

From: Michael Angelico
Sent: Tuesday, 22 August 2006
To: Economics, Committee (SEN)

Submission to the Senate Economics Committee
Inquiry into the price of petrol in Australia

Dear Sir/Madam,

High petrol prices are a factor of world events, not of the actions of the Australian government.

Therefore the only way the price can be reduced is to cut taxes - in effect, to subsidise petrol. I submit that this would be a misuse of government funds for the following reasons:

1. Petroleum is a finite resource and should not be wasted. Lower fuel prices fail to encourage people to use fuel wisely.
2. As fuel costs increase, car usage decreases. This alleviates road congestion and air pollution, and will gradually reduce our reliance on petroleum-based energy.

Therefore I submit that the excise on petroleum-based fuels be increased, as an incentive for alternatives to be found.

I also submit that the Commonwealth government should pay a fixed annual subsidy to the state governments, to be spent on environmentally-friendly urban public transport. It has been shown in many cases that a meaningful increase in public transport availability has a marked effect.

Sincerely yours,
Michael Angelico
Mt Waverley, Melbourne