

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

Dear Sir

Inquiry into the Price of Petrol in Australia

Public Submission

Thank you for inviting submissions. I work as a traffic engineer / transport planner in Western Australia.

Over the last 5 years or more, I have heard and read expertly presented facts and opinion on the subject of peak oil and the impact that this will have on the supply and price of petrol and other petroleum products. Price and availability of petrol and petroleum products will clearly affect the price of many other goods and services that affect our daily lives.

I cannot determine, and do not care whether the recent petrol price escalation results from peak oil, increasing world demand, or profiteering. There appears every chance that the world price of oil will continue to rise and the price of petrol at the bowser will also continue to rise.

We purchase petrol on a free market from private companies that exist to provide a return to shareholders. If we, as customers, do not like the high price of petrol then we have the power to purchase less or none of it. I would like the Government to focus its intention on assisting us to live with less petrol, rather than seeking cheaper petrol. This will have enduring economic, social, and environmental benefits for all Australians.

I ask that the Government pursue the following actions in response to the rising cost of petrol and the environmental damage we are doing through our excessive consumption of petrol.

- Lead by example in curtailing the fuel demand of its own fleet.
- Give rational price signals to the community to allow us to make rational investment and lifestyle decisions in a world of rising oil price.
- I would encourage the Government to raise tax rates on transport fuels and offset this with reductions in personal income tax. This would achieve the following
 - It would make us (citizens and consumers) think how to be frugal with petrol as we make our decisions in respect of daily travel, vehicle selection housing location and more.
 - It would financially reward people who choose to be frugal about consuming petrol.
 - It would build robustness against escalating world oil prices. In extreme circumstances, it would allow the Government to ease taxes to soften the effect of world oil price shocks.

- As we enter a world of scarce and expensive transport fuel, I would like to see the Government changing its capital funding priorities for transport infrastructure. Within a few years, rising transport fuel costs might change our road traffic trend from growth to decline. This situation would make today's investments in road infrastructure unwise. I would like the Government to reduce its funding of road infrastructure and invest in transport infrastructure that uses fuel more efficiently. Fuel efficient transport infrastructure would include:
 - Bicycle transport facilities.
 - Urban railways (where the transport task is sufficient for the rail to be more fuel efficient than road.)
 - Public transport facilities including vehicles and infrastructure, both on road and in dedicated rights of way.
 - Intercity rail and bus facilities.

I ask the Committee to avoid focusing on short term methods of controlling the price of petrol. There is a significant risk that the worldwide supply of and demand for oil will cause continued escalation of petrol prices. I ask that the Committee and the Government focus its attention on assisting Australians to reduce their consumption of petrol and other transport fuels. This approach will assist us to survive and prosper in a world of declining oil production and escalating petrol price.

Yours faithfully

Alan Kleidon
4 August 2006