

**The Secretary
Senate Rural and Regional Affairs and Transport
Parliament House
Canberra ACT 2600**

Re: Inquiry into Australia's future oil supply

**Allan V Heasman B.E. (ind)
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Burwood NSW 2134
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**Dear people,
Terms of reference Point A.**

Australia is past peak oil production. You can debate the rate of production decline only. Do not convey false optimism and get used to the term "plug and abandon". Worldwide peak production could occur before your enquiry report date 15 June 2006. Robert L Hirsch in World Oil Magazine Sept 2005 studied 7 regions / countries that have passed their peak. Looking at production rates 1 year before and one year after peak, he observed "The peaks were sharp, not gently varying bell curves and not flat tops which some forecasters had hoped. Post peak production declines were much greater than our 2% benchmark in some cases".

A responsible planning position would be to model decisions on a worldwide production decline of 2% per annum from the date of your report.

Crude oil at US\$65 per barrel is cheap. I quote Matthew Simmons (author of "Twilight in the Desert: The Coming Saudi Oil Shock and the world economy") – "\$65 a barrel translates into ten cents per cup. Ten times cheaper than bottled water. People who think this is a really high price need to have their heads screwed back on."

Crude oil will be available to the highest bidder. A responsible planning position would be to anticipate US\$100 per barrel in the near future.

Point B.

The clearest message here should be that nothing will again be as good as the oil already used up. The layout of suburbs with reliance on motor vehicle transport will be seen as a symptom of a past time when oil was cheap and plentiful. Do not let dreams of alternatives offer false hope.

**Point C
Horrendous**

Point D

This is the area where Government can be most effective. Railway systems need highest priority for goods and commuters. eg Port Enfield at Sydney. Planning should aim for a walkable, more local community. Population growth should not be pursued.

**Yours sincerely
Allan V Heasman**