



The Bullroarer - Wednesday 24 October 2007

Posted by [Big Gav](#) on October 24, 2007 - 8:35am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

There was a surprisingly large (and high quality) number of names suggested for the daily news roundup here, so deciding on a name has been difficult. While "The Walkabout" won the poll, a few Kiwi readers pointed out this name has no NZ aspect to it, so we've gone with the second most popular option - "The Bullroarer". [Bullroarers](#) were (and presumably still are) used in both Australian Aboriginal and Maori culture as "ritual musical instrument and means of communicating over extended distances" which seems appropriate enough...

The Australian - [BHP weighs \\$3.4bn Congo smelter](#). Interesting to see companies that depend heavily on cheap energy starting to move towards large renewable power sources (similar to the move of petrochemical companies to the middle east).

MINING giant BHP Billiton is considering spending \$US3 billion (\$3.365 billion) on building an aluminium smelter in the once war-torn Democratic Republic of Congo to take advantage of cheap and green hydro-electric power in the country.

Under a memorandum of understanding with the DRC Government, BHP will spend \$US20 million on a feasibility study for the smelter and an associated expansion of the Inga hydro power station on the Congo River.

BHP could source alumina for the refinery from its \$3 billion alumina and bauxite project in Guinea, and the move will stoke speculation that BHP is stalking its Canadian-based partner in the Guinea project, Global Alumina, which is valued at more than \$US500 million.

The Congo project is the latest sign that miners are having to go into riskier geographies to find key assets - the key asset in this case being hydro power.

Aluminium is often referred to as "congealed electricity" because of the large amount of power needed to smelt alumina. Aluminium producers are scouring the world for sources of so-called stranded power that can guarantee low costs, and the inevitability of a price on carbon means green power is high on the list. Rio Tinto's \$43 billion takeover of Canadian aluminium giant Alcan is largely driven by Alcan's large sources of hydro-electric power in Canada.

While aluminium producers including Rio increasingly see the Middle East as an attractive site for smelters, given the region's surplus natural gas reserves, BHP is believed to be wary of the area, given the potential for the gas to be exported as liquefied natural gas.

WorldChanging - [New Zealand Aims to be World's First Carbon Neutral Nation](#)

New Zealand has declared its aim to be carbon neutral in electrical energy by 2025, in stationary manufacturing energy in 2030 and in transport energy by 2040.

The New Zealand government has a history of leadership in sustainable energy planning already signaled its intention to be a leader in carbon neutrality when it announced its Emissions Trading Scheme in September. The October launch of the New Zealand Energy Strategy to 2050, titled Powering our Future: Towards a sustainable low emissions energy system, has provided further detail of the steps.

The strategy includes plans for substantial reductions in emissions, along with carbon offsetting projects such as increasing national forest area by 250,000 hectares by 2020. By 2025, the goal is to obtain 90 percent of all electricity from renewable sources. Is this achievable? We think so: Provision of renewable electricity is cheaper in New Zealand compared to other countries due to abundant renewable energy resources. Around 70 percent of New Zealand energy production is already from renewable sources, and a number of large scale wind farm proposals have recently been approved.

SMH - [Fears oil decline could spark social unrest](#). The weekend Guardian article printed locally.

SMH - [Oil Search shelves one of its PNG gas projects](#)

The Australian - [Exxon firms to lead PNG gas deal](#)

The Australian - [Virgin Blue may raise fuel surcharge](#)

ABC - [Diesel fuel shortage in Victoria worsening](#)

The Age - [Ziggy firm on Nuclear energy](#)

Crikey - [25 little bombshells](#)

Crikey - [The Seats of Nuclear Power](#)

The Age - [Olympic Dam shortfalls nuke BHP](#)

The Age - [Dutch in control of solar race](#)

The Age - [Top companies skip carbon call](#)

Scoop - [Don't Trash NZ Brand With Climate Change Go Slow](#)

Newstalk - [NZ will honour Kyoto Protocol](#)

The Age - [Sydney train ticket prices may rise soon](#)

ABC - [GPS to allow Sydney buses to 'prioritise' traffic lights](#). [BG: Hmmm - how do I get hold one of these for my infrequent car trips ?]

ABC - [Inflation rise puts pressure on rates](#)

SMH - [Greens MP slams Costas looney tirade](#)

Crikey - [Greens show up Howard on energy subsidies](#)

It's a bizarre election campaign when the economic flat-earthers in the Greens make more sense than the Government. But their attack on the Liberals' proposal to subsidise low income earners for higher energy bills as a consequence of emissions trading is exactly right.

As the Prime Minister noted on Sunday night, addressing climate change will actually entail costs for consumers. That's exactly the point, really, because only costs, not good intentions, will cause consumers to make decisions with lower carbon impacts. You can't stop a runaway greenhouse effect with a few fluoro light bulbs and the occasional bike ride to work.

But Howard promptly undermined this by announcing a climate change fund, sourced from proceeds from emissions trading, to subsidise low income earners' power bills, which an emissions trading scheme will – or should, if it actually works - increase. Of course, we are talking here about a proper emissions trading scheme, not Morris Iemma's version that exempts the biggest carbon producers because they're mates of the government.

Quite how you encourage people to reduce their carbon emissions when you're subsidising their power usage isn't clear. It's like subsidising a smoker's cigarette costs because of all the taxes you've imposed on tobacco.

Greens senator Christine Milne has pointed this out, arguing that funding energy efficiency measures in low income households will provide a more permanent and effective guarantee against higher power bills. Even better, she calls the Liberals' proposal "a bandaid cheque", which is the best entry so far in the "Mixed Metaphor of the Campaign" competition.

Perhaps the Government has had its preferred inventor of greenhouse fictions, ABARE, produce some evidence that carbon emissions from low income earners have less of a greenhouse impact than those from everyone else. But on that basis, the Government wouldn't justify its refusal to sign on to the Kyoto Protocol because it leaves out China and India. Clearly carbon emissions from foreign low income earners have to be addressed, even if ours don't.

The Australian - [Tokyo baulks at higher Australian coal price](#)

JAPANESE utilities are deadlocked with Australian coal producers in talks over coal prices, with supplies limited and global demand rising. The utilities have traditionally been a pushover in price negotiations because they can easily pass on higher costs to retail customers in their quarterly electricity price revisions.

This time, "the offered prices are so high that they thought it was hard to accept", an official at a company with stakes in several Australian mines said yesterday. The Australian producers have offered Japanese utilities \$77 to \$78 a tonne for thermal coal under one-year term contracts starting in October, said the official, who asked not to be named.

Japan faces mounting competition for Australian coal - its main supplier - from South Korea, China and India. At the same time, supplies are capped from other regional exporters such as Indonesia and Vietnam because of their own rising needs for the fuel.

The Australian - [Port capacity constraints hurt Gloucester coal sales](#)

Public Opinion - [Climate change: rhetoric+reality](#)

Jim Douglas, writing in the Canberra Times on climate change, says that:

You get the feeling, under these circumstances, of being in a luxury car accelerating towards a sheer drop, as its demented driver ignores your shouts of alarm and regales you with enthusiastic details of what a wonderful vehicle it is, and how well he has maintained it.

That's what the Liberal's "Go for Growth "campaign slogan signifies. It means more of the same kind of growth with the economy machine being run with energy produced by dirty coal power.

Some reality is dawning. The Liberals are backtracking on nuclear power as the key solution, due to the unpopularity of nuclear power plants in the electorate. Clean coal is the key. But that's ten years down the track, if not more. In the meantime?

What is lacking is an acknowledgment that any plan for deep cuts in greenhouse emissions entails a major roll-out of renewable energy technologies and the introduction of ambitious renewable energy targets to reduce emissions and to secure Australia's share in the boom in renewable energy occurring globally. The danger is that Australia is becoming a renewable technology importer and it's losing the chance to move to a clean energy economy.

Public Opinion - [oil or gas exploration in Antartica](#)

Peak Energy - [Solar Power to Reach Parity with Fossil Fuels in Sunny Countries in Five Years, Most Countries by 2020](#)



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