

CSIRO Future Fuels Forum – Report briefing / launch – 11 July 2008

TRANSCRIPT

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The Biofuels Association of Australia is grateful for the opportunity to have been involved in the CSIRO led Future Fuels Forum.

This forum has provided us with a place to discuss and provide information on the drivers for change in the Australian transport fuel mix for the future. Based on that input CSIRO has modelled a range of scenarios as a way of highlighting for government policy makers and industry decision makers what the future might look like.

So what messages does the Biofuels industry take away from the Future Fuels Forum Report? That we need to take action now because the consequences of inaction could be very high fuel prices, \$8 a litre. The second point is that the alternative fuel industries may not reach the necessary scale in an appropriate time frame without government intervention. And thirdly, that biofuels such as biodiesel from algae and cellulosic ethanol have the potential to be a significant part of the Australian transport fuel mix of more than 30%.

The Future Fuels Forum does not provide an assessment of the likelihood of any particular scenario being more likely than another, however, the Biofuels Association of Australia believes that the scales currently appear to be leaning towards a tight oil supply scenario. One of the indicators of that is the world renowned BP statistical energy review has oil production in 2007 lower than in 2006 and virtually static oil reserves. And then we have the current markets where current high fuel prices indicate that already there exists a fine balance between oil supplies and demand so we should ignore these indicators at our peril.

It also appears that apart from LPG Australia does not have a significant alternative fuels industry that could scale up rapidly to replace finite oil supplies. And this is especially so if the objective is to also reduce greenhouse emissions. The range of alternative fuels that do both are limited. Biofuels does both.

Thank you.

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