



PHOTO: SHARON MARRIS

EXPENSIVE TRIP TO THE PUMPS: Petrol prices have risen over the last few years and are projected to continue doing so.

## National accused of snub on youth

by Chelsea Mes

The National Party's decision to scrap the Youth Affairs portfolio in its shadow Cabinet is "regressive and destructive", says the youth wing of the Labour Party.

Young Labour president Michael Wood says the move shows National's disregard for minority groups.

"It's part of Don Brash's drive to paint any effort to help disadvantaged people as politically correct."

The Youth Affairs portfolio was scrapped from National's team in a reshuffle last month.

Since becoming party leader, Don Brash has also abolished the Women's Affairs portfolio and the Ethnic Affairs portfolio.

Jamie Simpson, chairman of the Young National party, says he did not know the reshuffle was going to happen.

He says he was not "overly thrilled" about the decision, but was yet to talk to Brash about the move.

"We'll definitely be lobbying for it to be brought back," says Simpson.

National's former Youth Affairs spokesman Simon Power said the party had abolished the shadow portfolio because the Labour Party merged the Youth Affairs portfolio into the Ministry of Social Development.

MMP allows a significant number of younger people into Parliament, who do "a pretty good job" of representing young people, he adds.

Wood says the Ministry of Youth Development has been instrumental in introducing "different policies to help young people".

"If the role isn't there to resolve these issues, they obviously don't care about them."

Simpson says Power had "done a really great job" in his role as Youth Affairs spokesman for the National Party.

The decision to abolish the women's portfolio was "a pretty good argument" in his view.

He says there is no longer a need for the portfolio, as women hold a number of top jobs.

"Women are definitely treated the same, and that's the way it should be."

The Young Nationals have a membership of around 1000. Simpson says since Brash became leader, they have had a lot more focus.

"The youth are very relevant in today's society, and they will continue to be."

John Tamihere, current Minister of Youth Development, says he cannot see any logic behind National's move.

"They've done a lot of stupid things lately. I couldn't possibly understand the rationale behind it."

Tamihere says the Ministry of Youth Development is vital to society.

"If you don't recognise them, you've got problems."

The Ministry of Youth Affairs was established in 1998, but in 2003 was merged into the Ministry of Youth Development.

# Oil prices 'will keep rising'

by Ben Christie

With petrol prices hitting record highs last week and airlines raising fares because of rising fuel costs, a number of energy analysts believe we may be about to reach "peak oil" — the point where oil reserves begin to diminish.

Anthony Limbrick is the chief investment strategist for Pure Capital, a hedge fund operation based in Wellington.

He believes peak oil is closer than many think.

Despite a recent drop in global oil prices, he says the reason the price of oil will go still higher in the long term is basic economics. There is a finite supply and exponentially growing demand.

While many were concerned when the price of a barrel of crude oil hit almost US\$50 last month, Limbrick's 10 year estimate for oil is US\$120 a barrel.

"In inflation-adjusted terms, this would equate to just beyond the peak made in the last serious oil crisis in 1980."

He makes the point that back then there was a lot more oil to use, and a lot less demand.

"To be honest, in the really long term, say 30 years, the sky is the limit for oil."

Kevin Moore is an Auckland-based environmental consultant and energy analyst and an educator with an honours degree in chemistry.

He has been studying the subject of peak oil for the last five

years and written a book on the subject called *Burn, Baby Burn*.

Moore says he cannot believe how politicians are ignoring the issue.

"It's terrifying. The absolute lunacy of the Government's policy, investing in an infrastructure that relies on cheap oil when there won't be any."

He believes it is the largest issue facing civilization since the outbreak of World War II.

"I cannot see why Dr Cullen is looking to invest in the American finance market when the American economy is about to fall over."

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"With the end of oil supplies and the impact of greenhouse gases on the environment, we are looking at a complete global meltdown in the next 20 to 30 years."

"We are driving down the road looking in our rear vision mirror to see where we are going," says Moore.

Last month Cullen was questioned on the subject by Greens co-leader Jeanette Fitzsimons.

Fitzsimons: "What does the minister understand by the term peak oil, and when does he expect it to occur?"

Cullen: "I have to confess that, for once, the member has floored me: I do not understand what is meant by the term peak oil."

Fitzsimons expresses concern at the finance minister's reaction but believes it may have been just political manoeuvring on his part, trying to deflect the issue.

"The Government has been taking advice from the International Energy Agency for the last 40 years which is basically an association of the oil majors who have been found out to be misreporting their discoveries."

Fitzsimons believes peak oil is a pressing concern but stays clear of the doomsdayers.

"People need to realise it's worth making the effort, it's no good just scaring people."

She believes we must question how we use oil and start looking at how we invest in oil-reliant infrastructure as well as energy alternatives.

"It's vital we start investing in less dependence on oil if we have constantly growing demand."

"In our big cities we need rail, good public transport, access for bicycles. We need to look at energy alternatives such as wind, and become energy efficient."

A group of experienced oil geologists concerned about the issue have recently established an organisation to promote the

study and understanding of peak oil. ASPO is the Association for the Study of Peak Oil and Gas.

This international organisation held its first conference in Paris in 2003 and its second conference in Berlin just three months ago.

The almost unanimous view of the oil geologists in the organisation is that the world production of oil will peak before 2008, with some of them believing it will occur this year.

Limbrick, who makes his living researching trends, says there have been no significant oil discoveries since the late 1960s.

He says much of what we hear about discovery from the global oil industry is in fact an accounting phenomenon designed to minimise tax exposures and boost market perceptions of the company concerned.

"Shell recently had to come clean on their long term balance sheet manipulation, writing down reserves by 20%."

"I wouldn't be surprised if others were to come."

He says in every market trend there are different players. Some are long term investors or users and some are short term speculators.

"In the short term it looks like the speculators might have taken the market a little high."

"We may see some profit-taking back to the late \$30s/early \$40s a barrel."

"But the long term ceiling on oil is gone."