



Is Australia still asleep at the wheel?

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This piece I helped author has been published by [ABC Online](#) to support a two day visit to Canberra as we try to raise awareness of Peak Oil and the [CSIRO Future Fuels Forum](#) work:

By Bruce Harrison, Monica Richter and Phil Hart.

When the CSIRO auspiced Future Fuels Forum report was released in July the resulting headlines were pretty scary. "Petrol tipped to hit \$8 a litre by 2018" and "\$8 a litre fuel shock" had the talkback lines buzzing.

They also put policy makers on notice about potential future scenarios and government's clear role to help prepare Australia for the twin realities of climate change and increasingly scarce and expensive oil.

While the Federal Government has started the process of preparing the Australian economy for a carbon constrained economy, Australian politicians still seem asleep to the need to prepare Australia for a future peak oil scenario. The current financial crisis, while serious, has the potential to further distract from this vital preparation.

Easy credit has been a way of avoiding rather than facing up to the impact of stagnating oil supply and rising oil prices. It would be a serious mistake to see the current decline in oil prices as a sign the problems of oil supply have been fixed. They haven't.

Unprecedented volatility in financial markets means commodity prices may not reflect their real value for some time to come. Declining demand may also reduce oil prices. But when the world economy eventually recovers, the limits to oil supply will again become apparent.

It is vital Australia gets ready for that oil constrained future now. A good first step would be to conduct a national oil vulnerability assessment and establish a strategy to help Australia manage the risk of oil supply shortfalls and eventual decline.

Australia is particularly vulnerable in two areas: we are extremely car dependent and increasingly rely on imports for our supply of oil. By 2015 two thirds of the oil we use in Australia will be imported.

To reduce our vulnerability, we need to massively increase the efficiency of our freight and passenger transport systems, diversify our fuel supplies and switch to less carbon intensive energy sources. Our priorities for building new national infrastructure must reflect these challenges.

The CSIRO study showed that Australia's fuel mix is likely to become more diverse with a heavy reliance on hybrid/electric cars and other low emission vehicles for city commuting, natural gas for large vehicles (freight and buses), sustainable biofuels especially in regional areas, diesel and LPG and Compressed Natural Gas (CNG). While coal to liquids could in theory be a potential fuel

source, even with carbon capture and storage technologies, liquid coal has a substantial greenhouse footprint and should be ruled out. We have better and more sustainable alternatives.

How quickly Australia is able to reduce its oil vulnerability will depend on the new policies and development of new infrastructure. Retrofitting of freight vehicles for CNG, a distribution network and mandates for the use of natural gas and environmentally appropriate biofuels, and the ability for private motor vehicles to plug into a clean renewable electricity grid are just some of the steps we need to take.

Government has a clear role in making this happen.

In terms of natural gas, if Australia does decide to keep this resource available for national use, we should not expect it to come cheaply. As LNG facilities are built to export natural gas, local prices will rise to approach parity with the rest of the world and Australia will have to compete on the global market for these supplies. Global gas markets will tighten further as gas is used to replace oil (and coal) and as producers struggle to expand supply. While gas is cleaner than petrol and could help address some of our transport fuel problems in the short term, we must think beyond natural gas pretty quickly if we are cut emissions at the scale required to successfully respond to climate change.

Of course behaviour change is just as important as technological change. That means helping Australians change their choices by, for example, giving employees incentives to catch public transport, removing perverse subsidies and designing our cities to be better integrated with flexible transport hubs close to community facilities.

We have a big challenge ahead of us to decarbonise our society and become much more efficient in our use of the limited oil available to us. The sooner we start, the less it will cost us in the future.

Bruce Harrison (chief executive officer, Australian Biofuels Association), Monica Richter (Sustainable Australia program manager, Australian Conservation Foundation) and Phil Hart (member, Australian Association for the Study of Peak Oil) were participants at the CSIRO's Future Fuels Forum.



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