

Fuel for Thought

Fuelling Our Economy

The recent announcement by Shell regarding the future of its Geelong oil refinery has yet again raised the issue of Australia's fuel security, and our nation's increasing dependence on imports of the fuels which keep our transport sector and large industries on the move.



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Shell says it hopes to sell the Geelong refinery but failing that it will consider turning the facility into a fuel import terminal.

The announcement follows Shell's decision to convert its Clyde refinery in Sydney into an import terminal from next year, and Caltex has followed suit by announcing the same plan for its Kurnell refinery on Botany Bay, meaning that from 2014 New South Wales will be fully dependent on imported fuels.

Should the Geelong refinery close it will mean that the number of oil refineries in Australia will have fallen from eight to just four, in little over a decade. The oil companies say their Australian operations can't compete with giant refineries in Asia.

Recently Australia's motoring organisations have expressed increasing concern regarding our declining fuel security, as highlighted in a recent report issued by the NRMA.

The report states that by reducing our capacity to produce our own fuel reserves Australia is now more dependent than ever on foreign markets for fuel, and that there are no contingency plans for dealing with any cuts to supplies because of conflict, economic turmoil or natural disasters.

The report goes on to say that Australia could grind to a halt within three weeks, affecting supplies of food and medicines, if our fuel supplies were cut off.

Naturally QER has a particular focus on fuel security as we are looking to develop an industry for creating fuels from oil shale, and indeed we argue that Australia needs to consider a range of alternatives including gas to liquids, coal to liquids and biofuels.

The Queensland Government supports the responsible development of alternative fuel sources such as oil shale, and just this week Premier Campbell Newman highlighted the issue of fuel security when touring a facility conducting research into producing fuels from algae.



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