

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

23/2/06

## **Re: Inquiry into Australia's future oil supply and alternative transport fuels**

By:

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### **Terms of Reference Addressed**

D Options for reducing Australia's transport fuel demands.

### **Introduction**

There is little point in again bringing to your attention the nature of the oil supply problem; the facts and figures speak for themselves and these have been summarised by others (for example, *Chris Skebrowski, at the 'The End of Oil' October 11th Conference* <http://endofoil.tz4.com/>). I have read as much as I can over the past year and a half, hoping to find something that would refute the Peak Oil argument. Such that I did find in the anti-depletionist camp lacked strength and was not nearly convincing enough. As one who is about to retire and gives thought to future income, I am convinced that, like the rest of Australia, I will not see out my retirement enjoying the abundant cheap oil we take for granted today.

That we will use less transport energy into the future is a given; the choice open to us is whether we change gracefully as a nation or badly and painfully. Substitutes for oil fuels will never be enough to match the current Australian huge usage.

We in Australia are fortunate to have more gas and coal than many countries, so we will learn how to handle these commodities as other countries learn how to do without them first. But we are in the same market as the rest of the world for oil which powers nearly all of our transport. This is the problem.

### **Recommendations**

That this government take major steps to radically re-organise the Australian economy to one of a low transport energy economy. The scarcity that will hit the world within a few years dictates that radical solutions must be taken and

that half measures will result in greater pain. Even a well organised transition will cause pain to citizens as a traditional growth economy is abandoned. It is the work of the government to make the pain as small as possible.

This effort needs to be the equivalent of a war effort. It is clear that some of the aspects required will be:

1. Inform and convince the public of the necessity to alter our way of life. A huge campaign will be required to convince the public that life as it was planned by each person is no longer an option. A traditional expanding economy is not an option.
2. As part of the awareness campaign, raise the current cost of transport fuel to persuade everyone to learn to avoid personal consumption. Halt the existing incentives to own and drive private vehicles.
3. Introduce fuel rationing so as to break the nexus between abundant money and a scarce resource which causes an incorrect signal to consumers.
4. Prepare for certain industries to fail as consumers alter their spending patterns. Shopping centres will become unprofitable as the motorist will be unwilling to drive to centres; facilitate the creation of much smaller shopping centres within suburbia.
5. Consider mining industries and other export industries on a case by case basis.
6. Ensure that certain vital industries do not fail. Basic food production, cereals, fruits, meats must be protected.
7. Prepare for slumps in the price of outer suburb dwellings and very high mortgage failure rates.
8. The movement of people from one industry to another will be a major activity. Relief from the recession will be in the new industries encouraged by the government. There will be a great workload hence there will be many jobs and many opportunities for people to move to. This is the positive side.
9. Alter laws to facilitate the transition to low energy industries and encourage the new low energy industries.
10. Ensure that any agreements made with foreign countries do not bind Australia to provide fuels Australia would rather keep for its own use.
11. Finance the building of a low energy infrastructure; train haulage rather than truck haulage; bicycle paths rather than new roads; ships rather than trucks; all suburbs to have adequate public transport; people to work at home via the internet wherever possible.

12. If there are proven innovative forms of energy for transport; facilitate these.

13. Provide for strategic supplies of fuel to smooth the peaks and troughs in world supply which will occur as the peak oil moment becomes apparent and Australia has not yet converted its economy,

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