

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

### TRANSCRIPT

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The Australian Association for the Study of Peak Oil congratulates CSIRO for leading the Future Fuels Forum and thanks all the participants for their constructive dialogue that led to this final report.

We've all learnt new things along the way and I have been personally encouraged to hear of the many changes businesses are making. There are more proactive changes underway than even I realised. 2007 began with oil prices falling back to near \$50 a barrel because the speculators got it wrong. As a result many forum participants would have choked on a scenario of \$8 a litre early last year. The tight supply and the rapid increase in prices since then have given them the 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. We'd like to [?] appropriate for the Futures Fuel Forum to include previous forecasts from International Energy Agency among these scenarios. However, the Association for the Study of Peak Oil believes that these forecasts are fundamentally flawed and is self evident that they failed to anticipate the beginnings of this third oil shock. 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 consequences on the economy and on society.

Our 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 the economy and society 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 I know 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, creating some of the most carbon dioxide intensive liquid fuels imaginable. As an engineer with oil industry experience I'm sceptical of carbon capturing 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 quickly to prove this technology. We do not have time for a decade of cautious development when there are more other certain alternatives available to us.

I'd 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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