

2 June 2008

GRIEVANCE DEBATE

Fuel Prices

Mr BRADBURY (Lindsay) (9.20 p.m.)—The rising price of petrol has been at the centre of debate over the past parliamentary fortnight, but this is not a new debate. Indeed, it is something that reaches back to the oil shocks of the 1970s. Combined with the rising cost of housing, the price pressures emerging from fuel are eroding the financial security of families, pensioners and businesses in my electorate. Government has a responsibility to look beyond the short term. It is our obligation as elected representatives to confront the difficult challenges of the future. We must transcend the shopper docket debate witnessed by this House since the announcement of the opposition's so-called plan to cut 5c a litre off the excise on fuel. This is not a solution but a desperate con being peddled by the snake oil salesmen who now comprise the opposition's leadership team.

The time has come for us to have a serious discussion about how our nation makes the transition to a low-carbon economy. Our dependence on fossil fuels like petrol carries with it a cost that will inevitably continue to trend upwards. To ignore the magnitude of the energy challenge that confronts the world economy by adopting such flawed proposals is to deny ourselves the most precious commodity in this debate: time—the time to map out alternative policies and change our behaviours to better align with the inevitability of rising carbon fuel costs. Past planning policies have ordained that new housing developments be approved in the outer suburbs of our major cities without the timely provision of the infrastructure or jobs that these new communities require. People have settled on the outskirts of major cities in places like Western Sydney in search of space, safety and the security of an affordable home. The further from the centre of our major cities we travel, the greater is our reliance on private motor vehicle transport. The greatest threat to the economic security of the residents of Western Sydney is the continued failure of governments to invest in regular, reliable and affordable public transport.

Recent studies have shown that residents of Western Sydney commuting to and from work each day—not only to the Sydney CBD but also to other parts of the region—are driving between 21,000 and 42,000 kilometres each year, up to six times more than residents of the eastern suburbs. With petrol prices fast approaching averages of \$1.60 a litre, it is now costing upwards of \$100 to fill the fuel tank of a family sedan. Casting back to 1998, crude oil was fetching just over US\$10 a barrel. Now, in 2008, that same crude oil is more than 10 times the price, at more than US\$130 a barrel. With inflation that has been left to run unchecked, and the accompanying rises in interest rates, the impact on the average household of the rise and rise of world oil prices is enormous. The median gross wage in my electorate is \$57,000 a year. In 2002, with interest rates at 6.75 per cent and petrol at 82c a litre, residents of my electorate were spending, on average, about \$2,100 a month on their housing and car expenses. In 2008, with interest rates at 9.47 per cent and petrol at close to \$1.60 a litre, those same residents are now spending almost \$3,000 a month. This represents a cost increase of more than \$10,000 a year.

Car dependency is a greater problem for people living in my electorate than for those closer to the centre of Sydney. By way of illustration, I remember starting university in the city and being stunned by the revelation that a number of my 18-year-old colleagues who lived in the eastern suburbs did not have

licences, nor did they have any need to obtain them. This proposition is virtually anathema to those of us who have grown up in Western Sydney. We in Western Sydney are well known for our car culture. Much is made of this car culture by those from outside the area. The reality is that as a community we are heavily dependent upon the car because it is one of the most basic and indispensable tools in negotiating our daily lives in a region almost completely bereft of genuine public transport options.

It is the responsibility of our national government to be honest about the impacts of rising fuel prices on the economy and on motorists and to be honest about the extent to which we can influence those prices. We will not give irresponsible guarantees that petrol prices will go down, when all the indicators point to a continued rise in the global price of oil. We face demand from China and India, and that is not abating, and a US economy that even in stagnation consumes a quarter of the world's oil. We are coming out of a period where the previous administration was intent on perpetrating the comforting delusion that petrol price hikes were anomalous and would some day normalise.

For 12 years, the previous government could not bring itself to have the bracing conversation it needed to have with the people of Australia. It studiously avoided any frank reference to the fact that world oil prices will continue to climb upwards and that our reliance on petroleum is unsustainable. It wasted the opportunity to invest in renewable energies and alternative fuels. We now look back at the Howard government's time in office and see a lost decade.

Our carbon economies must make way for the future of renewable energy. When we talk about securing our energy, we must talk about how to wean ourselves off our petrol dependence. When we talk about easing the fuel price pressures on families, we must talk about how we can improve access to public transport networks. What governments can do at the margins of petrol pricing policy is make sure that we increase competition in the market and empower consumers. This includes our proposal and actions in appointing a Petrol Commissioner and the introduction of a national Fuelwatch scheme.

But we cannot stay focused on the margins. We need a sensible long-term approach to reducing our dependence on petrol, at the centre of which must be public investment in improving our mass-people movement networks. In Western Sydney, we have public transport lines that feed into the Sydney CBD but very few quality services that meet the demand for interregional commuting between its major centres. While 60 per cent of local residents in my community travel outside the Penrith city each day for work, approximately 80 per cent of those leaving the area still work in Western Sydney. Western Sydney needs better interregional public transport options. Public transport in Western Sydney needs to be more affordable, particularly bus services.

In my community, for example, the weekly cost of the bus trip from Glenmore Park to Penrith station, a journey of seven kilometres, costs \$30 a week, whereas the cost of a train ticket from Penrith to Sydney, a journey of 55 kilometres, costs under \$50 a week. Our commuter car parks are overflowing because the private bus services do not provide cheap, reliable services to get people from their homes to major transport nodes. As the employment zone booms along the M7 corridor, including the new employment hub at Erskine Park, there is even greater demand for transport networks to deliver people to jobs within the region.

It is time for the Commonwealth government to play a leadership role in delivering genuine public transport options for the residents of Western Sydney. To the great detriment of the people of Western



Sydney, this is one area where the previous government dared not go. We need publicly subsidised, regionally focused and regionally managed people movement systems, similar to the government bus systems that operate in Sydney. If we are to create incentives for people to leave their cars at home, we need to take bold steps to get them to and from work on services that are reliable, regular and low cost.

I am encouraged by the work of the government in establishing a Major Cities Unit to do what the previous government chose not to do for 11½ years. I also look forward to seeing how Infrastructure Australia will be directing the investments emerging from the Building Australia Fund into transport networks. Only government led investment can drive a mode shift in the culture of petrol reliance by providing targeted incentives predominantly to outer suburban regions, like Western Sydney, to move towards greater use of public transport. For too long we have had governments obsessed with short-term fixes and unwilling to be honest about the future energy challenges we face. It is time for us to move past the shopper docket debate and invest our energies in a genuine exchange of ideas about how we secure Australia's energy and transport future.