



ABARE has egg on its face

Posted by [Phil Hart](#) on May 29, 2008 - 8:44pm in [The Oil Drum: Australia/New Zealand](#)

Topic: [Policy/Politics](#)

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Australian Greens Senator Christine Milne issued this press release earlier in the week:

[Oil price forecasts way off again: ABARE has egg on its face](#)

27th May 2008

The former head of ABARE, Dr Brian Fisher, famously said that, if prices are high enough, roosters will lay eggs.

Australian Greens climate change spokesperson, Senator Christine Milne, today said that ABARE now has egg all over its face after another woefully inaccurate oil price forecast, leaving the Australian community scrambling to deal with a fuel price crisis.

Senator Milne said, "At some point, ABARE must be held to account for its failure to model any scenario under which peak oil is a reality. Where other economic forecasters model a range of scenarios based on a range of assumptions, ABARE has consistently modelled with the same flawed assumptions, even though the evidence has shown them to be wrong time and again.

"ABARE's current chief, Philip Glyde, as good as told today's Estimates hearings that the results of his organisation's modelling didn't matter as long as the assumptions were in the public domain.

"Glyde must understand that ABARE's results are not irrelevant, since they underpin Australia's transport planning policies and are the basis of many vital decisions made by farmers and rural communities across Australia. If the assumptions are wrong, they must be fixed.

"ABARE projected in March this year that the oil price in 2013 will be \$82, returning thereafter to \$67. There is no evidence for this projection which flies in the face of the reality faced by Australians every day, and is not backed up even by the notoriously conservative International Energy Agency.

"ABARE's failure over the past three years and more to recognise what has been staring everyone else in the face has meant that oil proofing the country with changed urban planning and investment in public transport has not happened. Now we have Australians trapped into using a fuel whose prices are skyrocketing, and a Minister for Resources focussed on his liquefied coal fantasy.

“Unless and until ABARE’s projections are challenged or changed, we are unlikely to see the kind of strategic investment in mass transit, alternative fuels, vehicle fuel efficiency and other options that is desperately needed to prepare Australia for a world without cheap oil.

“The Minister, Tony Burke, must now require ABARE to immediately model not only its own assumptions, but peak oil assumptions as well. ABARE must also be required to model the economic impact of demand reduction through mass transit and fuel efficiency as against the cost of increased subsidies to oil exploration.

“ABARE must be held to account for holding back Australia’s efforts to prepare for the twin challenges of peak oil and climate change.”



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