

RECOMMENDATIONS

Recommendation 1

3.136 The committee recommends that Geoscience Australia, ABARE and Treasury reassess both the official estimates of future oil supply and the 'early peak' arguments and report to the Government on the probabilities and risks involved, comparing early mitigation scenarios with business as usual.

Recommendation 2

3.145 The committee recommends that in considering a less oil dependent policy scenario, the Government take into account the concerns expressed in the World Energy Outlook 2006, namely -

- current trends in energy consumption are neither secure nor sustainable;
- energy policy needs to be consistent with environmental goals, particularly the need to do more to reduce fossil fuel carbon dioxide emissions.

Recommendation 3

7.63 The Committee recommends that the Government publish the results of its review of progress made towards meeting the biofuels target of 350ML per year, including which companies are meeting the target.

Recommendation 4

7.64 The committee recommends that the Government examine the adequacy of funding for lignocellulose ethanol research and demonstration facilities in Australia, and increase funding, where appropriate.

Recommendation 5

7.96 The committee recommends that the Government commission a research group within the Department of the Treasury to identify options for addressing the financial risks faced by prospective investments in alternative fuels projects that are currently preventing such projects from proceeding. This group should determine how these risks might be best addressed in order to create a favourable investment climate for the timely development of alternative fuel industries, consistent with the principles of sustainability and security of supply.

Recommendation 6

8.21 The committee recommends that the Government, in consultation with the car industry, investigate and report on trends in the fuel efficiency of the light vehicle fleet and progress towards the 2010 target for the fuel efficiency of new passenger cars. If progress under the present voluntary code seems unlikely to meet the target, other measures should be considered, including incentives to favour more fuel efficient cars; or a mandatory code.

Recommendation 7

8.35 The Committee recommends that Australian governments investigate the advantages and disadvantages of congestion charges, noting that the idea may be more politically acceptable if revenue is hypothecated to public transport improvements (as has been done in London, for example).

Recommendation 8

8.56 The committee recommends that Commonwealth support for Travelsmart projects be maintained beyond the currently planned termination date.

Recommendation 9

8.78 The committee recommends that corridor strategy planning take into account the goal of reducing oil dependence as noted in recommendation 2. Existing Auslink corridor strategies should be reviewed accordingly.

Recommendation 10

8.94 The Committee recommends that the government review the statutory formula in relation to fringe benefits taxation of employer-provided cars to address perverse incentives for more car use.