

MEDIA RELEASE



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7 November 2014

GOVERNMENT SHOULD TAKE MORE RESPONSIBILITY FOR FUEL SECURITY

The Australian Government should call for an update to the international fuel stockpiling rules and take responsibility for holding emergency fuel stocks, the Chief Executive of the Australian Trucking Association, Stuart St Clair, said today.

The proposals are among the recommendations in the ATA submission to the Government's Energy Green Paper.

Australia is a member of the International Energy Agency (IEA), which requires member countries to hold 90 days of emergency oil stocks in case of a significant oil supply disruption. Australia's fuel stocks stand at 52 days, which is the lowest of the IEA member countries.

Currently, all of Australia's oil stocks are held by commercial entities. The Australian Government provides no capacity and holds no stocks.

"Liquid fuel is an essential part of day-to-day life in Australia. In the event of a disruption to oil supply, the emergency stockpile rules enable governments to keep supply chains running or assist other countries experiencing supply issues," Mr St Clair said.

"However, the IEA's 90 day requirement was set in 1974. This figure does not account for developments in the petroleum market since this time, including the holding of stocks at sea. These stocks account for more than a quarter of total oil stockholding directly owned and controlled by Australian companies.

"The Government should press the IEA to review its 90 days stockholding figure to reflect these developments and create a revised oil stockholding requirement. The Government should then seek to comply with the revised requirement."

Mr St Clair said the Government should take responsibility for the cost of establishing and maintaining these emergency liquid fuel stocks.

"Australia's fuel companies do an excellent job of providing a reliable fuel supply across our country. However, they can't be expected to have complete responsibility for maintaining critical fuel supplies in the event of a crisis, such as a major natural disaster," Mr St Clair said.

"The Government needs to take on this role and pay for the cost of meeting the stockholding requirements. This civilian stockpile should be in addition to defence force oil stocks, which should be reserved for national security purposes.

"The Government can also improve fuel security by encouraging alternative fuel infrastructure, supporting the research and commercialisation of renewable fuels, and removing obstacles to the use of more fuel efficient high productivity vehicles."

The ATA submission is available at www.truck.net.au/public/advocacy/submissions.

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