

Hi,

Submission re Question 12; Fuels, Road & Transport.

Given oil reached \$146 a barrel last year and no guarantee being provided by Govt that it will not reach that amount again when the global financial crises dissipates and the fact that the impact to our economy with high oil prices is significant, taxation should aim to minimise our oil vulnerability, rather than making it worse, and we need a level playing field.

It appears that the financial crisis arose because people listened to economists as if they were omniscient and market forces were omnipotent. Since the financial crunch, perhaps there is more reason to consider sustainability in broader terms than just the economists ever-expanding GDP calculated from money going round and round in circles without passing go, and without anyone going to jail.

Perhaps States should have power to set petrol taxes (as they control transport) – an example of this would be Margaret Thatcher and the Fuel Tax Escalator, and putting the fuel tax up to fund hospitals etc. Qld subsidises petrol to about \$37/tonne carbon (as an aside, 8.3 cents/litre), so Qld is the only state which has the power to raise fuel taxes, the Federal Govt has the rest.

States have fixed "vehicle ownership charges", and these should be changed to "Pay as you go" "vehicle use charges. For instance, in WA, the third party insurance on a prime mover and semi trailer that does 300,000 km/year is less than the third party insurance on a private car. A pensioner doing 3,000 km/year in a little car is paying 100 times as much per km. If the pensioner's little car runs into a bus full of people, it will not do much damage. If the laden semi-trailer hits a bus full of people, then many more injuries are caused. This is a perverse policy and greatly increasing our oil vulnerability. If one leaves the car at home and catches a bus, then one is paying the fixed charges while the car is in the garage. There should only be charges when the car is on the road, and the fuel tax is by far the simplest and most equitable. 5cents/litre or so should be added to the fuel tax every year (the money will stay in Oz), rather than waiting for OPEC to put the prices up (when all the excess price is exported). Thatcher insulated Britain to a considerable extent from the high oil prices (as the rest of Europe was insulated by their high fuel prices).

We should follow NZ and have an automatic no-fault injury compensation scheme funded from fuel taxes. A static annual charge is grossly inequitable and regressive.

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### **Submission Summary**

1. Taxation should aim to minimise our oil vulnerability, rather than making it worse, and we need a level playing field.
2. States should have power to set petrol taxes
3. Move States from a fixed "vehicle ownership charge", to a "Pay as you go" "vehicle use charge
4. Follow NZ and have an automatic no-fault injury compensation scheme funded from fuel taxes

Thanks  
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