



Australian Senate

Christine Milne

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media release

Oil price, climate change and inflation: Budget must address all three together

Canberra, Monday 12 May 2008 Australian Greens climate change spokesperson, Senator Christine Milne, today said that a government serious about reducing the impact on Australians of petrol prices, climate change and inflation would tackle the three issues together with a major infrastructure investment in the tens of billions.

Senator Milne said, "The ever-climbing petrol prices, the massive challenge of climate change and the need to reduce inflationary pressures are closely inter-linked and cannot be dealt with separately from each other.

"By attempting to address each one separately, the government is destined to fail with all of them, undermining its own work.

"Budget spending allocations clearly reflect a government's priorities. We see \$40-80 billion being allocated to each of health, education and military spending every single year. Why is a paltry \$2.3 billion over who knows how long deemed enough to deal with climate change? When a real climate infrastructure investment will also deal with petrol prices and help reduce inflationary pressures, this spending looks even more pitiful.

"Petrol price rises are driven by the global oil price and the spectre of peak oil far more than by any domestic attempts to fix pricing or increase supply.

"A serious attempt to deal with this problem without undermining climate action would see this Budget investing substantially in public transport infrastructure, more efficient cars and alternative fuels. Instead, we'll see platitudes on pricing and even more taxpayers' dollars thrown at oil exploration and the greenhouse nightmare of liquefied coal as a transport fuel.

"Petrol prices and the climate change drought are key drivers of inflation, pushing up the prices of basic consumer goods.

"A serious attempt to deal with this problem would see the government prioritise a major investment in new infrastructure that will reduce our reliance on oil and coal. Instead, we'll see cuts to vital services while hugely polluting and massively profitable industries keep getting the handouts they have come to expect.

"Investing now in a comprehensive strategy to boost Australia's energy and fuel efficiency, renewable energy and mass transit supply is the sensible approach to deal with petrol prices, climate change and inflation.

"This anti-inflationary program can be funded by scrapping handouts to fossil fuels, including the ridiculous Fringe Benefits Tax Concession on motor vehicles and other wasteful measures such as the private health insurance rebate, as well as wisely investing in a cost-neutral energy efficiency drive such as the Greens' EASI scheme to retrofit the nation's 7.4 million homes."

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