



The Bullroarer - Wednesday 28th May 2008

Posted by [Big Gav](#) on May 28, 2008 - 9:24am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

ABC - [Waking From The Dream](#)

Daily we hear more about 'peak oil': a looming moment when the world's oil reserves will start to decline. The idea has been about for a while, but has been dismissed by governments and industry as the baseless rantings of survivalists, doomsayers and eccentric dons. Not so anymore.

Both the Australian Senate and the United States auditor-general have recently warned that the peak is real and imminent. No matter when it occurs, explosive global demand and geopolitical instability mean that the golden age of oil abundance is behind us. ...

Sometimes passing through and surviving one (modest) crisis engenders not a sharpened wariness but its opposite, a heightened sense of invulnerability. So it seems with the 1970s oil shocks, which by the 1990s had passed comfortably into memories, adding evidence to the theory that market societies were indeed the 'end of history', our highest and most invulnerable social form.

This explains why the unexpected return of oil scarcity seems so deeply unsettling, cracking open a cemented faith in our invincibility. All the more unnerving is the mounting evidence that coal, our other great - if these days unseen - energy source, is fuelling climate change.

Most of us are guiltily aware that Australia is a global 'filthy man', stoking the global carbon economy with cheap, dirty coal. Dashed inconvenient that exporting it doesn't distance us from the problem, or ultimately from blame.

The Age - [The perils of pleasing](#)

The rise in petrol prices gives us a real chance to find ways to live with less oil. ...

Petrol prices have risen essentially because rapidly rising global demand has run into relatively fixed supply. Prices have been pushed higher still by speculators buying oil to withhold and resell at a profit, and by others squirrelling away stockpiles as insurance. There is debate worldwide about how much oil prices have been driven up by fundamentals, and how much by speculators and squirrels. Financial Times guru Martin Wolf concludes that higher oil prices reflect the imbalance between demand and supply, and we'd better get used to it. Goldman Sachs forecasts that oil prices will climb to \$US200 a barrel. But Anatole Kaletsky of The Times says the recent rises are just speculation, and prices will soon fall. Kaletsky notes that the world is producing more oil than it is consuming (i.e. the extra demand is being stockpiled) and the oil prices soaring

are for future supplies, not for oil now. If he's right, our leaders' panic policies will look even sillier when prices subside.

But the long-term problem will not go away. Most countries that produce oil, including Australia, are running out of reserves, and their production is falling. Saudi Arabia and its neighbours could pump out their oil faster, after some big investment, but that would be against their long-term interests. Meanwhile, demand in China, India and the developing world will keep growing rapidly as cars become part of people's lifestyles.

There is far more demand to come. There is not a lot more supply. Our policy response has to be a long-term one of adapting by reducing demand. Instead, Rudd and Nelson are competing to offer short-term handouts.

Larvatus Prodeo - [Marn Ferguson's petrol pump politics](#)

John Quiggin thinks that Labor's descent into the petrol pricing abyss - with all sorts of speculation about GST changes - is the Labor party's first big public policy disaster of the term. Perhaps unsurprisingly, it's also led to the first big damaging leak of the term - Martin Ferguson's letter opposing Labor's Fuelwatch scheme.

Trevor Cook speculates on the motivations of both Ferguson and the leaker. The other point I'd add to his analysis is that it wouldn't be drawing too long a bow to suggest that Ferguson is the one spectacular example in the Ministry of "interest group capture" - a Minister who sees his role as being to represent industry to Cabinet rather than to make public policy in the public interest.

SMH - [Labor to investigate petrol tax changes](#)

The federal government will investigate whether GST charged on top of the petrol excise should be scrapped. Consumer Affairs Minister Chris Bowen confirmed the petrol price inquiry will examine the "interaction between the GST and fuel excise and see if there are any measures that can or should be taken", Fairfax newspapers reported on Sunday. The move comes despite Prime Minister Kevin Rudd and Treasurer Wayne Swan criticising Opposition Leader Brendan Nelson's plan to cut petrol excise by five cents a litre, the newspaper said.

The Australian - [Now Labor divided over petrol](#)

SMH - [Qantas grounds jets over soaring fuel bill](#)

Qantas at present only pays around US\$72 a barrel for its oil needs, due to its fuel hedging policy where it locks in its fuel contracts at the start of every financial year. But from July 1, the fuel hedging will drop off and most of Qantas's fuel bill will be exposed to the current market price of around US\$130 a barrel. It only has a small portion of its fuel bill for 2008-09 locked in at around US\$90 a barrel.

The Australian - [Tim Flannery warns coal: go green or pay price](#)

ENVIRONMENTALIST and author Tim Flannery has warned Australian coal companies they will face penalties unless they develop green technology over the next two to three years. The 2007 Australian of the Year yesterday took aim at coal companies for "failing to comprehend" that they risked paying carbon taxes after 2010 unless they changed their ways.

Peak Energy - [Demand Management in WA - Remote controlled airconditioning](#)

ZDNet has a report on a fairly crude form of demand management being trailed in WA, with local utility Western Power remotely turning off the compressors in customer's air conditioning systems during periods of peak demand - WA utility takes remote control of customers' aircon. I'd prefer in-house systems that are fed with grid demand and (dynamic) price information that can be configured to make these sorts of decisions on based on the customer's own preferences, but I guess this sort of experiment is a start.

New Zealand Herald - [Winter blackouts 'very unlikely' - Parker](#)

Energy Minister David Parker says power blackouts are unlikely this winter. Hydro storage is at its lowest for this time of year since the 1992 power crisis and the electricity industry has launched a website to make it easy for the public to check supply details.

Radio NZ - [New Zealand too small for nuclear power - electricity chief](#)

The head of the Electricity Commission says a nuclear power plant would be too big for New Zealand's needs. ... Commission chairman David Caygill says an average-sized nuclear plant of 1000-megawatt capacity would end up creating system problems. He says any single generation plant needs the equivalent backup in case it fails for any reason.

Mr Caygill says this is difficult enough now when the biggest single source of generation in New Zealand is 375 megawatts. He says the cost of producing electricity at a nuclear station is about twice that of alternatives. Mr Caygill says a nuclear power industry would also require huge infrastructure.

GWAG - [talking and changing](#)

In talking about reducing our impact on the Earth, you'll often hear people talking about redesigning cities, or setting up global energy grids, or putting in monorails or solar panels on the roof. Rather fewer people talking about walking or biking instead of riding, turning the heating and airconditioning off, and so on. We prefer large expensive

Bloomberg - [Origin Energy Is Considering Raised BG Offer, Australian Says](#)

The Australian - [B&B to the rescue as power crisis hits](#)

SMH - [Record dry May looms for Sydney](#)

Sydney appears set to record its driest May in 150 years of record keeping, after the month's best chance for rain passed with only localised falls. The thunderstorm that rolled across the city late on Wednesday caused a downpour of 37mm in just 45 minutes at Campbelltown, in the city's south-west, but it dissipated as it moved over central Sydney.

Just 0.6 of a millimetre fell at Observatory Hill, taking the city's official May total to 2mm - below the 3.7mm which fell in the record dry May of 1957. Bureau of Meteorology senior forecaster Dave Williams said rainfall data had been collected at the central Sydney site since 1859.

The Australian - [Climate for Queensland gas in NSW \\$750m power bid](#)

SMH - [\\$850m gas-fired power plan for Hunter](#)

An ambitious plan to build a gas-fired power station in the Hunter Valley along with an \$850 million gas pipeline from Queensland to the Hunter is being pursued to help ease the projected shortfall in the state's electricity capacity. Queensland Gas has teamed up with the ANZ Bank and Japanese group Toyota Tsusho to study building a 400-600 megawatt power station in the Hunter, with a final decision to be taken once a feasibility study is completed. A 600 megawatt power station would supply about 500,000 households with electricity for a year.

The power station would need the proposed \$850 million pipeline to bring gas from Queensland, which is cheaper than the existing pipe supply from central Australia.

Reuters - [Indonesia leaves OPEC](#)

Indonesia will quit the Organization of the Petroleum Exporting Countries, Energy Minister Purnomo Yusgiantoro said on Wednesday.

"I will sign (the documents) that we (will) withdraw from OPEC," Yusgiantoro told foreign journalists. "Probably when I go back to the office I will sign it." Earlier this month, President Suslo Bambang Yudhoyono said that Asia's only member of the cartel may quit the group, citing a decline in crude oil output that has reduced its influence in the cartel.

Peak Energy - [CETO In New Zealand ?](#)

While Carnegie Corp is lagging in the race to build the first wave power facility in WA, the New Zealand Herald reports that are generating some interest across the ditch - Australian firm wants to catch West Coast waves for energy project.

Peak Energy - [What Do Google, Chevron and Goldman Sachs have in common ?](#)

Solar thermal power.

Peak Energy - [Fred The Golf Ball](#)

The Guardian has a report on cleaning up the waste from British nuclear reactors - Robots scour sea for atomic waste - "Submarines searching for radioactive material dumped off the Scottish coast in the 1980s. Apparently someone inadvertently dumped some fuel rod waste into the ocean. How careless of them.

The Times - [Australia looks for power from hot rocks](#)

Peak Energy - [Engineered Geothermal Power](#)

Peak Energy - [Transgenic Corn Linked To Neo-Fascism](#)



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