

Submission to the Senate Inquiry into Australia's Transport Energy Resilience and Sustainability

Submitted by David G. Lamb

On ABC television on November 4, 2014, Minister MacFarlane said that the Australian Government has the powers to regulate the distribution of fuel supplies. He was speaking in response to a question about Australia's dependence on imported liquid fuels, highlighting the fact that, after recent closures of several oil refinery facilities, Australia is now only self-sufficient for nine percent of its liquid fuel supplies. It was also revealed in the televised report that Australia does not follow the agreement among OECD nations to hold emergency stocks of liquid fuels.

I am deeply concerned about the Minister's statement because it implies that in the event of a disruption to the delivery of imported liquid fuels, it is likely that emergency services, law enforcement and defence forces would be prioritised. Ordinary daily activities of farming, transporting produce for processing, distribution of perishable goods could not possibly be satisfied without serious disruption and the public would be left stranded.

Terrorist groups overseas are inciting their sympathisers to attack vessels carrying fuel to Australia and have shown that they are aware of the most vulnerable points of the supply chain.

While I am not suggesting that terrorists could disrupt all of the 91% of the fuel supply being shipped to Australia, the extent of potential disruption, both social and economic, warrants protective action. Previous excuses for the 'She'll be right' attitude towards fuel supply have been justified on the basis of our inability to compete with the mammoth refineries in other countries. However, the costs resulting from even a short interruption to our fuel supplies would dwarf the costs we have supposedly avoided while allowing local refineries to fall into disrepair.

Immediate action should be instigated to build up a stockpile of emergency fuel. A minimum level of self-sufficiency in each type of liquid fuel needs to be established and implemented. Oil companies who wish to sell fuel in Australia should only be permitted to do business in Australia on condition of meeting set levels of emergency reserves. It will not be good enough to say that we have saved money at the fuel pump by using imported fuel if we have to pay the price of shortages in food, medical supplies, or not being able to go about our daily business.

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