

CHAPTER 9

Peak oil – catalyst for a resilient, sustainable society

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Abstract

The peaking of the world's oil supply will probably be the catalyst that forces the world to address global warming and global sustainability. Yet peak oil continues to be ignored by successive Australian governments despite our acute vulnerability to it. A resilience approach to this problem will require honest public acknowledgement by government and business leaders of the real challenges we now face; urgent education campaigns and an emergency nation-building response that will focus on energy conservation and efficiency, large-scale conversion to renewable energy and possibly new generation nuclear power, major changes in urban design and our transport system, phasing out of high carbon emission facilities, introduction of high speed broadband, investment in low emission technology and rapid reform of the tax system. Can our current form of government rise to this unprecedented challenge?. Our failure to face up to the risks of global warming thus far does not engender confidence, but we cannot waste the great opportunity that is now before us; to place the world on a genuinely sustainable footing.

Introduction

Since oil prices receded from their July 2008 (US\$147/bbl) peak as the Global Financial Crisis (GFC) destroyed demand, there has been an inevitable tendency to assume the oil “problem” is fixed and move on to the next issue. Unfortunately nothing could be further from the truth. We have been given a warning, which we should heed, as the problem is certainly not fixed. The peaking of global oil supply, peak oil, will probably be the catalyst that forces the world to address the related questions of global warming and, beyond that global sustainability, seriously and far more rapidly than we are expecting. In short, peak oil is a good thing, provided you are well prepared; it is likely to have even greater impact than global warming in the short term!

It is the issue our political leaders still seem determined to ignore, although an increasing number of international oil company Chief Executive Officers (CEOs) are quietly acknowledging the reality we now face. Having built our prosperity on cheap energy from fossil fuels, particularly oil, it is perhaps understandable that we are reluctant to admit that business-as-usual is over as that cheap energy disappears.