



The Bullroarer - Monday 24 March 2008

Posted by [Big Gav](#) on March 24, 2008 - 8:44am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

The Australian - [Emissions trading may omit petrol](#)

ASSISTANT Treasurer Chris Bowen has left the door open to exempting petrol from a national emissions trading scheme. Mr Bowen confirmed yesterday that Kevin Rudd's concern over petrol prices putting pressure on family budgets would be a consideration in the design of any emissions trading scheme. But he played down reports of Easter price hikes by petrol retailers, suggesting the increases were within normal fluctuations. "Petrol is a very important commodity for working families, for small businesses, and for the economy as a whole," he said. "We need to be very careful about its impacts. We also need to be very mindful of its environmental impacts."

SMH - [Power price rises not 'overwhelming'](#)

An emissions trading scheme will cause a significant but not overwhelming increase in electricity prices, the federal government's top climate change adviser says. Economist Ross Garnaut believes electricity and petrol prices will inevitably rise under emissions trading.

The federal government has not ruled out excluding petrol companies from its emissions trading scheme, Competition Policy and Consumer Affairs Minister Chris Bowen says. Mr Bowen said excluding petrol companies is one issue under consideration in the government's emissions trading green paper.

"We need to have a regime which cuts emission but does not put an undue impact on those who can least afford it," Mr Bowen told the Nine Network. "Petrol is a very important commodity for working families, for small business and for the economy as a whole and we need to be very careful about its impacts."

SMH - [Fuel hikes part of 'weekly cycle'](#)

Motorists had not been ripped off at the petrol pumps in the lead-up to the Easter long weekend, Competition Policy and Consumer Affairs Minister Chris Bowen. The Australian Competition and Consumer Commission (ACCC) monitored pump prices during the lead up to Easter, promising to expose retailers who lifted fuel prices above the Singapore benchmark. Mr Bowen said last week's hikes - which saw prices reach as

much as \$1.50 a litre - were part of the weekly price cycle.

The Australian - ['Arrogant' oil companies went too far](#)

ARROGANT oil companies realised they had "gone too far" and allowed petrol prices to fall over the Easter long weekend, says a leading motoring group. The NRMA claims petrol prices rose between 15 and 20 cents a litre on the Thursday before the Easter long weekend, reaching an average of about \$1.50 per litre.

Competition Policy and Consumer Affairs Minister Chris Bowen dismissed allegations that drivers were being ripped off, saying the price hikes were part of the weekly price cycle. But motoring group NRMA disagrees, arguing that the cost at the bowser soared above the average weekly price cycle. "We used to see the normal price cycle as being four to seven cents over the week, lately it's gone up to 10 cents but we've certainly never seen 15 to 20 cents as we saw on Thursday," NRMA president Alan Evans told ABC radio.

The Australian - [A seamless transition](#)

ENERGY security is essentially a matter of luck. The Arab tribes who made their home in the Middle East centuries ago had no idea of the wealth lying under the ground. And when James Cook sailed back to England in 1770 after landing at Botany Bay, and naming his discovery New South Wales, he was oblivious to the hidden irony of his chosen moniker. Both old south Wales and NSW sat atop billions of tonnes of black coal that would turn both places into global energy powerhouses.

The threat of climate change may require a radical and painful interruption to the exploitation of Australia's vast and still relatively untapped coal reserves. In Wales, coal seams are all but exhausted, put out of their misery by former prime minister Margaret Thatcher in the 1980s. And, as the North Sea gas fields also decline, in Britain the spectre of energy security has returned, forcing the Government to think hard and fast about life after coal.

The availability of new sources of more expensive but cleaner energy are proving to be just as serendipitous as fossil fuels. Australia looks as if it will again be a winner, blessed as it is with abundant sunshine, persistent winds and hot underground rocks. And so does Wales. The windswept principality plans to be energy self-sufficient by 2030, powered by an array of energy sources: nuclear, biomass, wind, waves and tides.

The Australian - [Pumping oil does not always make money](#)

WITH the oil price hovering around \$US100 a barrel, our listed oil stocks should be gushing riches to their often long-suffering investors. In reality, most have been unable to capitalise on the strength of our most indispensable commodity.

Some hydrogen plays -- notably the riches to rags saga of Timor Sea producer AED Oil - - have been an out and out disaster, victims of well failures and too much hype in the first place. Even our oil wonders ostensibly doing the right thing -- think of Australian

Worldwide Exploration and its highly profitable Tui field in New Zealand -- have failed to excite the market.

Surely the hydrocarbon majors with diversified assets are a safer bet? Actually, no. Santos has recorded a series of exploration setbacks and soft output from its core Cooper Basin fields, while Woodside Petroleum's good work is offset by stubbornly high costs.

The Australian - [Santos output rises after repairs](#)

SANTOS'S revenue will be boosted by the return to more normal output from its Mutineer-Exeter oil fields. Production from the Santos-operated Mutineer-Exeter fields off the North West coast, 150km north of Dampier, is now back up to 22,000 barrels a day following temporary repairs that have restored electricity to sub-sea pumps. Production had dropped to a free-flow rate of 4000 barrels a day from early February following electrical damage on the floating production storage and off-take vessel, Modec Venture II, which rendered the pumps inoperable.

The Australian - [Faulty hull halts Gulf oil and gas site](#)

BHP Billiton and Woodside are facing potential delays to the start-up of their \$US1.15 billion (\$1.3 billion) Neptune oil and gas field in the Gulf of Mexico after the platform was evacuated to investigate "anomalies" in the hull. Neptune was in the process of being commissioned when workers were evacuated on Thursday after a visual inspection of the hull revealed unspecified anomalies.

The Australian - [Oil is the new gold says historian](#)

DANIEL Yergin, the oil industry analyst who produced a Pulitzer prizewinning history of oil, believes that today oil is the new gold. In its latest commentary Dr Yergin's Cambridge Energy Research Associates says global financial dynamics and new cost structures are driving the momentum pushing crude oil prices to record highs around \$US110 a barrel. This is well ahead of what had been the previous inflation-adjusted record high of \$US103.59 set in April 1980. Dr Yergin, CERA's chairman, says oil has become the financial asset in which investors seek refuge as inflation rises and the US dollar weakens.

frogblog - [Bitumen price soars, roads will crumble](#)

Let's just set aside the Green Party's distaste for all of Labour and National's think big road building fantasies for a moment, and do a reality check. This month's Contractor magazine features an article by Chris Olsen, the CEO of Roding New Zealand. Chris explains that bitumen prices have risen around 30 percent over the past six months to almost \$1000 per tonne. They have never been this high. ...

I would argue that the whole problem stems from the government's unwillingness to look at the reality of permanently escalating oil prices, (Peak Oil), and its failure to warn the market(s) of the impending crunch. If they put these contractors out of business because they refuse to face reality, important infrastructure begins to fail and that lets us all down. Local authorities can hedge using something like Westpac's Bitumen Price Index Swap. But if the formula the contractors get paid with is flawed, as Olsen suggests, the little guys will never see much of it.

Just as the poorly forecasted price of oil has left Regional Councils (like Wellington) scrambling to pay for diesel price increases for bus systems, our roading contractors are being forced to cough up the difference for bitumen price increases. It's not fair. Let's look at the true cost of roading before we build more and make sure that those paid to maintain the roads we have get a fair price for their efforts.

frogblog - [Electric Cars and Behaviour Change](#)

While I fully support the government's vision to move New Zealand to an electric vehicle fleet, at least in principle, I have often wondered what kind of behaviour changes this would require of the citizenry. I have also enquired how much more electricity generation we would need to make the switch. The off the record answer has always been "We're not exactly sure. If we recharge only at night, none. Otherwise, it depends on people's charging behaviour." New research in the US supports this vague statement.

frogblog - [Peak Everything, by Don Elder](#)

Peak Oil 2010, Peak Gas 2015, Peak Coal 2025.

Boy that sounds familiar! He then went on to tell us how important it was that New Zealand continues to increase its amount of cows and coal in order to take advantage. It's right there, on slide 5. I have often accused the state sector of keeping its head in the sand regarding peak oil and coal, but clearly an apology is in order. Don Elder knows that a crunch is coming and he is planning to make a mint from it. Never mind the environmental consequences. Never mind that if we just hang on to our coal rather than shipping it to China, perhaps our children will someday have a way to use it safely.

Green With A Gun - [Why biofuels are bad for climate change](#)

Often when people look at the problem of climate change, they notice that a large portion of greenhouse gases come from burning fossil fuels, so they think, "well, is there anything else we can burn instead?" Sometimes they think of hydrogen, since burning it gives us only water, but it turns out to have too many difficulties, as I discuss here. Then they turn to ethanol and other biofuels, saying, "Well... it absorbs CO₂ when it's growing, then we burn it and it lets out CO₂, so it's carbon neutral, right? Awesome! Let's just use biofuels, then we'll have no more climate change, right?"

No.

I'll take the points in turn. Briefly, they are: fossil fuel burning is only just over half the

greenhouse gas problem, that artificial fertiliser and deforestation will ensure biofuels are worse than fossil fuels, and that we can never have enough biofuels anyway.

SMH - [Coming clean on organic logos](#)

NZ Herald - [Schools to get solar panels](#)



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