

Submission to Senate inquiry on Australia's future oil supply and alternative transport fuels, with particular reference to:

- a. projections of oil production and demand in Australia and globally and the implications for availability and pricing of transport fuels in Australia;*
- b. potential of new sources of oil and alternative transport fuels to meet a significant share of Australia's fuel demands, taking into account technological developments and environmental and economic costs;*
- c. flow-on economic and social impacts in Australia from continuing rises in the price of transport fuel and potential reductions in oil supply; and*

I will not attempt to make any detailed comments on a, b and c. I'm sure you have heard all the arguments that oil production either has peaked or will peak soon. A world view is given at http://en.wikipedia.org/wiki/Peak_oil .

- d. options for reducing Australia's transport fuel demands*

We need to start now to recreate our society so that it can survive in a future without cheap transport fuels. This will require massive changes in our transport, which in turn will lead to massive changes in how we live. In Australia transport and land planning is primarily the job of state and territory governments. However the Commonwealth has a major role in transforming our transport system due to its taxation policies and the amount of money it spends on infrastructure.

The Commonwealth can start by doing things like::

Getting rid of favourable tax treatment for cars and car use. Cars are often part of salary packages etc. This increases the use of cars.

Give favourable tax treatment to push bikes and public transport. Enable employers to provide them to staff without paying FBT.

Change the commonwealth government's car purchases. A lot of cars in Australia are sold to fleet buyers such as the commonwealth. The commonwealth can alter the wide Australian fleet by committing to only buy cars with a high, and rising over time, fuel efficiency.

Changing the rules for transport infrastructure that it part funds. It can require that demand modelling is done with a petrol price of say \$5 a litre as this is the likely sort of price in the medium term.

Increasing taxes on liquid fossil fuels. This will start all Australian's adaptation to high fuel prices earlier and thus make it less painful in the long run.

Provide financial support for public transport infrastructure or running costs which are the responsibility of state and territory governments. This will reduce fossil fuel use overall and help reduce the impact of high fuel prices on less wealthy people. This is especially an issue for families in the outer suburbs of our large cities who are dependant on cars because there is no public transport.

Start providing funding for direct behaviour change programs. We could have a "Onya Bike" program. Many Australian's have bikes they don't use, or only use recreationally. The program would encourage them to do local trips on their bikes. Most of us can go 5ks on a bike and this is far enough for us to do a lot of shopping, going to appointments etc. It would reduce fossil fuel use and encourage fitness and a sense of community.

Provide direct funding for innovative developments which reduce fossil fuel use. This would be along the lines of the "Better Cities" program of the previous labour government. The Commonwealth could make say \$200m a year initially on a competitive basis to part fund public and private projects. I would anticipate that this figure would rise over time.

There are many more things the Commonwealth could do. The main thing is that the Commonwealth starts working on the basis that fossil fuels will be increasingly scare and expensive, and that these changes start now.