



## Fuel for Thought - The Future of Transport Fuels

Posted by [Phil Hart](#) on July 10, 2008 - 7:05am in [The Oil Drum: Australia/New Zealand](#)

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*The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is the national government body for scientific research in Australia. The [CSIRO Future Fuels Forum \(FFF\)](#) began in November 2007 and culminated in July 2008 with the release of a report, "Future Fuels Forum report - Fuel for thought". The initiative brought together 18 leading representatives from Australia's community, industry and government to share ideas and develop a range of options for our nation's transport fuel future, determining what could potentially get us 'from A to B' by the middle of the century.*



ASPO Australia spokesperson (and TOD editor) Phil Hart gave this speech at the launch of the report on Friday 11th July:

The Australian Association for the Study of Peak Oil congratulates CSIRO for leading the Future Fuels Forum and thanks all the participants for the constructive dialogue that led to this final report. We have all learnt new things along the way. I have been personally encouraged to hear of the many changes businesses have been making – there are more pro-active changes under way than even I realised.

2007 began with oil prices falling back to near \$50 a barrel – because the speculators got it wrong. Many forum participants would have choked on a prediction of \$8/litre (~US\$30/gallon) early last year, but tight supply and the rapid increase in prices since then have given them courage to accept these dramatic model outcomes now. No one can know the precise future of oil prices, but such high figures reflect how hard it is to transform our cities and economies built on cheap oil when we are faced with declining oil production.

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It was logical and appropriate for the Future Fuels Forum to include previous forecasts from international energy agencies among these scenarios. However, the Association for the Study of Peak Oil believes these forecasts are fundamentally flawed, and it is self evident that they failed to anticipate the beginning of this 3rd oil shock. The International Energy Agency has now signalled that its forecast to be released later this year will dramatically revise down estimates of future oil production.

We therefore believe that the peak oil scenarios in this report provide a far more useful insight into our future than the assumptions of 'business as it used to be'. An imminent peak in global oil production is demonstrated to have serious negative impacts on the economy and society. A complementary scenario shows that with a rapid cultural and technological response, the impacts of peak oil can be minimised. However, it is a lot easier to transform society and the economy in a computer model. The transformations required in the real world are on a scale that can barely be imagined, and they need to start today if we are to successfully mitigate the impacts of peak oil.

Professor Ross Garnaut has rightly described climate change as one diabolical problem. Well, now we have two. There is no silver bullet and we must accept that we will have higher transport and energy costs in the future. This signals that conservation and efficiency must be part of our response, and this is where we can make some of the most cost effective changes. Debating five cent price reductions does nobody any good - we need to look for more courageous and honest leadership on this issue.

We must also avoid counter-productive responses which result from dealing with these two issues in isolation. The most viable unconventional 'oil' is turning coal into liquids and this market response to peak oil has already begun, producing some of the most carbon dioxide intensive liquid fuels imaginable. As an engineer with oil industry experience, I am sceptical that 'Carbon Capture and Sequestration' is viable on the world scale required. Given how critical a role it is assumed to play in the future, and in these scenarios, the coal industry needs to pay for and get on with large scale demonstration plants to prove them quickly. We do not have time for a decade of cautious development when there are other more certain alternatives.

I would like to finish with my favourite quote from the Future Fuels Forum report:

**“The choices Australians make about how often, how far and in what mode they travel and what size vehicle they need to own are likely to be equally as important as the fuel and technology choices they make”.**



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