average.

- Those are the findings in this document of several hundred pages and the government stands by these findings. It is on this evidentiary basis that the government has decided to proceed with this policy on FuelWatch. We regard that as an appropriate policy setting for the future. We also have said consistently that there is no silver bullet when it comes to fuel prices and we have said it consistently including at the time that this policy was launched. I tell you what is responsible in terms of saying to the Australian people—

[Mr Hockey](#)—Mr Speaker, I raise a point of order which goes to relevance. The Prime Minister was asked a specific question—

**The SPEAKER**—The member for North Sydney will resume his seat. The point of order was on relevance. The Prime Minister is responding to the question.

[Mr RUDD](#)—So the government in framing its policy on FuelWatch is entirely mindful of the conclusions of this report commissioned by the gentleman who now sits temporarily up the back, and who is incrementally seeking to work his way down to the front. The government stands by this report and the conclusions which were reached in it, and it is on this basis that we formed a policy.

In terms of irresponsible guarantees, let me tell you where you find irresponsible guarantees. The Australian people are sick and tired of irresponsible guarantees by politicians, like the one which said 'let us keep interest rates at record lows'. That is an irresponsible guarantee from central casting, a guarantee which you are incapable of delivering. Prior to the election our commitments on this were absolutely clear-cut, to increase competition policy arrangements for these price arrangements, and we intend to abide by them.

[Dr Jensen](#)—Mr Speaker, I raise a point of order which goes to relevance. The Prime Minister—

**The SPEAKER**—The member for Tangney will resume his seat. The Prime Minister has concluded his answer.