



**AUSTRALIAN
AUTOMOBILE
ASSOCIATION**



Joint statement in support of a comprehensive Transport Energy Plan for Australia

We call on the Federal Government to prepare a comprehensive **Transport Energy Plan for Australia** to ensure the safety, well-being and prosperity of all Australians is protected in the event of disruption to national fuel supplies. The Australian Government's Energy Green Paper acknowledges the problem of energy security but does not fully explain the risks to the Australian public.

Transport fuel is the lifeblood of our society and our economy. Any major disruption to transport fuel supplies would quickly be felt across all parts of society and across every sector of our economy. For example, stockholding for vital goods (such as medicines, foods and transport fuel itself) can be as little as 3–10 days at the point of sale in many cases. Our world is increasingly volatile and any severe disruption of our fuel supplies would cause catastrophic economic impacts along with disruption to food supplies, medical and hospital supplies, military capability, emergency services and our general social cohesion. The Federal Government needs to better explain these risks to the Australian public.

Australia's fuel security policy is inadequate to protect our economy, defence, social and community wellbeing in a period of fuel delivery disruption. Key metrics indicate that Australia's continued access to transport energy supplies that are secure, affordable and sustainable cannot be taken for granted.

- Australia's dependence on imports of oil and oil-derived fuels has grown from 60% in 2000 to over 90% today and is continuing to grow.
- In the period 2012 to 2015 we will lose at least 40% of our national oil refining capacity; there is no Government policy to maintain any refining capacity in Australia.
- Australia's quarterly imports of fuels and lubricants reached \$10.9 billion in December 2013, more than a 300 per cent increase since 2003.



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We call on the Government to review the risks and implications of current industry trends on the security and diversity of Australia's fuel mix, economic productivity and environmental outcomes. The Transport Energy Plan should include a clear commitment from the Government that a secure, affordable and sustainable transport energy supply is fundamental to Australia's safety and prosperity.

The Plan should also review policies end-to-end along the supply chain, from the source to the end customer. A stable and clear policy environment is critical to stimulating private sector investment in long-term infrastructure, with multiple public benefits.

True transport energy resilience will be achieved when Australia can sustain an adequate flow of transport energy to meet critical demand under adverse conditions. Australia has options to improve the efficiency of transport fuel use and to produce a proportion of its own transport fuels. Some examples include natural gas, LPG, biofuels and electrical energy. Domestic production from these alternative sources would not only increase the nation's energy resilience but also improve our terms of trade and create thousands of jobs.

This is a significant policy challenge, but one that is vital to secure the safety and well-being of all Australians.

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