

**From:** Ben Rose [mailto:biroses@westnet.com.au]  
**Sent:** Wednesday, 5 July 2006 1:28 PM

**To:** Economics, Committee (SEN)

**Subject:** Senate Inquiry into Price of Petrol

To whom it may concern,

In relation to this Inquiry, I would like to comment briefly as a private citizen and energy auditor who has studied and worked on energy and emissions issues for 5 years. I do domestic energy audits, have audited a large mine and act as Sustainability Consultant for the Carbon Neutral Program in a voluntary capacity. I keep abreast of all energy issues via internet and 'e-news' daily.

1/ Australian petrol is far too cheap. We are among the world's cheapest petrol pricing nations, after US, Mexico, Canada and some OPEC oil states.

2/ Our fuel taxes are too low (again amongst the lowest in the world). Fuel tax increases should be phased in at the rate of about 10% per year to at least double the current rate, to reflect :

a carbon tax  
realistic cost of over-use of large driver-only motor vehicles on health (through crashes and noxious emissions) and road/ parking infrastructure.

3/ The increased motor vehicle and fuel taxes should be offset by raising the tax free threshold - i.e. be revenue neutral and 'sold' to the electorate as such.

4/ Increased fuel taxes should be used:

a/ Further subsidise and extend public transport, halving the current cost of fares. The increased ridership would partly counteract the subsidy required.

b/ Educate the public about the real impact of the motor car in term of greenhouse emissions- 20% of the total in Australia when upstream fuel and embodied vehicle emissions are taken into account. (the AGO GHG Inventory states 13.5 % but this is exhaust emissions only) .

c/ Educate the public about 'peak oil and gas' and the reality of increasing petroleum/ gas scarcity from now on - the days of cheap oil are over (ref. ASPO website)

d/ Fund a 'buy back' scheme for old inefficient vehicles, where the payment is as a discount on a designated highly efficient vehicle or as free public transport passes.

Australia's reliance on crude oil based fuels is dangerous for our security. Our oil is due to run out in less than 10 years and we are already dependent on imports ( manly from the Middle East) for over 40% of our oil supplies.

Increased taxes should be higher on fossil fuels than renewable fuels (RF's), with those RF's with the lowest environmental impacts and highest 'sustainability score' being taxed lowest,

to encourage development of these industries. However, taxes on all fuels need to go up to reflect their true environmental cost.

It is high time to put an end to the myths about a fuel 'rip-off' and our right to ongoing cheap fuel and overpowered grossly inefficient private transport. Over the past 2 years we have seen a 40% increase in fuel prices. We need to put in place fiscal measures that will prepare the nation for fuel prices three times higher than they are now. This is not only possible but would have little detrimental effect to the economy if we start now, do it wisely and phase it in. If we wait for the inevitable oil shortage and greenhouse emissions crises to overtake us, the damage to the economy and to peoples' lives will be far greater.

Note that I speak as an 'ex-car lover' who has owned 20 vehicles and 7 motorcycles of all sizes including trucks and SUVs.

My wife and I currently share a 1 litre 3 cylinder vehicle that is adequate for all our needs including long distance interstate touring fully loaded. We minimize car use by taking the bus where possible ( 30% of our kilometres) and cycling for short trips.

Yours sincerely,

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