



## The Bullroarer - Thursday 29th May 2008

Posted by [aeldric](#) on May 28, 2008 - 8:09pm in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

NZ Herald - [Qantas cuts services due to rising fuel prices](#)

Qantas chief executive Geoff Dixon said the magnitude of the changes called for a reduction in staff numbers, and the carrier had already launched an accelerated leave program to mitigate the requirement for redundancies. "The fact is that fuel prices are something we have no control over, so we have to look harder at areas we do have control," Mr Dixon said. ...

Air New Zealand also responded to higher fuel costs today, downgrading its full year earnings forecast to at least 25 per cent below last year's level.

The Age - [Oil prices rebound, 'oil-shock' warning](#)

[.....]

Prices gained as British Prime Minister Gordon Brown warned the world was facing a "great oil shock" that could only be addressed by urgent action on a global scale.

The Age - [Fuel price debate ignores real issue](#)

Even by the debased standards of political debate in this country, the petty point-scoring between the Opposition and the Government on easing the burden of petrol prices has achieved a new low.

[.....]

As the Australian Association for the Study of Peak Oil and Gas (ASPO) says, "high prices are the market signal that we will reduce our oil dependence. Suggesting that high prices are temporary misleads the public and allows governments to delay difficult decisions."

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Until recently, the Paris-based International Energy Agency was in denial about peak oil. In a recent interview, the IEA chief economist said the forthcoming forecast through to 2015 (to be published in World Energy Outlook for 2008) would show an annual decline in oil production of 3.7% to 4.2%.

According to ASPO, the world is producing one barrel of oil for every three we consume. Production of oil peaked in Australia in 2001. Thanks to falling domestic production and higher import prices, net imports are expected to increase from about \$12 billion now to about \$30 billion in 2012. If the excise or GST on petrol is reduced, the electorate will demand a similar response every time the price goes up. This nexus must be broken now. It would be obscene if the Rudd Government cut the GST on petrol while continuing to impose the GST on rail, tram and bus fares. We all pay indirectly for higher petrol costs.

[.....]

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#### Stuff.co.nz - [Airlines reel in fuel price turbulence](#)

Record jet fuel prices have hit home, with Air New Zealand downgrading its profit forecast a second time and Qantas announcing fleet and route changes.

[.....]

Air New Zealand says it will now make less than \$200 million profit before unusuals and tax for the year to June 30 as fuel surged to US\$173 a barrel.

[.....]

In a market update, the airline says in the last month the price of oil has risen from US\$119 a barrel to peak at over US\$135 a barrel last week.

The refining margin between oil and jet fuel had almost doubled from US\$24 a barrel to US\$40 a barrel. The increase in the refining margin is not covered by the airline's oil hedges.

#### ABC - [Petrol prices forcing truckies out of business: TWU](#)

The Transport Workers Union (TWU) says the Australian public is at breaking point with rising fuel prices and the Federal Government needs to act urgently.

TWU secretary Hughie Williams says his members are going out of business daily.

He says many truck drivers entered four and five-year contracts before the price of fuel went up and now they cannot make adjustments to cover the extra costs.

#### NZ Herald - [Lake levels at critical point](#)

Fair autumn weather not only means hydro lakes are dwindling but wind farms have been hit by calm conditions during the past fortnight.

Hydro lakes storage was yesterday at 58 per cent of average, prompting a statement of "concern" from Energy Minister David Parker. Wind's contribution to generation has been less than half of its potential for the past two weeks.

Generators Meridian and TrustPower, which have wind farms in Manawatu, blame "the vagaries of mother nature" and typically calm autumn conditions for the reduced output.

[.....]

The Wind Energy Association said wind generation was predictable in the long term but there were short-term variations.

#### ABC - [Rural patient travel subsidy boost sought as fuel price soars](#)

Rural doctors are warning high fuel prices across regional Queensland could deter some people from seeking lifesaving medical treatment.

The Rural Doctors Association has called on the State Government to increase subsidies paid to remote Queenslanders who need to travel to access medical services.

#### ABC - [Swan defends fuel watch scheme](#)

KERRY O'BRIEN, PRESENTER: Treasurer Wayne Swan has been given the job of trying to defuse the news that the Government has so comprehensively rejected advice from four departments.

#### Herald Sun - [Oil crisis rage spreads](#)

EUROPEAN leaders are calling for greater international action to halt spiralling oil prices amid an outbreak of furious public protests.

#### The Age - [Crystals shed light on solar energy](#)

Affordable solar energy for every household has moved closer to reality thanks to a ground-breaking discovery at the University of Queensland (UQ).

Professor Max Lu, from UQ's Australian Institute for Bioengineering and Nanotechnology, said researchers were one step closer to the holy grail of cost-effective solar energy.

"We have grown the world's first titanium oxide single crystals with large amounts of reactive surfaces, something that was predicted as almost impossible," Professor Lu said.

"The crystals absorb sunlight and convert it into electricity."

EVIDENCE that Australia's growth will slow significantly in coming months continues to build, with a survey forecasting an "abrupt" slowdown in economic activity.

[.....]

Mr Fraser, who was Reserve Bank governor between September 1989 and September 1996, raised questions about the target while attending the Government's 2020 Summit in Canberra last month.

Yesterday, he reiterated his view that the central bank should rethink the way it attacked inflation, if rises in food and fuel prices persisted. "If secular fuel prices push up inflation, either directly or indirectly, should the Reserve Bank be pushing up interest rates because of inflation that's driven by those secular increases, or does there need to be some other treatment?" he said.

#### The Australian - [Green road all but ignored](#)

WORLD oil prices have more than quadrupled in the past six years and more than doubled in the past year. Daniel Yergin, a US authority on energy, points out that during the 1970s, prices rose for eight years in a row before falling. He says this time they could continue rising for longer before reaching a "break point".

[.....]

Three weeks ago, Climate Change Minister Penny Wong said tackling the problem "is not a choice between a no-cost option and an option with costs. It is a choice about whether we take responsible action now or wait and face much higher costs and worse impacts in the future." They are fine words, but so far that is all they are.

#### ABC - [Fuel watch benefits disputed](#)

TONY EASTLEY: There's a lot of debate about whether the FuelWatch system first introduced in Western Australia in 2001, will actually work.

The national system is due to be rolled out across the country in December.

The Prime Minister Kevin Rudd says the scheme will reduce fuel prices by 1.9 cents a litre based on figures compiled by the competition regulator.

But an international petroleum industry research company claims that the Prime Minister is misquoting the ACCC's report.

#### NZ Herald - [Power station reopened, hydro lakes approach '92 levels - but 'no crisis'](#)

The Government is being accused of ignoring a looming power crisis as hydro lakes fall

towards half their normal levels and electricity spot prices soar.

The fear of a winter crisis yesterday spurred Contact Energy to reopen part of a power station mothballed only last year because of asbestos danger.

Workers in breathing gear and protective suits will run a 100MW gas-fired machine in the 32-year-old New Plymouth station around the clock to help boost supply during winter.



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