

## **SUBMISSION TO IMPACT OF PETROL PRICING SELECT COMMITTEE**

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### **ISSUE ONE**

#### **The extent to which current petrol prices increase the competitiveness of alternative fuel sources such as E-10.**

The current petrol prices are acting as a catalyst to increase the general public's understanding of the global oil issues and the impact they have on the environment. However, people will not change behaviour unless they see an immediate financial benefit. This is why some people have already converted to LPG, public transport or using bicycles.

Although ethanol can have a positive impact upon the environment by it being a renewable fuel source and lowering the overall tailpipe emissions it cannot be used in all vehicles. The Federal Chamber of Automotive Industries highlights a long list of current passenger vehicles, which should not use ethanol (<http://www.autoindustries.com.au/ethanol.php/2004/03/00000001.html>). Therefore supplying ethanol to all bowsers unlabelled would not be recommended. The overall volume of ethanol required to supply the entire market at 10% or even 5% may not be possible with the current infrastructure.

Alternative fuels such as ethanol and biodiesel blends, CNG, LPG should already be the only fuels used by new fleet vehicles. Due to the effect fleet vehicles have on the second hand vehicle market.

Alternative fuel sources could become more competitive if a carbon tax was placed on all fuel and so the more carbon intensive fuels had greater tax.

### **ISSUE TWO**

#### **The economic and financial consequences of current fuel prices with a particular emphasis on regional Queensland and outer metropolitan areas.**

While the economic consequences are important we need to also consider the environmental and social consequences of fuel prices. High prices tend to result in lower wastage and lower consumption and therefore environmentally and economically it is favourable.

To reduce the economic consequences to regional Queensland the current 8 cpl subsidy should stay and a greater investment and utilisation of biofuels should be undertaken including ethanol and biodiesel.

It is silly to grow our food in regional Queensland and then have to transport it to the coast where people live. It should be grown a lot closer to population centres and grown on the coast where the greater rainfall is and better soil is.

The economic consequences are cyclical. The higher fuel prices lead to higher prices for produce due to transportation costs which leads to pay rise claims which leads to inflation and interest rate rises which hits the farmers the hardest and so they raise the cost of produce and so the cycle goes. This process is not sustainable and must be broken.

### **ISSUE THREE**

#### **Practical ways that consumers can reduce their petrol bills.**

Consumers seem to whinge a lot about bills but are less likely to change their behaviour to improve the situation. People will use financial constraints as the main reason against change but in reality it is their psychology that is reluctant to change.

Drive less, use active and public transport. Provide a reliable, efficient, fast public transport system.

Travel lighter and less distance. Provide work where people live.

Buy a fuel efficient car. Provide rebates for people to purchase hybrid vehicles.

It is remarkable what good advertising and marketing can achieve. You notice the level 2 water restrictions in SEQ at the moment and the corresponding media campaign. There has already been a 22% reduction in water consumption.

A good media campaign and corresponding advertisement of alternative transportation would also see a significant reduction in consumption. The general public will believe anything that is reported in the media as true.

### **ISSUE FOUR**

#### **Whether existing information on the fuel efficiency of different makes of motor vehicles is sufficient.**

Current information displayed on new vehicles includes l/100km and gCO<sub>2</sub>/km is sufficient information. No simulated vehicle fuel consumption comparison will be accurate because the driving style has such a significant factor but as a relative comparison the test is sufficient.

The list of cars on the [www.drive.com.au](http://www.drive.com.au) fuel efficiency website should include every vehicles on our roads.

Greater information dissemination should be undertaken to make sure that all used cars have fuel efficiency displayed and car salespeople should understand.

### **ISSUE FIVE**

#### **The extent to which recent fuel increases could be moderated through enhanced domestic competition.**

Decreasing our reliance on foreign oil supplies will increase our self sufficient sustainability in the long term.

I don't think it is possible to supply enough organic waste to make 10% ethanol possible across the board. But the success of meeting future demand is to decentralise the process so that societies needs can be meet on a more local scale.

Renewable energy has to be combined with energy efficiency to be a real solution to our unsustainable practices.

If the average house had an LPG hybrid, which also plugged in a night time and was only used on weekends, then this would enable our domestic supply to account for an overall greater percentage of our needs.

## **ISSUE SIX**

**How the Australian Competition and Consumer Commission powers could be strengthened to deliver enhanced competition.**

The requirement for all prices to be advertised on road side and that the cost differential between fuels be set.

Advertise the price the day before would help.

Not allow a price change of more than 10 cpl in any 24hr period.

## **ISSUE SEVEN**

**Whether Queensland receives its fair share of road funding.**

I think we do but some of the money should be spent on other related areas such as air pollution, public transport, education of drivers. Road funding should not just be spent on widening roads and upgrading surfaces.

## **ISSUE EIGHT**

**The capacity and benefits of the Federal Government to reduce fuel excise to ameliorate the impact of high fuel prices on families and business.**

I don't think that the size of the excise is the only problem. I think that the fact that most of the money goes into general revenue and then there is a 10% GST on top. The GST was introduced to reduce the volume of other taxes but this does not seem to be applied to fuel.

As we have seen recently a scheduled increase in the excise to fund the increased introduction of cleaner fuels (lower sulphur) was withdrawn but then the money is going to come from the budget which is our money anyway. Funding for cleaner fuels has a demonstrated significant impact upon the health of society as has been seen with the removal of lead from our fuel. A greater percentage of the fuel excise should be spent on Research and Development to improve fuels and decrease the impact upon society.

**ISSUE NINE**

**Whether Queensland motorists are receiving the full benefit of the 8.354 cents per litre subsidy.**

I think that SEQ should not have the subsidy as we don't have to rely on fuel as much as the regional areas. I think that the cheap fuel is part of the unsustainable population growth that has occurred in SEQ.

I think the money could be better spent on upgrading roads, reducing tolls and subsidising public transport.

**ISSUE TEN**

**The efficiency of administration for the Bulk End Users Scheme.**

Never heard of it!