

Dear Sir,

I would like to submit the following ideas on petrol pricing in this country. Whether it is constructive or not I will leave that to your committee to determine. I believe I have addressed issues to the best of my ability with the information I have at hand. I now realise that the Motoring bodies & representatives from other appropriate bodies as well as a delegate from the Federal Government are holding a summit today 22.09.05 addressing pricing in this country. Unfortunately, the Oil Companies didn't attend. I stand corrected though if any of my information may be slightly wrong.

I would like to suggest a few ideas when it comes to petrol pricing. I have emailed John Howard, Costello, Beazley, Swan, BP Australia, Caltex, RACQ, RACV, A Current Affair, Today Tonight & Cameron Thompson. Of course you never seem to get a reply. 85% of our fuel is produced here on the domestic market & 15% is imported into this country. I'm led to believe that the 85% is good for producing unleaded, diesel etc which is what happens I'm led to believe. Apparently (I've been told) that our crude in this country is not good enough to produce oils (engine oil etc), that's why we import some.

We are governed by world prices to stop the domestic producers from exporting to attract the higher price, thus leaving us in short supply. This is ludicrous. It's about time the Federal Government looked after their own people. The effects of high fuel prices are going to flow on to other areas of the economy. That's obvious. They need to be reduced at the bowser & reduced substantially. People want to see the cost of fuel at the bowser back below \$1/litre & stay there for quite some time without these stupid price fluctuations all the time (every week).

It's no good coming up with hair brain ideas on the way to save fuel. For example, correct tyre pressure, not putting the foot down as hard on the pedal etc. Let's get real, this saves nothing in the context of pricing & is a futile exercise. People want to see real savings at the bowser. We don't want tax cuts as this will just increase the price of other goods & services. Address the issue straight at the bowser. People come up with ideas of car pooling. They must think we're stupid & can't think of these things. This of course is impracticable for the majority of people at times due to starting times & locations where people live & family commitments & many other factors. A lot of people catch public transport & still suffer from the high petrol prices in their private use of their vehicle.

The only solution that will satisfy people is at the bowser. NOWHERE ELSE. I have stated to the Federal Government that we should not be under this OPEC pricing system & they should pull out of it & look after their own & determine a new pricing system in this country for fuel. I believe this can be done. How? I don't know, but I'm sure there are people out there with the economic know how to work this out.

Maybe for the 15% imported we should use the world price, but not the 85% produced on the domestic market here in Australia. Remember, you polities work for the voter & should listen to people. It's a privilege that your in office. I used to work

on the Cooper Basin in SA for years. This country is swimming in oil. I suggested to the Federal Government the following possibilities to rectify the problem. Whether practicable or not, I will leave that to them & yourselves to consider. I believe the revenue the Government loses by reducing excise & GST will be more than made up through the effects of having a healthy economy at the end of the day. The economy will obviously suffer a detrimental flow on effect in all areas if this petrol pricing issue isn't addressed constructively.

I heard the Reserve Bank state the other day that if inflation is caused by high petrol prices they may increase interest rates. Of course high petrol prices will have a flow on effect on other prices also & inflation will be affected. Looks like the poor old homeowner will suffer once again.

1. Legislate that Oil Companies on the domestic market here can't export overseas to attract the higher price of fuel & thus produce & sell fuel cheaper in this country. If this is done we will not run out of oil in this country. In other words, don't let our price be determined by world markets.

Get out of this ridiculous parity scheme. As stated before, does the Government really want this because the higher the price, the more revenue they grab. So it's in the interests of the Federal Government to have our prices determined by world markets. This I believe is the main crux of the whole matter. Revenue for the Federal Government.

2. Give the oil companies tax breaks & other remunerations for so doing.
(Not exporting overseas)

3. The Federal Government do their part as well & reduce the excise as well as GST on fuel. (Do they really want to though, because they will lose revenue) This I believe is the bottom line to the whole problem.

4. To compensate the Federal Government for loss of excise & GST, add GST to (all or some) grocery lines that currently don't have GST on. For example, milk. I would rather pay an extra 40 for a 3 litre bottle of milk than \$15 - \$20 extra for a tank of fuel. This is easier to digest than this radical increase in the price of fuel.

Of course fuel companies need to do their part as well.

I have continually lobbied the Federal Government to hold a summit between, Motoring organisations (RACQ, NRMA, RACV etc), Fuel companies, Business leaders & other appropriate parties in this country to address this crisis, because that's what it will turn into. Even state Governments could be involved in this summit if appropriate.

I believe the ACCC is a joke. What are they doing. Nothing, because I believe the Federal Government is in their ear telling them not to pursue petrol pricing in this Country because their little scam would be up & they would lose a lot of their revenue.

Once again, the only real solution is at the bowser. NO WHERE ELSE. You don't have to be too bright to figure that one out.

Regards,

Andrew Lipp