

**Submission
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DOWNSTREAM GAS SUPPLY AND AVAILABILITY IN NSW

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Submission to Committee Examining Downstream Gas Supply and Availability in NSW

This is a submission from an ordinary citizen regarding gas distribution in Sydney. I thank the Committee for the opportunity to set down my sometimes perverse views on this matter.

As you will probably notice from my residential address I live in one of the so-called wealthier suburbs of Sydney, at least according to census figures. I'm not a journo and have never had anything to do with the fourth estate. I'm a retired superannuant. As Ross Gittins famously quipped, I 'could not even get a sniff of the age pension' but I'm hardly rich and have gotten used to being ignored by our betters and masters. Well, more tolerant, anyway.

So why would I even feel inclined to make a submission to your committee? It will probably stick out like the proverbial that I have never made any submission to any government committee in my life.

But I do hope you will at least read what I have to say.

I live on the western side of Wahroonga, not the salubrious side, in a little valley, a real valley, which seems to have been long forgotten by government at all levels except at election time. Less than 20km from the GPO Sydney. Yes, two zero kilometres from the GPO. The nearest thing we've had to insurrection had nothing to do with the gas supply. The debate and pamphleteering was all about a petition to the local council to change the (original) name of Bogan Place to (bland) Rainforest Glade. Bland won, of course. You do wonder about some peoples' priorities.

Too far away is Ku-ring-gai Municipal Council (KMC), too far away for Barry O'Farrell (it's his electorate), and certainly too far away for our inert Federal member ('who the hell else will they vote for, it's blue ribbon?'). The only visits from police are when they get lost or if they are telling one of the few loud Christmas parties to stop interrupting someone's slumber.

It's the LEAFY upper north shore in spades, to paraphrase Mike Carlton. But where do the leaves come from? Well, the simple answer is TREES! Thousands of them with billions of leaves.

Yes, trees are wonderful, green and beautiful, and all of us have little bit of tree hugger in our DNA. You wouldn't be entirely human if you didn't. But try living with them in an urban setting and the problems fast become apparent. The trees are mostly Australian native eucalypt, not deciduous, with massive invasive root systems, prone to dropping limbs on the calmest of nights, dropping massive amounts of leaves all year round, and of course providing shade ALL YEAR ROUND.

The absent local council fights tooth and nail, through the courts, if anyone dares to try and lop a tree. God forbid! Funny thing is I was born in this country. I love the trees. I'd have moved years ago if I didn't.

But they are the core of the problem. All of the houses in this area are surrounded by trees, and for a lot of the year that's very nice, it's lovely, and good for the planet. Not only because the trees fix carbon, but because people don't need to use air conditioners on any but the hottest days in mid-summer. But they do use their air conditioners. A lot. Only they use them as reverse cycle heaters to heat their houses. And these air conditioners are powered by what the greenies love to hate, old king coal electricity and I don't blame them. Coal, the filthy black stuff that causes all that CO2 pollution.

Solar hot water sellers or rooftop solar electricity purveyors don't call. There is simply not enough sun all year round to make their devices work economically. You won't see many on roofs around here. Those that have them must be incorrigible optimists or just misguided. Good fashion statement though.

And it's bloody cold here in midwinter. It's even bloody colder at night. Evergreen trees mean only a few hours of filtered sunlight even reaches the houses or the ground. Mosses and fungi abound. So do frogs and turkeys, bless their hearts. After all, the place is remnant temperate rainforest.

If you've read this far you might wonder what this character is on about. He's got nothing to complain about, has he? He lives in the best place in the best country in the world. And you'd be absolutely right.

What's it all got to do with gas? Australia floats on gas and that's just the point. There isn't any bloody gas here. That's right, less than 20 km from GPO Sydney and no gas pipe. Two men, two days, with a thing that looks like an oversize chain saw on wheels is all it would take. But absolutely no intention by any gas supply company to ever lay a pipe. Or even think about laying one.

If you really wanted to lay gas pipes there wouldn't be any footpaths to rip up. Footpaths were too much trouble for KMC. A simple trench is all that is needed along the verge; no massive engineering work.

Bugger fibre to the node, Malcolm and Stephen (seen any flying pigs lately?). I'll celebrate a massive step into the broad sunny uplands of the 21st century by just to being able to connect to a gas supply - something they had in 19th century London.

Martin Ferguson made a breathless announcement a couple of years ago about how much natural gas we were selling to China and how much pollution this would prevent because of lower CO2 emissions. I wrote a letter to the Sydney Morning Herald the next day to say I was dumfounded by what he said and the editor was kind enough to print it. Isn't there something awfully amiss when a Federal minister

makes these claims for China and gas isn't even available 20 km from the centre of Sydney?

I've been fobbed off by every gas supply authority over the years. The excuses are sometimes very inventive. Sometimes hilarious. One of the call centre operators (which all companies worth their salt use to insulate themselves against any public complaint or request for information) actually said I could be a terrorist. No, not because I was rude or impolite or insistent, or that I had an accent, quite the contrary. It was because I was seeking information about that company's gas distribution network. She actually said that if they gave me details of the areas of Sydney that had gas available and those that didn't, I might want to blow their network up. I kid you not. Nothing beats adding a bit of insult to injury.

I addressed a letter to the board of AGL for their AGM asking why areas such as mine had no pipework. I have a few shares in the enterprise. They at least had the courtesy to reply when our biggest companies (read BHP-Billiton) won't. They simply said they didn't own the network but a shelf company with a weird name did. You contact them. AGL didn't forward the letter, of course. Stuff you shareholders, stuff potential customers, we already have as many suckers as we need via our churning efforts.

This leads me to my final point. There must be many pockets in Sydney which are like the area I live in. Gas is available to houses 600 metres in one direction from my house, and about a kilometre in the other. My engineer friends tell me that it is really as simple as digging a trench. Several hundred houses would be served and the cost per house, even with a low take up rate, would not be high. Given global warming sea level rises my successors will be tying up their houseboats to my veranda post before a gas pipe is ever laid.

But diatribe over, I do have some points to make.

My first point (I repeat) is that I am certain there are many areas of Sydney which are in the same circumstances as my home area. I suspect that, apart from infrastructure in new areas developed since the seventies, the old gas reticulation system, from the days of the 60 milers and Mortlake and Waverton/Wollstonecraft gasworks, is largely unaltered. A bit like Sydney metro rail, not too different to 1933, a lifetime ago.

The supply companies would vociferously deny any such thing, of course, and I invite them to prove me wrong. At least that way I would get the information I have been seeking, what areas they actually supply in Sydney and more particularly, the ones they don't. Please bear in mind that my remarks apply to Sydney. Sorry to be parochial but I have little knowledge of gas supplies in regional centres, with the possible exception of the well publicised Armidale case of many years ago.

Secondly, I suspect the way competition is regulated is causing reluctance to extend existing pipework. The argument looks straightforward. The competition regulator, the ACCC, says that all competitors should have equal access to the gas pipe network. Sounds good, that is until you look at the consequences.

The consequences are simple and severe. No pipework owner would want its parent or associate to

suffer from the effects of competition, price competition being anathema to any supplier of anything. If you want a case study look at the perpetual bickering between the Telstra network and its rivals. Cost of access was always at the core.

Product differentiation is bit difficult with natural gas. It's the simple product of one carbon and four hydrogen atoms, the base of the paraffin chain. Cows and horses belch and fart millions of tons of it, it stinks to high heaven because of contaminants, and Australia has so much of it we are prepared to wipe out ancient rock carvings to export it. So no product differentiation.

Substitute competition. Well, electricity is obvious. A well designed reverse cycle air conditioner has operating costs which approach that of gas. But to get it you've got to have a huge electricity system to handle the load as well as complicated, expensive, machinery at the users end. More of those huge horrible green humming boxes will have to be built kerbside, not every 400 metres as now but every 200 metres. And the very aesthetically pleasing overhead wiring will be added to. Lucky we have the trees to disguise the wonderfully named 'poles and wires'. Why anyone would want to admit to owning such eyesores is beyond me.

To cap it all, most of the supply companies supply both electricity AND gas. Competition? Why would they compete? With themselves? Just keep out any new competitor.

To ram home the irony gas turbines are now being used to generate conventional electricity. CSIRO is actually field testing gas fuel cells which will provide all household energy, heating water, space heating and electricity from one washing machine size fuel cell, on the side of a house. Gas supply may well become an essential.

Don't mention bottled gas, because as a substitute for piped natural gas it's simply pitiful. I have used it. It's very expensive and inconvenient. The bottles weigh 50kg and you are stuck with a supplier trucking from Windsor. People regularly trample over your garden. They skid off your driveway and claim its your fault. Hopeless. And forget bulk LNG. Who wants a 400kg bomb alongside their house in a bushfire risk area? My son's ADF tour of Afghanistan starts to look safer.

Safety is a real consideration. If you've ever seen footage of the terrible bush fires in Canberra a few years ago you would not forget the huge geysers of flame pouring from the gas meters of the devastated houses. The gas suppliers forgot to turn off the gas! Intense heat from the fires melted the hard plastic meter shells.

Ask the gas companies how many of these things are in fire prone districts of Sydney. Any replacement program, lads? The Rural Fire Service might not be impressed. Most of Kur-ring-gai is at bush fire risk. KMC specially wrote to ratepayers and said so. Inert Federal member please note: Standards Australia might just be interested. But I hope I'm wrong about these meters, that all is hunky dory.

In the Great Storm in Wahroonga in 1991 - everyone has a 'great storm' - we were without electricity for eight days because trees pulverised the overhead wires and blocked the roads. We used gas to cook, camping gas stoves actually. Had we had a gas pipe, we'd at least have been able to shower and cook.

The fun aspect did wear a bit thin. Gas supply underground is usually less vulnerable in disasters like this.

It happens that a carbon tax (a good idea but bad luck about the politics) and regulator incompetence pushed up the price of electricity, and ho ho, the price of gas rises a mere ten percent. There follow many PR 'reasons': rising costs, awful wage costs, etc. Errr, doesn't anyone know that world gas prices have FALLEN? That there's a glut? Australia really is a treasure island, and not just for overseas multinationals. No competing. Prices must have been 'out of kilter', what wonderful newspeak that is.

The upshot is that a lot of people have wood burning fires of various kinds. They are much cheaper to install than air conditioning and there are plenty of firewood suppliers. They seem cheaper to operate, but actually aren't. Most heaters are an environmental disaster, with chemical and particulate pollution <1 micron well known to cause lung irritation and disease. My daughter is an asthma researcher and could bring you up to date on that. Don't get me started on the chemical nasties in wood smoke or you'd choke on your smoked salmon pate.

A pall of this chemical and particulate porridge hangs over this valley when weather conditions are adverse. It is not good enough for government to say 'then lets ban these heaters' if a decent alternative is not offered. Nobody likes being cold.

I can't suggest much in the way of solutions. The answer probably lies in reforming and reframing the legislation at both a Federal and State level. Better enforcement of existing legislation might be a start, but, oh dear, that means more money. But allowing the same company to supply both gas and electricity flies in the face of reason. It's ludicrous. They have to be separate entities. They are competing substitutable utilities. The mind boggles. I suppose minds much more agile than mine might come up with innovations. I hope so. The current regime is nonsense. Anyway, for me this submission is the last throw of the dice.

What I have said above might look like what used to be called an exercise in ratbagery. But I do try to make serious points. I've written it in such a way as to provide a bit of a laugh to the poor old public servants whose job it is to read these submissions. They're often young people and the daily grind hasn't yet corroded their enthusiasm too much. Committee members might crack a smile, too. If you want to know why I've written in this style, the clue is in John Kenneth Galbraith's first autobiography. People like to read a bit of humour. The dull stuff that gets submitted by the usual suspects would probably give a monkey constipation if it could understand. They certainly don't teach you to write interesting stuff for business degrees.

But don't allow the humour to overshadow a much more serious purpose. Sydney and I think the state, needs a good cheap gas supply, one that works for all its citizens and businesses, one that is safe, not the hotpotch we seem to have inherited. It needs real competition, not pseudo. It's a utility for god's sake and the system needs radical overhaul. There'd be health bonuses as well. Of course the icing on the cake would be if I had a gas pipe running past my door. But I won't hold my breath because the usual suspects will have all the usual excuses....

As with many submissions by people not well equipped or versed in making them, some of the details here might be wrong or inaccurate and I beg your indulgence. In politics a minor error is sometimes used to discredit what might be good ideas. Please don't do it that way. I have tried to check my facts as best I can. As Mandy Rice-Davies might have said, 'this is a first for me, please be forbearing', cut me a little slack.

A concerned citizen, I'm on the electoral roll.

Les Walsh