



## A MODEST MEMBER

*The Australian Financial Review*, 8 June 1973

### **Pipeline plan can't be all gas and gaiters**

All governments have one thing in common, they mean well — they are always spewing forth an endless series of speeches and press statements, telling of the wonderful things they intend to do.

It is only when they come to doing things that they often fail.

For instance, the Commonwealth Government conceived a lovely idea of having a natural gas pipeline authority. I can understand its pleasure at the conception because the idea was a good one.

We recall the mess that was made of the railways, with different States building their own railways with different gauges going in different directions.

When they met it was often by accident and also they found that the gauges were different, so they had to tranship good from one system to another.

It was all so silly. Our Government was determined that this would not happen with natural gas, that there would not be any problem with the various pipelines meeting up.

And, just as important, they were determined that each pipeline would be of such a diameter (and so, capacity) that the whole system would mesh together into one splendid whole.

A few conservative eyebrows were raised when the idea was first suggested.

Several of us were a little surprised about it being done by the Government and not by private enterprise.

But we were persuaded by the mistakes of the past, so we stood by sympathetically and expectantly, watching the birth pangs of the new authority and hoping that the progeny would be worth of the enthusiasm of its conception.

But the child, when eventually exposed to public view, did look a bit odd in spots.

I admit that all newborn babies look queer, except to their parents, so I will not describe the child in detail but will comment on what seems to be a real deformity.

The Government, in the dying hours of Parliament, suddenly had the bright idea of making it obligatory that prices for gas be the same at all places along the pipeline.

This was being done, they explained, in the interests of decentralisation.

Of course the results of this action will be, in many cases, just the opposite.

For instance, gas has been found at Palm Valley, near Alice Springs, and we all hoped that industry would be attracted to the Alice because Alice was closer to the source of the gas and so would be cheaper there than at Sydney.

Alice, we thought, at least had a natural advantage to offset many of the natural disadvantages it suffers.

But, because of the action of the Government, we now find that gas must be the same price at Alice as at Sydney.

So where will industry gravitate by natural economic force? Why, Sydney, of course!

And it was hoped that the gas discovered off the north-west coast of Western Australia, because it is closer to the source, would be cheaper there and so would encourage decentralised industry to settle there.

Now the gas will be the same price in Perth. What inducement will there be, then, to go to Port Hedland for many industries that do not depend on iron ore?

And because Adelaide is closer to Gidgealpa than Sydney, gas would be naturally cheaper in Adelaide than in Sydney.

But if this authority takes over the gas line to Adelaide the price will have to be the same in both cities, so away goes the natural advantage that Adelaide now has.

The queer thing is that in the muddled mind of the Government, this is being done in the name of decentralisation, but the effect will inevitably be the opposite.

I am well aware that decentralisation is a desperately important social and economic problem.

And I can see the virtues of generally having, in many cases, a uniform price for gas between city and country. This would indeed encourage decentralisation.

But to take away the natural advantage that some areas near the source of the gas now have, to favour Sydney or other big cities will obviously work the other way.

Mavis says I shouldn't be too critical, that the Government meant well and that is something.

I guess this is true — they couldn't have been as silly as this deliberately!