



## The Bullroarer - Tuesday 18 March 2008

Posted by [Big Gav](#) on March 18, 2008 - 7:14am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

ABC - [Global energy crunch 'the new Cold War'](#)

Federal Minister for Resources and Energy Martin Ferguson has described the challenge of securing global energy supplies as "the new Cold War". Mr Ferguson has told the second annual Energy State of the Nation forum that the worldwide supply and demand balance for energy has tightened. He says concerns about energy security have risen in line with energy prices.

Mr Ferguson says his Department will develop a national energy security assessment through consultation with industry over the next three months. "This is about providing timely and focussed information in the energy sector," he said. "This security assessment will provide an integral picture of the outlook for electricity, gas and liquid fuel supplies and demand over the next five, 10 and 15 years."

FrogBlog (NZ) - [Does the left hand have any idea what the right hand is doing?](#)

Do Treasury and the Reserve Bank know that the Ministry for the Environment is talking about Peak Oil on this webpage? So, to be accurate, it's really the right hand that doesn't know what the left hand is doing. Now, should Cabinet get rid of the offending web page, or should it pay \$50 dollars and send a couple of advisers from Treasury and the Reserve Bank to a Peak Oil 101 talk?

SMH - [Australian Government Funds Shun Renewable Energy](#)

AUSTRALIAN Government investment funds are putting nearly 50 times more money into the fossil fuel and uranium industries than into renewable energy, a new report has found. Large Government-owned investors, including the Federal Government's Future Fund and state bodies such as the Workcover Authority, are investing in direct conflict with their governments' plans to reduce greenhouse emissions, according to the report, to be released today by the Australian Conservation Foundation. The report came as a Newspoll commissioned by Greenpeace found 78 per cent of Australians remain unaware that the fossil fuel industry receives taxpayer subsidies of just over \$800 per person each year, about 28 times the amount given in subsidies to the renewable industry.

Crikey - [Time for government investments to go green](#)

The Age - [Big polluters demand billion-dollar 'ransom'](#)

AUSTRALIA'S electricity generation industry is demanding massive compensation from the Federal Government in return for its co-operation in efforts to curb greenhouse gas emissions. In a challenge to the Government's climate adviser, Ross Garnaut, the power generators have warned of soaring costs to consumers and disruptions to supplies unless they are compensated for the costs of complying with anti-greenhouse laws. With most of Australia's electricity coming coal-fired generators, the industry is the nation's largest producer of greenhouse emissions, and the main focus of efforts to curb them. A planned carbon trading system will force the industry to pay to emit greenhouse gas.

Climate Institute policy director Erwin Jackson has rejected the suggestion that refusing compensation to power generators would hurt the environment, arguing a strong emissions cap would force the market to invest in cleaner forms of energy. "We shouldn't be giving (compensation) to industries that have failed to respond to what the market has been telling them was on the way for a long time," he said. The debate coincides with worsening predictions about the pace of climate change, including a UN report that found glaciers melted nearly twice as fast in 2006 as in 2005.



Public Polity - [Sydney and Peak Oil](#)

Sydney cyclist blogger Phil has posted about how the calls for Sydney's transport system to move away from petroleum dependence (i.e. car dominance) have fallen on the deaf ears of the Iemma government (particularly those of climate change sceptic Treasurer Michael Costa). Sydney's subterranean environment is a criss-cross of road tunnels such as the Eastern and Western distributors, the Cross-City Tunnel, Harbour Tunnel and the suburbs are a spider's web of motorways such as the M1-Minfinity, the Pacific Highway, Ryde Rd, F3 Freeway, etc.

The NSW state government have made new public transport infrastructure contingent on the privatisation of NSW's electricity generation and generally don't accept that the era of cheap oil will come to an end one day (currently trading at US\$110/barrel). The NSW Greens are pointing out that we can't assume that we'll always have cheap petrol. We're using oil at a rate far greater than it's being produced and it's a mathematical reality that we will one day run out of oil. With biofuels not the silver bullet they were

toted as (as everyone with half a brain could see) and electric cars still a long way off (and Australian electric cars will rely on coal-fired electricity) our governments need to be planning a transition away from private car use and towards public transport.

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SMH - [Sydney to get metro rail system](#)

Sydney is to get a much-anticipated, European-style metro rail system, with a \$12.5 billion line to operate between the city centre and north-western suburbs by 2017. Premier Morris Iemma announced the 38-km, 17-station service, which will run from Rouse Hill through Castle Hill, Epping, Drummoyne and Pyrmont to the city's St James station.

The majority of the line will be underground and 12 of the stations will have interchanges with buses, existing CityRail services or the city's light rail. The metro project will replace the government's 10-year-old plans for the north-west rail link, which was to make use of the existing heavy rail system. Construction will start in 2010, with the first metro train running between Castle Hill and Epping in 2015, and the entire line to be fully functional two years later.

Herald Sun - [Sydney 'must prepare for peak oil'](#)

SYDNEYSIDERS must take serious steps to reduce their vehicle use before future global oil shortages hit, a peak oil study group says. The Australian Association for the Study of Peak Oil (ASPO Australia) says cities all around the country should be preparing now for the inevitable shortages as global oil production heads into decline in the coming years.

ASPO Australia's Bruce Robinson has called on the federal and NSW governments to get more cars off the roads before the oil shock hits. "The federal government should remove FBT (fringe benefits tax) subsidies for car use and the tariff concessions for big 4WDs and start to fund public transport and bicycle facilities," he said. "NSW should call a moratorium on new motorway construction until future fuel availability is clarified and use the funds to upgrade public transport instead."

Greens state MP Lee Rhiannon said it was time Premier Morris Iemma coordinated a government response.

Star News - [Fuel prices hitting hard](#)

HILLS and foothills families are among the hardest-hit by rising petrol prices. Shire of Yarra Ranges councillor Samantha Dunn said rising petrol prices had become a critical issue in the shire, where residents were almost totally reliant on cars for transport. "The cost of running a car in our shire is already the highest of any Victorian metropolitan municipality, and it's only going to get worse," she said. "Solutions to these issues are absolutely critical to our community, and I strongly encourage the Victorian Government to set its mind to them immediately."

The Eastern Transport Coalition (ETC) last week called on the State Government to help families cope with rising petrol costs. "It is families in Melbourne's outer eastern suburbs that will be most heavily affected by rapidly increasing fuel prices as they need to travel long distances to access work and other activities and often have no option but to use the car," ETC chairperson and Knox councillor Mick Van de Vreede said.

## ABC - [Sharing the Roads](#)

Will double the people actually mean double the cars? With the promise of rising fuel prices and bigger traffic jams, transport authorities think not. They're banking on a an increase on a number of people opting for two wheels instead, basing their predictions on bicycle sales which have outstripped car sales for three years in a row. But could the growing trend of bicycle commuters be problematic in Perth where motorist and the so-called "lycra brigade" are already prone to clash.

CLAIRE MOODIE: With bike sales up by 20 per cent in the last year, there's been an explosion in the number of people choosing to exercise on two wheels.

BRUCE ROBINSON, CYCLISTS ACTION GROUP: We've seen a quadrupling of people cycling over the last four years, it's showing on the bike paths at the moment.

CLAIRE MOODIE: The epidemic's across all ages. This club of over-55s started with 40-odd members in the mid-1980s. They've now got 260.

BRUCE ROBINSON: There's a growing number of people like the people here who have realised that riding a bike or walking around the river or walking the dog is more fun than being stuck in a traffic jam.

CLAIRE MOODIE: But when it comes to commuting by bike, it's still the minority - about 2 per cent, who use their bikes as an alternative mode of transport.

LINDA LIM, WOODSIDE EMPLOYEE: I can get on my bike and get into the office in 15 minutes whilst if I catch the bus, I have to wait 5 minutes and the bus take s 15 minutes. It's just the convenience really.

CLAIRE MOODIE: Linda Lim is part of a significant chunk of the 2 per cent. She's one of 300 employees of Woodside who cycle to the company's headquarters in Perth's CBD.

Here there's even a waiting list for space at Woodside's extensive facilities for cyclists. Linda says WA is developing more of a cycling culture but there's a long way to go, given the attitudes of some motorists.

LINDA LIM: I think cyclists, we stick to the one side and if someone is turning we're going straight we obviously stay next to the curb rather than go in the middle of the road. I've had motorists nearly knock me off my bike, yell at me. There's no need to wind the window down and scream abuse at me.

BRUCE ROBINSON: Cycle paths from Armadale to Perth, Perth to Armadale, Perth to Fremantle are taking ages. At a snail's pace you would get from Perth to Armadale in four months. Main Roads are going to take 40 years to get there.

The Australian - [Gorgon LNG project set to test Chevron's mettle](#)

THE credibility of US oil and gas giant Chevron is on the line over its determination to be a major player in the global liquefied natural gas market. To understand the significance of coming events, it should be remembered that the Gorgon LNG project on Barrow Island off the West Australian coast is Chevron's No1 future gas project. The past week was not Chevron's finest hour for its Australian activities. And the rest of the year holds promise of further challenges that will test its capacity to deliver. ...

But arguably the biggest hit to Chevron's corporate psyche flowed from an investor briefing last week in New York. Corporate flacks had to move quickly to deny media reports that Gorgon had been postponed indefinitely. These reports followed Chevron officials presenting graphical information indicating there was no firm date for a financial commitment to Gorgon. Even so, Chevron executives maintained that the development of more than 20 trillion cubic feet of gas off the West Australian coast was one of the company's highest-profile developments globally. They said engineering designs for Gorgon's three processing units would be finished in 2009. A formal investment decision would follow in 2009 or 2010. Chevron has for several years avoided committing to a FID target date for Gorgon, after saying in 2006 that it was not likely that year.

SMH - [SA could become 'Saudi Arabia of energy'](#)

South Australia could become the Saudi Arabia of the energy world with a cradle to grave uranium industry, a geology professor says. SA, home to the bulk of the world's uranium deposits, is encouraging mining and exploration but does not want a nuclear industry.

Professor of Mining Geology at Adelaide University, Ian Plimer, said SA could do more than just export yellow cake - a term for the product produced during the processing of uranium ores. "I think it is an absolute no brainer that we should look at a cradle to grave uranium industry," Prof Plimer said at a uranium conference in Adelaide. "Where we mine it, we convert it into yellow cake, we create the fuel rods, we lease these fuel rods to the major western countries that are wanting to use nuclear power. We take the fuel rods back, we clean them up and we dispose of the waste."

The Australian - [Miners push for interim coal hike](#)

WITH coking coal price talks deadlocked just weeks ahead of current contracts ending, Australian coking coal miners are pressing Asian steel mills to agree to a significant "provisional" or interim price hike, given that talks appear destined to extend well into the new contract year.

Coal is Australia's largest commodity export earner. The Australian Bureau of Agricultural & Resource Economics is forecasting 2008-09 export income from coking coal at almost \$28 billion, with thermal coal export income at \$14.6 billion.

The Australian - [Coal-fired power heats up in China](#)



CHINA is building a new coal-fired power station every 10 days, every year commissioning more plant than is installed in Britain. But that needn't be quite as grim a boost to global greenhouse gases as it seems. For the country is starting to replace its more outdated, heavily polluting and often small coal plants with new technology power stations - also net polluters but significantly less so. ...

Fangchenggang is a super-critical station, meaning it uses less coal to generate the same amount of electricity. The thermo-dynamics of a normal, sub-critical coal power station will restrict it to converting 38 per cent of its energy to electricity. A super-critical plant is 42 per cent efficient. It thus doesn't take long to recoup the development cost of the higher technology.

The next step is ultra-super-critical, with a plant already operating in Taiwan. This achieves 43-44 per cent efficiency. The difference chiefly comes in the steam pressure generated. The more sophisticated the plant, the higher the pressure and thus the more efficient - although safety and reliability are also big factors. The temperature of the plasma, the source of the most intense heat, reaches 1000C.

The Chinese super-critical technology is already installed in more than 20 units throughout the country, with many more under construction by the five huge state-owned power producers that dominate the market. It reduces the carbon intensity, but of course if the total output keeps rising as fast as it is scheduled to, carbon dioxide emissions will also increase.

The coal for the plant will be imported from Indonesia, for which CLP has built a marine terminal, and for which a new mine is being developed at Banpu in Kalimantan (Borneo). The coal is very low in sulphur - less than 1 per cent - and takes 4 1/2 days to transport. Higher moisture in the fuel makes it harder to increase the efficiency of a coal plant. Brown coal, as in Victoria's Latrobe Valley, has 66 per cent moisture; the Banpu coal, 15 per cent.

#### The Australian - [Beijing boosts nuclear energy](#)

CHINA'S insatiable hunger for energy is among the biggest issues of our day. It intends to keep growing rapidly -- at about 10 per cent a year. But at the same time, its Government is also determined to cut pollution in the run-up to the Beijing Olympic Games, and reduce emissions that have made it the biggest international producer of greenhouse gases.

Its prime answer is to change the way it produces power. It is increasing the contribution of nuclear and renewable sources, and cleaning up its core energy source -- coal. In the past few months, The Australian has travelled around China to track the changes. We went first to China's first nuclear power station at Daya Bay in Shenzhen, just northeast of Hong Kong, then to a new generation coal power plant in the Guangxi region near the Vietnam border, and finally to a biomass project in Shandong province in the northeast, not far from the birth place of Confucius.

#### The Australian - [China races to meet energy demands](#)

IN the middle of the timeless Shandong countryside, not far from where Confucius lived 2500 years ago, farmers are being asked to do something really strange -- and new. After harvesting the cotton on which many of them depend, they usually burn off the rest of the plant.

But now, as The Australian reports in the third and final part of its feature series on new energy projects around China, they are being invited to cut the foliage and transport it by bicycle or tractor to collection points. There, it is weighed -- after being checked against cheating with stones or bricks -- and they are paid cash on the spot, based on the weight. The foliage is then compacted and taken off -- to be burned as ever, but this time in a boiler.

The power thus generated is used to produce electricity, which is being sold to China's grid, and more directly to factories in an industrial estate being built next to this new \$15 million bio-mass power plant at Boxing (pronounced bowshing). These industrial plants would be using coal-fired boilers to generate their own power if the new plant wasn't available. This will generate six megawatts of electricity itself and pipe steam to the surrounding factories,

The Age - [Govt to issue paper on emissions trading](#)

The federal government will offer a much-awaited glimpse of its emissions trading plans when a green paper is released in July. A timetable released said the government would by the end of the year give a "firm indication" of the scheme's trajectory, which would determine the initial price of carbon. Climate Change Minister Penny Wong reaffirmed the scheme - the centrepiece of efforts to curb greenhouse gases - would begin in 2010.

Crikey - [Wong's time line may be just hot air](#)

Crikey - [Kyoto: What exactly have we done so far?](#)

What precisely has the Government done, now that we're officially part of the climate change solution rather than the problem?

Well, not a great deal thus far, but there's an awful lot of activity within the new Department of Climate Change. DCC is headed by ex-Treasury and PM&C economist Martin Parkinson, and is a mixture of ex-Treasury, PM&C and Environment staff. ...

There's also a range of complementary initiatives, ranging from the significant, like the renewable energy target of 20% by 2020, to the minor, like funding for various solar power projects -- the sort that the Howard Government for years tried to dress up as a major contribution to greenhouse abatement.

But for what the Prime Minister yesterday called an immense economic, moral and environmental challenge, there are other, more immediate initiatives that could've been launched, most particularly within Government itself. Instead of "auditing" the Public Service's energy usage, as Wong has promised, the Government could have used Lindsay Tanner's new, centralised approach to impose energy efficiency measures across the Government's 155,000 or so employees.

Senior Executive Service bureaucrats could've been given hybrid vehicles as their

current car leases expired. Teleconferencing could be used to cut air travel. Carbon emission requirements could be added to Commonwealth contracts and grants. The Federal Government is one of the biggest employers and commercial customers in the country and is in a strong position to pursue an energy efficiency agenda.

SMH - [Adelaide's 15 day heatwave finally over](#)

Adelaide has survived the longest heatwave of an Australian capital city, sweltering through 15 days with maximum temperature above 35 degrees celsius

The Age - [Melbourne suffers warmest March night on record](#)

The Age - [Farmers pay for heatwave](#)

THE record-breaking heatwave across south-eastern Australia is predicted to ease today, but farmers are already counting the cost in the millions of dollars. The heat has had a devastating effect on South Australia's farming sector and raised serious doubts about the sustainability of irrigation in the lower Murray River. "It's fair to say it's costing many millions of dollars a day, and the damage bill will get higher the longer it continues," South Australian Farmers Federation president Wayne Cornish said.

Mr Cornish said apple and pear growers had suffered severe damage from heat and wind. "Most crops, like soft vegetables, can tolerate three or four days of extreme temperatures, but that's about the limit," Mr Cornish said. The situation is at its most severe in the final reaches of the Murray River, including Lake Alexandrina, where water levels are so low even farmers with irrigation rights are finding their pumps left high and dry.



The Australian - [Electricity prices overheat](#)

RECORD electricity demand in sweltering Victoria and South Australia yesterday pushed short-term prices close to the capped maximums, making a rise in wholesale and contract prices likely. At 6pm Adelaide time, when temperatures had fallen from the day's highs, Globalroam reported that the 5-minute dispatch price was still \$7500.72 a megawatt hour and \$7368.82 MW/hr in Victoria. Average electricity generation prices



are normally lower than \$40MW/hr.

SMH - [Raising trucking costs 'will hit public'](#)

The federal government's push to raise registration costs for heavy vehicles and boost diesel tax will filter through to consumers at the checkout, Nationals Leader Warren Truss says. The registration hike is part of a raft of measures including an increase in the road user charge - essentially a diesel tax - from 19.63 cents-a-litre to 21 cents per litre, which would be indexed against the consumer price index annually, and come into effect from January 1, 2009.

The Australian - [VicPet stoush spurs speculation about consolidation](#)

A MINOR stoush between some Victoria Petroleum shareholders and the board burst wide open last week, when Queensland Gas Company, run by Richard Cottee, reported it had bought 7.13 per cent of the Perth-based minnow. The move led to immediate speculation that the coal-seam methane favourite was beginning the long-predicted consolidation of the sector in Queensland.

The Australian - [Sunshine Gas gets a \\$44m boost](#)

Mr Gilby said the company's plan was to ramp up gas production from Lacerta to supply 4-8 petajoules of gas a year to the domestic market from the first half of next year while it was involved in a front-end engineering and design study with Japan's Sojitz Corp on a Gladstone LNG project. Domestic gas rises sharply in value if it is exported as LNG.

SMH - [Lib senator takes swipe at Howard policy](#)

A Liberal senator has criticised the former Howard government's record on foreign policy in an academic paper. Senator Russell Trood criticised the Iraq war and other policies in a paper on Australian foreign affairs written for the Lowy Institute.

"In response to climate change, for example, our response to this issue was, to say the least, uneven," Mr Trood said at a press conference reported by ABC radio. "The Pacific Solution overshadowed the considerable strengths of a well conceived and responsible immigration policy. Iraq was an ill conceived enterprise from the very beginning.

SMH - [We should be paid for the time it takes to travel to work, say unions](#)

SYDNEY'S traffic and public transport woes are so serious and journeys so long that unions want commuting time included in the official work day. They say new technology allows employees to clock on while in transit.



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