

---

**Sent:** Monday, 9 June 2008 21:03  
**To:** White Paper  
**Subject:** SEC: UNCLASSIFIED WWW enquiry: Submission: 1. Strategy/International

Name: Sol Hanna

Submission: I am broadly supportive of the current defence doctrine's priority upon the defence of Australia, and I support withdrawing our military forces from distant deployments like Iraq to focus on defence of Australia and peace keeping deployments in the region.

I believe the principle strategic concern for our defence planning is the onset of "peak oil" and the impending decline of energy supplies. There is currently (and has been for some time now) a large volume of published work on peaking energy supplies stemming from renowned geologists like M. King Hubbert and Prof. Kenneth Duffeyes, to prominent energy investors like Stephen Leeb Ph.D. and Matthew Simmons. I will not elaborate on their work here, but suffice it to say that for the past century oil and gas production has continually increased, supplying expanding demand and keeping energy prices low. Total world oil production peaked in 2006, and most oil producing countries are now in declining production phases. A global decline of oil production is likely to begin during the coming decade.

This will have profound consequences for the strategic environment of the Asia-Pacific because cheap energy supplies have been the foundation of economic growth and population increase for over a century. A decline in cheap energy supplies will surely lead to economic decline (recession/depression), and spurn social unrest and potentially to political instability. We are already seeing riots around the world due to high fuel and food prices (n.b. food prices are being seriously effected by fuel prices as it is an essential ingredient in agricultural production, both as a fuel and to produce pesticides and fertilizers). Students of history are aware of the connection between dire economic circumstances, political instability, and the rise of political/religious extremism. Whilst Australia is less likely to experience the same extent of economic decline and political instability internally, it is inconceivable that it will not be effected by such decline and instability in the region.

In short, Australia is likely to see much higher energy costs (and the flow on effects through our own economy) and a much less stable political environment in the region. We cannot afford to deploy our defence forces far from home. The defence white paper needs to be focused around the strategic implications of peaking energy supplies, and the ensuing economic and political consequences.

Whilst Australia is a net energy producer (due to coal and gas reserves, though relying on oil imports) and our economy is likely to be less negatively effected by dwindling energy supplies and spiraling prices, a politically unstable region does not bode well for Australia. Should extremist regimes rise in powerful nations in the region, we may see our energy supplies being coveted by such regimes. Such regimes may be more swayed by their own domestic political populism and greed, than by any other concern. They may not hesitate in invading Australia (or close oil and gas producing nations like Indonesia) in order to obtain the economic advantage that energy supplies will bring in an increasing energy-scarce world.

Alternately, we may see an exodus of refugees fleeing from conflict or starvation in regional countries, thereby creating a substantial management task (in terms of interception and processing) for the defence forces. And conflict in unstable regional states may see the ADF called upon to provide peace keeping missions in the region.

The economic and political consequences of peaking energy supplies globally means that Australia's defence forces will be called upon to act either at home, or in aid of our close neighbours in the region.

To summarise, the impending global peaking of production for oil and gas and subsequent decline in supply of cheap energy will have profound economic, and political consequences, both for Australia and the region. I believe that this needs

to be the key guide for defence planning for Australia which may find itself as an island of stability and relative prosperity in a region severely impacted by economic decline, famine, and ensuing political instability.

I agree to my submission being published on the Defence website

I agree to my submission being quoted in the Community Consultation Report