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PRIME MINISTER

FOR MEDIA

THURSDAY, 18 FEBRUARY 1982

"ARRIVAL OF NATURAL GAS" CANBERRA

I did not think I would be back in 19 months from having turned the sod because I thought it would take a little longer than that for the enormous amount of work that had to be done to be completed. I am glad that it has gone forward so well, so speedily and I must say that it is just as well that it has gone forward well, and speedily because natural gas might be required this winter in the city of Canberra much more than it would have been under other circumstances. Perhaps I could say something about that in a moment.

Natural gas is a great success story for Australia. It was first discovered I think about 70 years ago, or a little more in 1910 and in 1969 Adelaide, Brisbane, and Melbourne had access to natural gas and in the years since of course, there has been very significant extensions into country areas. In 1980 the demand was five times the demand of 1971 and that obviously is as a result of greater access to natural gas by more communities, but also as a result of changed energy pricing which in many ways has encouraged greater use of natural gas.

I think in broad terms our energy policy is working and working well. In 1981 there was a projected expenditure of \$1½ billion, in 1982 it is estimated to be double that at \$2½ billion exploration and development and that really is a record figure, in money terms and in real terms. It is five or six times the amount of exploration of development that was taking place in 1975 and that indicates I think, the growth of confidence in this industry since those times.

The arrival of natural gas in Canberra is a significant development for this city, and Queanbeyan. It is not just going to help housewives with their cooking and whatever, but it will provide private enterprise in Canberra with an opportunity to attract greater numbers of industries to Canberra and to help in the drive in making the private sector less dependent than it now is on governments, what governments do and what governments spend. I know that is very much the wish of

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private enterprise in the ACT and I hope that natural gas, being available will be a useful, significant help in that regard.

There is going to be a significant fuel oil saving as a result of this move of 30 million litres in this year and nearly 70 million litres by 1987. Those figures might prove to be conservative because I believe that natural gas for the citizens of Canberra, the industries of Canberra will have reliability of supply. That I think, is encouraging and it is obviously very important. I don't know how many of you are aware that the Minister, Michael Hodgman is going to have to introduce legislation to give us powers for emergency rationing through this winter because there is no reliability of supply from NSW. It is an unusual fact that 20% of Canberra's current supply comes from Victoria and if it wasn't for the increased power output from my own State, the citizens of Sydney would be feeling the present power situation in NSW very seriously indeed.

I don't know how many of you know really what has happened but there are four major generators in Lydell, the major NSW supply station, and three of those generators have gone out of action at one time. If it is a generator in a motor car we just take it off and get it re-wound relatively quickly, but for this operation 40 or 50 people have had to come out from the United Kingdom, quite specifically to re-wind these generators and I am sure it would their view that if there had been proper maintenance that would not be necessary. It is an odd thing in a country like Australia when, I hope you won't mind me saying this because it is really a factual situation rather than a political one, governments have to advertise the immorality of having showers, trying to suggest that people should only have a very brief shower.

If that fourth generator went, and there must be a great fear in the NSW system that that would happen, the supply situation in NSW would obviously be enormously and immediately serious.

In these circumstances, the rationing that has been projected as a possibility for industry would probably become a reality. These are matters that are obviously going to take some time to overcome. It is not a question of installed capacity, it is a question of being able to maintain the capacity that has been installed and to get a reasonable amount of power generation out of it. Because Canberra up to this point has been so dependent on NSW, the arrival of natural gas at this point is obviously welcomed and if electricity fails I would imagine that we can guarantee that natural gas will flow through the course/this year and through this winter.

of question
I would like to congratulate you for bringing this/to completion so successfully and so quickly. It is timely and it is an effective move and so I would like to thank everybody who has been involved in it for bringing it to this point so speedily and so efficiently.