



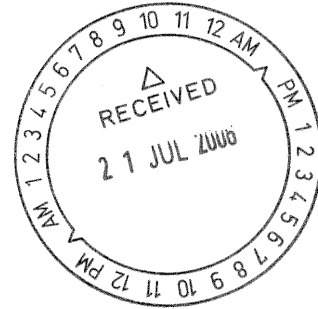
John Murphy MP

Federal Member for Lowe

Parliamentary Secretary to the Leader of the Opposition

Reference: AndrewarthaJA-Pet060503-1337.Doc

The Secretary
Senate Economics Legislation Committee
Suite SG.64 Parliament House
CANBERRA ACT 2600



17 July 2006

To the Secretary

Re: Inquiry in to the price of petrol in Australia

I am responding to the call for submissions concerning the price of petrol in Australia.

A number of constituents from the Lowe electorate have contacted me, concerned about the rapid rise in the price of petrol. One constituent, Mr John Andrewartha 72 Gipps Street Drummoyne, has brought to my attention the price regulatory regime that has existed in Australia until 1 January 1950.

I enclose a client memorandum supplied by the Department of Parliamentary Services with attachments.

Essentially, there was a period in Australia's history from 1916 to 1 January 1950, when petrol pricing was effectively regulated under the Commonwealth's enumerated jurisdiction within its defence power under subsection 51(vi). It was this power which allowed the Commonwealth Government to regulate petrol pricing and the prices of other goods. Effectively, this power resulted in the use of defence powers not only during wartime, but also as part of 'post-war economic reconstruction'.

It may be a 'long bow' to describe the Australia's current international commitment to a 'state of war' in the same sense as the period of Australia's involvement in the Great War also known as World War I and then World War II. That being said, it is further noted that Australia's military commitments at this present time, in Iraq, Afghanistan, East Timor, various parts of Africa, The Solomon Islands, Papua New Guinea and elsewhere, to say nothing of the multiple military humanitarian missions in Indonesia and elsewhere, compositely constitute one of the most active and heavily relied upon dependencies on Australian military personnel in our history.



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Over and above all this, is the hidden and direct costs to the Australian taxpayer on the so-called 'war on terror'. These real and hidden costs include surveillance, increased border protection, increased migration and other regulatory and other costs borne by the Australian taxpayer in order to protect the Australian way of life.

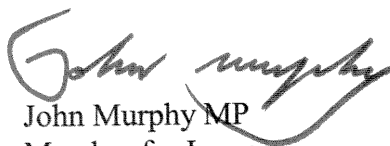
In every material sense, the 'war on terror' is a financially and materially draining war. This war costs time, money and effort. Moreover, the war on terror is inextricably mixed with the issue of petrol and oil supplies for the obvious reason that the very theatres of war where the war on terror is most actively fought are also the most oil-rich parts of the world e.g. Iraq.

For this reason, I am minded to focus the Committee's attention to the incidence on the price of petrol and oil on Australia's ongoing economic dependency on oil and the cost to the Australian community on the war on terror and our nation's ongoing expenses to keep the supply of oil secure.

This cost includes the sending of Australian service personnel to places of high risk including Afghanistan and Iraq.

In short, I submit for the Committee's consideration, that the aggregate of Australia's military commitments and these commitments' close connection with the war on terror, principally Iraq and Afghanistan, is ample justification in the use of Commonwealth defence powers in the Federal regulation of petrol pricing until the military commitment of Australia is ended in Iraq and Afghanistan so that Australia may economically recover from the real cost of radically increasing petrol prices.

Yours sincerely



John Murphy MP
Member for Lowe