

Rachel Nolan - Peak Oil Speech in Qld Parliament

Speech to Parliament

Ms Rachel Nolan MP - Member for Ipswich

13th March 2008

Ms NOLAN (Ipswich—ALP):

On Monday night in Ipswich two local engineers, Steve Posselt and Stuart McCarthy, in conjunction with the Ipswich Chamber of Commerce and Industry and Ipswich Green—an organisation of which I am a cofounder—ran an Ipswich leaders forum to outline to the community the serious challenge of sustainability.

Their timing could not have been better. Today the price of a barrel of West Texas crude oil passed through the \$US110 mark. This is the highest price oil has ever reached, either in current or inflation adjusted terms.

The price surge is a result of a culmination of rising demand, flat production and falling inventories, but there is a simpler way of describing what is happening. It is called peak oil. Peak oil advocates have always argued that we would only recognise the peak of world oil supply when it was passed—that is, we would only see it for sure in the rear-vision mirror.

Well, the view in the rear-vision mirror is becoming increasingly clear. In November 2006 the world produced 85.5 million barrels or crude per day. No month since has surpassed that total. During 2007 world oil production declined to 84.6 million barrels per day. Around the world, nation by nation, oil production has peaked and declined.

The USA peaked at 9.6 million barrels per day in 1970 and now produces 5.1 million barrels per day. Venezuela peaked in 1970, the UK peaked in 1999, and Norway and Australia both peaked in 2000.

The Energy Watch Group in Germany recently analysed world data and suggest that we are past the world's peak. They calculate that world supply will now decline by seven per cent per year, falling to 58 million barrels per day by 2020. There is no way known that production of biofuels such as ethanol can plug such an enormous and growing gap. Even putting aside the record grain prices we are already seeing as arable land is transferred from food to fuel production the simple fact is that there is not enough land on the planet to grow the liquid fuel volume which we require today.

Aldous Huxley once said that 'human beings have an almost limitless capacity to take things for granted'. When it comes to oil and our use of it, that is certainly true. Lester Brown in his Plan B 3.0 set out the challenge thus—

The challenge for our generation is to build a new economy, one that is powered largely by renewable sources of energy, that has a highly diversified transport system and that reuses and recycles everything. And to do it with unprecedented speed.

The Ipswich leaders' forum set out that challenge for our community. It is a serious challenge and one that we must all seriously pursue.

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