

DEPARTMENT OF THE SENATE  
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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE ON THE  
AUSTRALIAN CAPITAL TERRITORY

ENERGY USE, DISTRIBUTION AND  
CONSERVATION IN THE ACT

REPORT

BEING A REPORT THAT THE COMMITTEE HAS  
BEEN UNABLE TO COMPLETE ITS INQUIRY

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## TABLE OF CONTENTS

|                             | <u>Page</u>                                                                            |
|-----------------------------|----------------------------------------------------------------------------------------|
| Membership of the Committee | iii                                                                                    |
| Introduction                | 1                                                                                      |
| The Inquiry                 | 2                                                                                      |
| <br>                        |                                                                                        |
| APPENDIXES                  |                                                                                        |
| <br>                        |                                                                                        |
| Appendix I                  | Resolution of Appointment                                                              |
| Appendix II                 | List of Witnesses                                                                      |
| Appendix III                | List of persons and organisations which made submissions but were not called to appear |

MEMBERSHIP OF THE COMMITTEE

Chairman : Senator J.W. Knight

Deputy Chairman : Mr K.L. Fry, M.P.

Senator M.A. Colston

Senator S.M. Ryan

Senator B.C. Teague

Mr W.G. Burns, M.P.

Mr A.G. Dean, M.P.

Dr the Hon. D.N. Everingham, M.P.

Mr J.W. Haslem, M.P.

Mr P.E. Lucock, M.P.

Clerk to the Committee : Mr P.F. Bergin.

## Introduction

1. The present Committee was appointed for the life of the 31st Parliament by resolutions of the Senate and the House of Representatives in March 1978.

2. The duties of the Committee as specified in its Resolution of Appointment are to:

- (a) examine and report on all proposals for modification or variations of the plan of lay-out of the City of Canberra and its environs in the Commonwealth of Australia Gazette on 19 November 1925, as previously modified or varied, which are referred to the Committee by the Minister for the Capital Territory, and
- (b) examine and report on such other matters relating to the Australian Capital Territory as may be referred to the committee:
  - (i) by the Minister for the Capital Territory, or
  - (ii) by resolution of either House of the Parliament.<sup>1</sup>

3. In the present Parliament, three matters have been referred to the Committee:

- . Planning Procedures and Processes in the ACT (referred for inquiry initially in the 30th Parliament),
- . Tourism in the ACT,
- . Energy Use, Distribution and Conservation in the ACT.

4. The Committee reported to Parliament on Planning Procedures and Processes in April 1979, and on Tourism in the ACT in April 1980.

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1. See Appendix I - Resolution of Appointment of the Joint Committee on the Australian Capital Territory

## The Inquiry

5. The Minister for the Capital Territory wrote to the Committee on 15 November 1979 suggesting that the Committee inquire into energy supplies and related energy issues in the Territory. The Committee considered the terms of reference suggested by the Minister and proposed two minor amendments. The Minister accepted the amendments and the matter was formally referred to the Committee for inquiry and report. The Committee formally undertook the Inquiry at its meeting on 27 November 1979.

6. The terms of reference adopted by the Committee required it to consider and report on:

- . review existing sources of supplies of energy for the ACT and the outlook for demand and supply of energy for the ACT in the future;
- . measures which might be taken to develop and distribute future energy supplies and protect the ACT from shortages or disruptions to energy supplies;
- . an assessment of the adequacy or otherwise of delivery, distribution and storage facilities for petroleum and related products within the ACT and the ACT sub-region; and
- . initiatives which the Government, in its territorial and municipal role, should consider to encourage and facilitate energy conservation within the Territory, particularly with regard to liquid fuels, consistent with the Federal Government's national energy conservation programme.

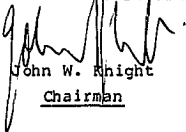
7. The terms of reference were advertised in December 1979 and the Committee invited a range of organisations and persons with interests in energy supplies to make submissions. The first public hearing was held on Monday 24 March 1980. In the Inquiry so far:

- . over 60 submissions have been received of which 17 have been presented at public hearings;
- . the Committee has held 5 public hearings at which 38 witnesses appeared. Appendix II is a list of those witnesses. A list of those persons or organisations which made submissions but were not called to give verbal evidence is at Appendix III;
- . the public hearings were held in Canberra, Sydney, Melbourne and Adelaide. The transcript of evidence is available for inspection at the National Library and at the Committee office of the House of Representatives.

8. The dissolution of the House of Representatives for the general elections on 18 October 1980 means that the Committee will cease to exist from the date of the proclamation.<sup>2</sup> The Committee is therefore unable to complete the Inquiry referred to it by the Minister and reports to the Senate and the House of Representatives accordingly.

However, the Committee recommends that:

- (a) the Joint Committee on the Australian Capital Territory be reconstituted in the 32nd Parliament,
- (b) the matter of energy supplies and related energy issues in the Australian Capital Territory be referred to the new Committee, and
- (c) the Parliament give to the new Committee the power to consider and make use of the records of this Committee.

  
 John W. Knight  
Chairman

September 1980

APPENDIX I

RESOLUTION OF APPOINTMENT

The resolution of appointment of the Committee is as follows:

- (1) That a Joint Committee be appointed to:
  - (a) examine and report on all proposals for modification or variations of the plan of lay-out of the City of Canberra and its environs published in the Commonwealth of Australia Gazette on 19 November 1925, as previously modified or varied, which are referred to the committee by the Minister for the Capital Territory and
  - (b) examine and report on such matters relating to the Australian Capital Territory as may be referred to the committee-
    - (i) by the Minister for the Capital Territory, or
    - (ii) by resolution of either House of the Parliament.
- (2) That the Committee consist of 10 members, 4 Members of the House of Representatives nominated by either the Prime Minister, the Leader of the House or the Government Whip, 2 Members of the House of Representatives nominated by either the Leader of the Opposition, the Deputy Leader of the Opposition or the Opposition Whip, 2 Senators nominated by the Leader of the Government in the Senate and 2 Senators nominated by the Leader of the Opposition in the Senate.
- (3) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.
- (4) That the members of the committee hold office as a joint committee until the House of Representatives expires by dissolution or effluxion of time.
- (5) That the committee elect as Chairman of the committee one of the members nominated by either the Prime Minister, the Leader of the House or the Government Whip, or by the Leader of the Government in the Senate.



- (6) That the committee elect a Deputy Chairman who shall perform the duties of the Chairman of the committee at any time when the Chairman is not present at a meeting of the committee, and at any time when the Chairman and Deputy Chairman are not present at a meeting of the committee, the members present shall elect another member to perform the duties of the Chairman at that meeting.
- (7) That the committee have power to appoint sub-committees consisting of 3 or more of its members, and to appoint the Chairman of each sub-committee who shall have a casting vote only, and refer to any such sub-committee any matter which the committee is empowered to examine.
- (8) That a majority of the members of a sub-committee constitute a quorum of that sub-committee.
- (9) That the members of the committee who are not members of a sub-committee may take part in the public proceedings of that sub-committee but shall not vote or move any motion or constitute a quorum.
- (10) That the committee or any sub-committee have power to send for persons, papers and records.
- (11) That the committee have power to move from place to place.
- (12) That any sub-committee have power to move from place to place, adjourn from time to time and to sit during any adjournment.
- (13) That the committee or any sub-committee have power to authorise publication of any evidence given before it and any document presented to it.
- (14) That the committee be provided with necessary staff, facilities and resources.
- (15) That the committee in its inquiries take account of the investigations of other Parliamentary committees and avoid duplication.
- (16) That the committee have leave to report from time to time and that any member of the committee have power to add a protest or dissent to any report.
- (17) That the committee or any sub-committee have power to consider and make use of the evidence and records of the Joint Committees on the Australian Capital Territory appointed during previous Parliaments.

- (18) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

APPENDIX II

LIST OF WITNESSES

**A.C.T House of Assembly**

Mr Marc Robinson, Deputy Chairman, Standing Committee on Management, A.C.T. House of Assembly, South Building, London Circuit, Canberra, Australian Capital Territory.

**Australian Capital Territory Schools Authority**

Mr Gordon Ivor Wall, Acting Director (Planning), Australian Capital Territory Schools Authority, Macarthur House, Northbourne Avenue, Canberra, Australian Capital Territory.

Mr Graeme Winston Stephens, Acting Assistant Director (Finance and Services), Australian Capital Territory Schools Authority, Macarthur House, Northbourne Avenue, Canberra, Australian Capital Territory.

**Australian Automobile Chamber of Commerce**

Mr John Edmund Collins, Executive Director, Australian Automobile Chamber of Commerce, 464 St Kilda Road, Melbourne, Victoria.

**Australian Consumers Association**

Mr Allan James Asher, Co-ordinator, Public Affairs Unit, Australian Consumers Association, 26 Queen Street, Chippendale, New South Wales.

**BP Australia Limited**

Mr Anthony Leonard Maine, Manager, Government and Public Affairs Division, BP Australia Limited, 1 Albert Road, South Melbourne, Victoria.

Mr Robert Allen Goode, Marketing Operations Manager, New South Wales, BP Australia Limited, 1 Albert Road, South Melbourne, Victoria.

**Caltex Oil (Australia) Pty Limited**

Mr Derek Michael Wood, Operations Manager New South Wales, Caltex Oil (Australia) Pty Limited, 167-187 Kent Street, New South Wales.

Mr Peter Anthony Solomons, Marketing Manager Canberra and Southern New South Wales, Caltex Oil (Australia) Pty Limited, 167-187 Kent Street, New South Wales.

**Commonwealth Scientific and Industrial Research Organisation**

Mr Michael James Wooldridge, Principal Research Scientist,  
Division of Mechanical Engineering, Commonwealth Scientific  
and Industrial Research Organisation, Melbourne, Victoria.

Dr Hill Wesley Worner, Director, Institute of Industrial  
Technology, Commonwealth Scientific and Industrial Research  
Organisation, Canberra, Australian Capital Territory.

Dr John Brotchie, Assistant Chief, Division of Building  
Research, Commonwealth Scientific and Industrial Research  
Organisation, Melbourne, Victoria.

**Department of Administrative Services**

Mr Joseph William Moore, Acting Assistant Secretary, Operations  
Branch, Transport and Storage Division, Department of  
Administrative Services, Canberra, Australian Capital  
Territory.

Mr Allen Alfred Shakespeare, Acting First Assistant Secretary,  
Transport and Storage Division, Department of Administrative  
Services, Canberra, Australian Capital Territory.

Mrs Kaye Dal Bon, Acting Assistant Secretary, Planning and  
Review Branch, Property Division, Department of  
Administrative Services, Canberra, Australian Capital  
Territory.

Mr Martin Keith Gillies, Acting Finance Officer, A.C.T.  
Property Branch, Property Division, Department of  
Administrative Services, Canberra, Australian Capital  
Territory.

Mrs Margaret Helen Carlson, Acting Clerk Class 8, Planning and  
Review Branch, Property Division, Department of  
Administrative Services, Canberra, Australian Capital  
Territory.

**Department of the Capital Territory**

Mr William Ernest Lawrence, First Assistant Secretary,  
Legislation and Policy Co-ordination Division, Department of  
the Capital Territory, Canberra, Australian Capital  
Territory.

Mr David Lander, Assistant Secretary, Urban Affairs Branch,  
Department of the Capital Territory, Canberra, Australian  
Capital Territory.

Mr Alan John Frazer, Acting Director, A.C.T. Emergency  
Services, Department of the Capital Territory, Canberra,  
Australian Capital Territory.

**Department of Housing and Construction**

Mr Alexander Ross McIntyre, Director, Australian Capital Territory Region, Department of Housing and Construction, Furzer Street, Phillip, Australian Capital Territory.

Mr Charles Thomas James Bubb, Director of Engineering, Department of Housing and Construction, 470 Northbourne Avenue, Dickson, Australian Capital Territory.

**Department of National Development and Energy**

Mr Thomas Joseph McMahon, Acting Deputy Director, National Energy Office, Department of National Development and Energy, Tasman House, Canberra, Australian Capital Territory.

Mr Ian Warren Morrison, Assistant Secretary, Regional Development Division, Department of National Development and Energy, Tasman House, Canberra, Australian Capital Territory.

Mr John Roland Kjar, Principal Executive Officer, Forecasting and Modelling Section, National Energy Office, Department of National Development and Energy, Tasman House, Canberra, Australian Capital Territory.

Mr Alan Ralph Burdon, Principal Executive Officer, Electricity Section, National Energy Office, Department of National Development and Energy, Tasman House, Canberra, Australian Capital Territory.

Mr Michael Newman Lawrence, Assistant Secretary, National Energy Office, Department of National Development and Energy, Tasman House, Canberra, Australian Capital Territory.

Dr Philip Rowling Nott, Principal Executive Officer, Energy Policy Division, Department of National Development and Energy, Tasman House, Canberra, Australian Capital Territory.

**Department of Transport**

Mr Michael Gawan-Taylor, First Assistant Secretary, Department of Transport, Civic Permanent Building, Canberra City, Australian Capital Territory.

Mr Garth Lawrence Mansfield, Assistant Secretary, Intermodal Strategic Planning Branch, Department of Transport, Civic Permanent Building, Canberra City, Australian Capital Territory.

Mr Neil Fraser Gentle, Director, Department of Transport, Civic Permanent Building, Canberra City, Australian Capital Territory.

*Dr Hugh Bennet Milloy, Executive Officer, Department of Transport, Civic Permanent Building, Canberra City, Australian Capital Territory.*

**Enersonics Pty Ltd**

*Mr Alan Mailler Brown, Managing Director, Enersonics Pty Ltd, 428 Burwood Road, Hawthorn, Victoria.*

**National Capital Development Commission**

*Mr John Wallace Nairn, Chief Engineer, National Capital Development Commission, 220 Northbourne Avenue, Canberra, Australian Capital Territory.*

**Private Citizens**

*Mr Darryl Ross Whitford, Co-ordinator, Electric Vehicle Research project, Flinders University, Adelaide, South Australia.*

*Mr Francis Gordon Henry Peter Fisher, Lecturer in Environmental Science, Monash University, Clayton, Victoria.*

**Shell Company of Australia Limited**

*Mr Harold Mervyn Steel, Chairman's Representative and Commercial Manager, Shell Company of Australia Limited, 140 Phillip Street, Sydney, New South Wales.*

*Mr Ernest John Rowe, Marketing Operations Manager, New South Wales, Shell Company of Australia Limited, Durham Street, Rosehill, New South Wales.*

APPENDIX III

Persons and organisations who made submissions but did not appear at public hearings:

Automotive Services Association  
A.C.T. Electricity Authority  
Action for Public Transport  
Australian Association of Independent Businesses Ltd  
Australian Boiler Constructions Pty Ltd  
Australian Bureau of Statistics  
Australian Gas Light Company  
Australian National University  
Mrs S. Anderson  
Mr A.J. Bonham  
Bus Proprietors Association of N.S.W. (A.C.T. Branch)  
Blue Skies Engineering  
City of Queanbeyan  
O. Cartledge, Fraser  
Canberra College of Advanced Education  
Canberra South Branch of the Liberal Party  
Canberra Consumers Incorporated  
Ms Cook and Ms Walters, Friends of the Earth  
Mr D.R.L. Davies  
Dr M. Diesendorf  
Department of Defence  
Mr G.F. Elliott  
Energy Authority of N.S.W.  
Federation of Australian Motorcyclists  
Dr R. Gerritsen, ANU  
Dr Harris, Dr Williams, CCAE  
Hub Power Pty Ltd  
Mr D.V. Huntley  
Hughes Insulation Service  
Mr H. Julienne  
Professor Kaneff et al ANU

Mr G. Mailath & Associates

Dr B. Martin

Monaro Fuel Supplies

Propartners

Pedal Power A.C.T. Inc.

Royal Australian Institute of Architects - A.C.T. Chapter

Silent Power Company Pty Limited

Society for Social Responsibility in Science

Solar Energy Industries Association of Australia

Stirling College Association

Ms Judith Turley, Permaculture

Mr P. Vallee, M.H.A.

Mr J. Wood & Mr P. Cullen, CCAE



DEPARTMENT OF THE SENATE

PAPER No. 1633  
DATE  
PRESENT

THE SENATE

17 SEP 1980

TABLED

FOR

THIRTY-FIRST PARLIAMENT 17 SEP 1980

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

ACTING

MINUTES OF PROCEEDINGS

NO. 49

TUESDAY, 27 NOVEMBER 1979

at Canberra

PRESENT: Senator Knight (Chairman) Mr. Dean  
Mr. Fry (Deputy Chairman) Mr. Haslem

1.

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3. ENERGY INQUIRY

The Chairman informed the Committee that the Minister for the Capital Territory had accepted the Committee's amendments to the terms of reference for the inquiry into energy supplies.

The Committee deliberated.

Ordered - That the Chairman write to the State Premiers seeking their co-operation in the inquiry.

Ordered - That the invitations to make submissions to the energy inquiry be placed in the major metropolitan newspapers and the newspapers in the surrounding region.

Ordered - That submissions to the energy inquiry be sought from the relevant Commonwealth Departments.

4.

5.

THIRTY-FIRST PARLIAMENT  
JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY  
MINUTES OF PROCEEDINGS  
NO. 51  
WEDNESDAY, 6 FEBRUARY 1980  
at Canberra

PRESENT:            Senator Knight (Chairman)            Mr. Burns  
                  Mr. Fry (Deputy Chairman)        Mr. Haslem  
                  Senator Colston

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5.            ENERGY INQUIRY

The Committee deliberated.

6.

THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 53

MONDAY, 25 FEBRUARY 1980

at Canberra

Present:           Senator Knight (Chairman)           Mr. Haslem  
                  Mr. Fry (Deputy Chairman)       Mr. Burns

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3.           ENERGY INQUIRY

              The Committee deliberated.

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THIRTY-FIRST PARLIAMENT  
JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY  
MINUTES OF PROCEEDINGS  
NO. 54  
TUESDAY, 11 MARCH 1980  
at Canberra

PRESENT:            Senator Knight (Chairman)            Mr. Burns  
                         Mr. Fry (Deputy Chairman)            Mr. Haslem

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5.                    ENERGY INQUIRY

The Committee deliberated.

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THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 55

WEDNESDAY, 19 MARCH 1980

at Canberra

|                |                           |           |
|----------------|---------------------------|-----------|
| <u>Present</u> | Senator Knight (Chairman) | Mr Burns  |
|                | Mr Fry (Deputy Chairman)  | Mr Dean   |
|                |                           | Mr Haslem |
|                |                           | Mr Innes  |
|                |                           | Mr Lucock |

1. The Committee met at 9.10 a.m.

2.

3. ENERGY INQUIRY

The Committee deliberated.

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THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 56

MONDAY, 24 MARCH 1980

at Canberra

Present: Senator Knight (Chairman) Mr Burns  
Mr Fry (Deputy Chairman) Mr Haslem  
Senator Colston  
Senator Ryan  
Senator Teague

1. The Committee met at 9.40 a.m.

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5. ENERGY INQUIRY

The Committee deliberated.

6. PUBLIC HEARING - ENERGY INQUIRY

The Chairman opened the hearing and made a statement.

The following witnesses representing the Department of the Capital Territory were called, sworn and examined together:

Mr William Ernest Lawrence  
First Assistant Secretary

Mr David Lander  
Assistant Secretary,  
Urban Affairs

Mr Alan John Frazer  
Acting Director  
A.C.T. Emergency Service



THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 60

MONDAY, 12 MAY 1980

at Canberra

Present: Senator Knight (Chairman) Dr Everingham  
Mr Haslem

1. The Committee met at 10.10 a.m.
2. PUBLIC HEARING - ENERGY INQUIRY

Press and public admitted.

Mr Marc Robinson,  
Deputy Chairman,  
Standing Committee on Management,  
A.C.T. House of Assembly

was called, made an affirmation and was examined.

Ordered - That Report No. 4 - Fuels Control  
Ordinance 1979 of the Standing Committee on  
Management of the A.C.T. House of Assembly  
be incorporated in the transcript of evidence.

Examination continued.

The witness withdrew.

The following witnesses representing the  
Department of Transport were called

Mr Michael Gawan-Taylor,  
First Assistant Secretary,  
Strategic Planning and Resource Allocation  
Division

was sworn

Mr Garth Lawrence Mansfield,  
Assistant Secretary,  
Inter-modal Strategic Planning Branch

Mr Neil Francis Gentle,  
Director,  
Strategic Planning and Resource Allocation  
Division



Dr Hugh Milloy,  
Executive Officer,  
Strategic Planning and Resource Allocation  
Division

made affirmations.

The witnesses were examined together.

Ordered - That the written submission from the  
Department of Transport of 20 March 1980  
be incorporated in the transcript of evidence.

Examination continued.

The witnesses withdrew.

The following witnesses representing the Commonwealth  
Scientific and Industrial Research Organisation  
were called

Dr Hill Wesley Worner,  
Director,  
Institute of Industrial Technology

Dr John Brotchie,  
Assistant Chief,  
Division of Building Research

made affirmations.

Mr Michael James Wooldridge,  
Principal Research Scientist,  
Division of Mechanical Engineering

was sworn.

The witnesses were examined together.

Ordered - That the written submission from the  
Commonwealth Scientific and Industrial Research  
Organisation of 4 March 1980 be incorporated in  
the transcript of evidence.

Ordered - That the following appendices to the  
submission from the Commonwealth Scientific  
and Industrial Research Organisation be treated  
as exhibits and included in the Committee's  
records.

| Appendix<br>No. | Description                                                                       | Exhibit<br>No. |
|-----------------|-----------------------------------------------------------------------------------|----------------|
| I               | Summary of CSIRO energy<br>research project 1979-80.                              | 2              |
| II              | Statement of CSIRO policy and<br>priorities for energy research<br>- 31 May 1979. | 3              |

| Appendix No. | Description                                                                                                                                                         | Exhibit No. |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| III          | CSIRO Division of Building Research, Transport Energy Conservation Studies                                                                                          | 4           |
| IV           | CSIRO Division of Building Research and Mechanical Engineering - Submission to the Conservation of Energy Resources Committee, Parliament of Victoria, 6 April 1977 | 5           |
| V            | CSIRO Information Service - Insulating your home June 1978                                                                                                          | 6           |
| VI           | CSIRO Research News - June 1975 - Keeping the house heat in.                                                                                                        | 7           |
| VII          | Temperature distribution in heated rooms in dwellings by D. Mitchell and K.L. Biggs.                                                                                | 8           |
| VIII         | CSIRO Information Service - Low energy housing - Orientation and eaves design - June 1978.                                                                          | 9           |
| IX           | CSIRO Information Service - CSIRO low energy consumption house - August 1978.                                                                                       | 10          |
| X            | A summary of the major results from the first winter of operation of the CSIRO low energy consumption house at Highett, Vic. 1980.                                  | 11          |
| XI           | CSIRO Information Service - Domestic Solar Water Heating, November 1977.                                                                                            | 12          |
| XII          | Division of Mechanical Engineering Solar Engineering Unit - General Comments re Application of Solar Energy.                                                        | 13          |
| XIII         | CSIRO News File No. 39 January 1979, How does your building rate.                                                                                                   | 14          |
| XIV          | An Australian perspective on energy use in the built environment by J.D. Kalma and R.J. Millington.                                                                 | 15          |

Examination continued.

The witnesses withdrew.

The following witnesses representing the Department of Administrative Services were called, sworn and examined together.

Mr Allen Alfred Shakespeare,  
Acting First Assistant Secretary,  
Transport and Storage Division

Mr Joseph William Moore,  
Acting Assistant Secretary - Operations,  
Transport and Storage Division

Mrs Kaye Dal Bon,  
Acting Assistant Secretary,  
Planning and Review Branch,  
Property Directorate

Mr Martin Keith Gibbs,  
Finance Officer,  
A.C.T. Property Branch

Mrs Margaret Carlson,  
Clerk,  
A.C.T. Property Branch

Ordered - That the written submission from the Department of Administrative Services of 7 March 1980 be incorporated in the transcript of evidence.

Examination continued.

The witnesses withdrew.

The following witnesses representing the A.C.T. Schools Authority were called

Mr Gordon Ivor Wall,  
Acting Director - Planning

was sworn

Mr Graeme Winston Stephens,  
Acting Assistant Director (Finance and Services)

made an affirmation.

The witnesses were examined together.

Ordered - That the written submission from the A.C.T. Schools Authority of 7 March 1980 be incorporated in the transcript of evidence.

Examination continued.

Ordered - That the document - Questionnaire - Part A for primary schools, National Schools Energy Study be included in the Committee's records as Exhibit No. 16.

Examination continued.

Resolved - On the motion of Mr Haslem -

That pursuant to the powers conferred by sub-section 2(2) of the Parliamentary Papers Act 1908, this Committee authorises publication of the submission of 31 March 1980 from the parents, teachers and students associated with Stirling College.

Examination continued.

The witnesses withdrew.

The following witnesses representing the Department of Housing and Construction were called

Mr Charles Thomas James Bubb,  
Director of Engineering

made an affirmation

Mr Alexander Ross McIntyre,  
Director - A.C.T. Region

was sworn.

The witnesses were examined together.

Ordered - That the written submission from the Department of Housing and Construction of 7 March 1980 be incorporated in the transcript of evidence.

Examination continued.

Ordered - That the following documents be treated as exhibits and included in the Committee's records.

Solar Energy for Buildings - Submission to the Parliamentary Standing Committee on Public Works - October 1979.

No. 17

NCDC Technical Paper No. 22 - Low Energy House Design for Temperate Climates - September 1977.

No. 18

Examination continued.

The witnesses withdrew.

Press and public withdrew.

3. PUBLICATION OF EVIDENCE

Resolved - On the motion of Dr Everingham -

That pursuant to the powers conferred by sub-section 2(2) of the Parliamentary Papers Act 1908 this Committee authorises the publication of the evidence given before it at the public hearing this day.

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 16 April 1980 were confirmed.

5. ENERGY INQUIRY

The Committee deliberated.

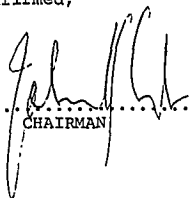
6.

7.

8. ADJOURNMENT

At 5.10 p.m. the Committee adjourned until a time and date to be set by the Chairman.

Confirmed,

  
.....  
CHAIRMAN

THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 61

MONDAY, 19 MAY 1980

at Canberra

PRESENT: Senator Knight (Chairman)      Mr Dean  
          Mr Fry (Deputy Chairman)      Mr Haslem

1. The Committee met at 3.10 p.m.
2. MINUTES OF THE PREVIOUS MEETING.

The minutes of the meeting held on 12 May 1980 were confirmed.

3. ENERGY INQUIRY.  
The Committee deliberated.
- 4.

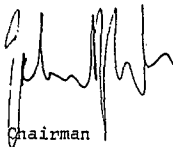
5. ENERGY INQUIRY.

The Committee deliberated.

6. ADJOURNMENT.

At 5.04 p.m. the Committee adjourned until a time and date to be set by the Chairman.

Confirmed



Chairman





THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 63

FRIDAY, 30 MAY 1980

at Melbourne

PRESENT:           Senator Knight (Chairman)           Mr Burns  
                  Mr Fry (Deputy Chairman)         Mr Haslem  
                  Senator Colston

1.                 The Committee met at 9 a.m.

2.                 MINUTES OF A PREVIOUS MEETING

                  The minutes of the meeting held on 19 May 1980  
                  were confirmed.

3.                 PUBLIC HEARING - ENERGY INQUIRY

                  Press and public admitted.

                  The Chairman opened the hearing and made a  
                  statement.

                  The following witnesses representing BP Australia  
                  Limited were called, sworn and examined.

                                  Mr Robert Allen Goode  
                                  Marketing Operations Manager, N.S.W.

                                  Mr Anthony Leonard Maine  
                                  Manager, Government and Public  
                                  Affairs Division

Ordered - That the written submission from BP  
                  Australia Limited of 7 March 1980  
                  be incorporated in the transcript of evidence.

Examination continued.

The witnesses withdrew.

                                  Mr John Edward Collins  
                                  Executive Director  
                                  Australian Automobile Chamber of Commerce

was called, sworn and examined.

Ordered - That the written submission from the

Australian Automobile Chamber of Commerce of 21 April 1980 be included in the transcript of evidence.

Examination continued.

The witness withdrew.

Mr Alan Mailler Brown  
Managing Director  
Enersonics Pty Ltd

was called, sworn and examined.

Ordered - That the written submission from Enersonics Pty Ltd of 24 April 1980 be included in the transcript of evidence.

Examination continued.

The witness withdrew.

Mr Francis Gordon Henry Peter Fisher  
Lecturer in Environmental Science  
Graduate School of Environmental Science  
Monash University

was called, made an affirmation and was examined.

Ordered - That the written submissions from Mr F. Fisher of 5 February and 23 May 1980 be included in the transcript of evidence.

Examination continued.

The witness withdrew.

4. PUBLICATION OF EVIDENCE

Resolved - on the motion of Mr Haslem -

That pursuant to the powers conferred by sub-section 2(2) of the Parliamentary Papers Act 1908 this Committee authorises publication of the evidence given before it at the public hearing this day.

Press and public withdrew.

5. SPECIALIST ADVISER - ENERGY INQUIRY

The Committee deliberated.

6. ADJOURNMENT

At 12.10 p.m. the Committee adjourned until a time and date to be set by the Chairman.

Confirmed

.....  
CHAIRMAN

THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 64

TUESDAY, 17 JUNE 1980

at Adelaide

PRESENT: Senator Knight (Chairman) Dr Everingham  
Mr Burns Mr Haslem  
Mr Dean

1. The Committee met at 9.35 a.m.
2. INSPECTION - FLINDERS ELECTRIC VEHICLE PROJECT  
At 9.36 a.m. the Committee adjourned to inspect the Flinders Electric Vehicle Project Workshop.  
At 10.30 a.m. the Committee resumed.
3. MINUTES OF THE PREVIOUS MEETINGS  
The minutes of the meetings held on 29 and 30 May 1980 were confirmed.
4. ENERGY INQUIRY - VISIT TO SYDNEY/DARWIN  
The Committee deliberated.
- 5.
6. PUBLIC HEARING - ENERGY INQUIRY  
Press and public admitted.  
The Chairman opened the public hearing and made a statement.  
Mr Darryl Ross Whitford  
Co-ordinator, Electric Vehicle Project  
The Flinders University of South  
Australia  
was called, sworn and examined.

Ordered - That the written submission of 26 February 1980 from the Electric Vehicle Project, The Flinders University of South Australia, be incorporated in the transcript of evidence.

The witness withdrew.

7. PUBLICATION OF EVIDENCE

Resolved - On the motion of Mr Burns -

That pursuant to the power conferred by sub-section 2(2) of the Parliamentary Papers Act 1908 this Committee authorises publication of the evidence given before it at the public hearing this day.

Press and public withdrew.

8. ELECTRIC VEHICLE EXHIBITION

The Committee deliberated.

9. INFORMAL DISCUSSIONS - ENERGY INQUIRY

- The Committee held informal discussions relating to the energy inquiry with the following representatives of the Institute for Energy Studies of the Flinders University of South Australia.

Professor M.H. Brennan  
Professor of Physics

Dr E.L. Murray  
Senior Lecturer in Physics

Dr R.G. Storer  
Reader in Physics

Associate Professor H.J. de Bruin  
Associate Professor of Chemistry

Dr B.G. Baker  
Reader in Chemistry

Dr D.B. Matthews  
Senior Lecturer in Chemistry

Dr S. Richardson  
Research Fellow in Economics

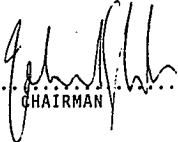
Mr G. Stokes  
Tutor in Politics

10.

ADJOURNMENT

At 1.05 p.m. the Committee adjourned to hold informal discussions relating to the energy inquiry with representatives of the South Australian State Government.

Confirmed,

  
.....CHAIRMAN.....

THIRTY-FIRST PARLIAMENT

JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 65

WEDNESDAY, 16 JULY 1980

at Canberra

|                 |                           |               |
|-----------------|---------------------------|---------------|
| <u>PRESENT:</u> | Senator Knight (Chairman) | Mr Dean       |
|                 | Mr Fry (Deputy Chairman)  | Dr Everingham |
|                 | Mr Burns                  | Mr Haslem     |

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3. VISIT TO SYDNEY - ENERGY INQUIRY

The Committee deliberated.

4.

5.

6. ELECTRIC VEHICLE EXHIBITION

The Committee deliberated.

Resolved - On the motion of Mr Haslem -

That the Chairman attend those sections of the Electric Vehicle Exposition in Adelaide from 26 to 29 August 1980 which are of particular relevance to the Committee's inquiry into energy supplies.

THIRTY-FIRST PARLIAMENT  
JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY

MINUTES OF PROCEEDINGS

NO. 67

WEDNESDAY, 30 JULY 1980

at Sydney

PRESENT:      Senator Knight (Chairman)      Mr Dean  
                 Mr Fry (Deputy Chairman)      Dr Everingham  
                 Mr Burns

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6.            **PUBLIC HEARING - ENERGY INQUIRY**

                 Press and public admitted.

                 The Chairman opened the hearing

                                 Mr Allan Asher  
                                 Co-ordinator, Public Affairs Unit  
                                 Australian Consumers Association

                 was called, made an affirmation and was examined.

Ordered - That the written submission from the  
                 Australian Consumers Association of 26 March  
                 be incorporated in the transcript of evidence.

                 Examination continued.

Ordered - That the exhibits tabled by the Australian  
                 Consumers Association be included in the  
                 Committee's records.

                 National Resources : A Policy Statement - No. 16  
                 by the Australian Consumers Association  
                 of June 1977

2.

Examination continued.

The witness withdrew.

The following witnesses representing the Shell Company of Australia Limited were called, sworn and examined.

Mr Harold Mervyn Steel  
Chairman's Representatives and  
Commercial Manager

Mr Ernest John Rowe  
Marketing Operations Manager - N.S.W.

Ordered - That the written submission from the Shell Company of Australia Limited of 3 March 1980 be incorporated in the transcript of evidence.

Examination continued.

The witnesses withdrew.

Ordered - That the letter of 12 June 1980 from the Australian Bureau of Statistics be incorporated in the transcript of evidence.

The following witnesses representing Caltex Oil (Australia) Pty Limited were called, made affirmations and were examined.

Mr Derek Michael Wood  
Operations Manager - N.S.W.

Mr Peter Anthony Solomons  
Marketing Manager - Canberra

Ordered - That the written submission from Caltex Oil (Australia) Pty Limited of 14 February 1980 be incorporated in the transcript of evidence.

Examination continued.

The witnesses withdrew.

7. PUBLICATION OF EVIDENCE

Resolved - On the motion of Mr Dean -

That pursuant to the power conferred by sub-section 2(2.) of the Parliamentary Papers Act 1908 this Committee authorises publication of the evidence given before it at the public hearing this day.

8. INFORMAL DISCUSSIONS - ENERGY INQUIRY

The Committee held informal discussions with Mr D. Aron of Lend Lease Investments Pty Limited relating to energy conservation in buildings.

The Committee held informal discussions with



3.

Mr K. Muir, Mr. W. Whittaker and Mr D. Gosden  
of the Energy Authority of New South Wales  
relating to the activities of the Authority.

9.

ADJOURNMENT

At 3.40 p.m. the Committee adjourned to inspect  
the Solar Energy Information Centre of the  
Energy Authority of New South Wales.

Confirmed,

  
.....CHAIRMAN.....



DEPARTMENT OF THE SENATE  
PAPER No. 1633  
DATE PRESENTED  
17 SEP 1980  
*Thaddeus*  
Acting *...* *...*



[PROOF]

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PARLIAMENTARY JOINT COMMITTEE  
ON THE AUSTRALIAN CAPITAL TERRITORY

(Reference: Energy in the Australian Capital Territory)

SYDNEY  
Wednesday, 30 July 1980  
(OFFICIAL HANSARD REPORT)

CANBERRA

PARLIAMENTARY JOINT COMMITTEE  
ON THE AUSTRALIAN CAPITAL TERRITORY

Members:

Senator Knight (Chairman)  
Senator Colston            Mr Burns  
Senator Ryan                Mr Dean  
Senator Teague              Dr Everingham  
                                 Mr Fry  
                                 Mr Haslem  
                                 Mr Lucock

Matter referred to the Committee:

The Committee is asked to consider and report on:

- review existing sources of supplies of energy for the ACT and the outlook for demand and supply of energy for the ACT in the future;
- measures which might be taken to develop and distribute future energy supplies and protect the ACT from shortages or disruptions to energy supplies;
- an assessment of the adequacy or otherwise of delivery, distribution and storage facilities for petroleum and related products within the ACT and the ACT sub-region; and
- initiatives which the Government, in its territorial and municipal role, should consider to encourage and facilitate energy conservation within the Territory, particularly with regard to liquid fuels, consistent with the Federal Government's national energy conservation programme.

CONDITION OF DISTRIBUTION

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**WITNESSES**

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|                                                                                                                                                                      | Page |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Mr Allan James Asher, Co-ordinator, Public Affairs Unit, Australian Consumers Association, 26 Queen Street, Chippendale, New South Wales                             | 682  |
| Mr Harold Mervyn Steel, Chairman's Representative and Commercial Manager, Shell Company of Australia Limited, 140 Phillip Street, Sydney, New South Wales            | 699  |
| Mr Ernest John Rowe, Marketing Operations Manager, New South Wales, Shell Company of Australia Limited, Durham Street, Rosehill, New South Wales                     | 699  |
| Mr Derek Michael Wood, Operations Manager New South Wales, Caltex Oil (Australia) Pty Limited, 167-187 Kent Street, Sydney, New South Wales                          | 720  |
| Mr Peter Anthony Solomons, Marketing Manager Canberra and southern New South Wales, Caltex Oil (Australia) Pty Limited, 167-187 Kent Street, Sydney, New South Wales | 720  |

SYDNEY

Wednesday, 24 July 1980

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PARLIAMENTARY JOINT COMMITTEE  
ON THE AUSTRALIAN CAPITAL TERRITORY

(Reference: Energy in the Australian Capital Territory)

Present

Senator Knight (Chairman)

Mr Burns

Dr Everingham

Mr Dean

Mr Fry

The Committee met at 9.50 a.m.  
Senator KNIGHT took the chair.

Mr Allan James ASHER, Co-ordinator, Public Affairs Unit, Australian Consumers Association, 26 Queen Street, Chippendale, New South Wales, made an affirmation and was examined.

CHAIRMAN - Before we proceed, could you explain the function of the organisation which you are representing today?

Mr Asher - I am the co-ordinator of the Public Affairs Unit of the Australian Consumers Association. We are an Australia-wide body representing consumers. We have done this at many Federal Government inquiries and State government inquiries around Australia.

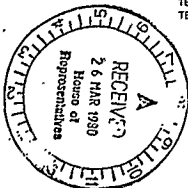
CHAIRMAN - We have your letter, which we will incorporate in the transcript of evidence. Are members of the Committee agreeable to this? There being no objection, it is so ordered.

(The document read as follows) -

24 March 1980

REGISTERED OFFICE:  
28-30 QUEEN STREET  
CHIPPENDALE, NSW 2008TELEPHONE: (02) 698 9200  
TELEGRAMS 'CHOICE' SYDNEY

Mr P. F. Bergin,  
Clerk to the Committee,  
Joint Committee on the  
Australian Capital Territory,  
Parliament House,  
CANBERRA A.C.T. 2600



Dear Mr Bergin,

This letter sets out some brief comments regarding the general matter of energy supplies in the Australian Capital Territory.

We must apologise again for the lateness of these comments, and would like to express our appreciation of the Committee's tolerance in this matter.

First, ACA understands that there is insufficient gas and petrol storage facilities in the Australian Capital Territory (although the former may be alleviated by the gas pipelines). ACA considers that this situation is undesirable, particularly with regard to the climate of the Territory in winter and its geographical position. We understand that some buildings have in the past been required to close during oil and petrol shortages in winter, and note that such shortages can occur not only as a result of strikes but also as a result of road blockages. Indeed, the events of the last few weeks when few planes flew into or out of Canberra was a salutary warning of the inadequacy of fuel supplies in the Australian Capital Territory. ACA therefore recommends that action be taken to remedy this situation.

ACA also recommends that appropriate consumer representatives be appointed to bodies such as the Australian Capital Territory electricity authority (and any other authority) which determine the charges and rates made to the public by such an authority. ACA considers that such appointments are justified, and indeed essential, both on grounds of equity and also in terms of increased accountability and recognition of the obligations of such authorities to their subscribing public. If consumers are not represented on fee-fixing authorities, quite inappropriate decisions may be made. Moreover, if the government is concerned about the conservation of energy supplies, quite different pricing policies may be required, and the appointment of consumer representatives may assist in the identification of these policies. For example, it would be possible to estimate the energy requirements of an average household, and energy consumption significantly above this usage level could attract a penalty cost, rather than the present reduced rate for higher consumption.

.../2



- 2 -

Third, ACA strongly recommends the introduction of energy labelling requirements for selected products, both in the Australian Capital Territory and also in the rest of Australia. We find it extraordinary that governments can profess to be concerned about energy supplies while not at the same time introducing a range of methods, one of which would be energy labelling, to help meet that concern. Energy labelling guidelines have now been in use in the United States for many years, while the Canadian Government introduced its Energuide program in 1978, beginning with refrigerators and extending through freezers, stoves, washing machines, driers and dishwashers (proposed for late 1980). In Canada it has been estimated that refrigerators use about eight per cent of all domestic electricity used, and the labels can play a valuable role in enabling consumers to choose the most energy efficient models. In the United States, beginning on 1 April this year, energy labels must be attached to new freezers, refrigerators, dishwashers, water heaters, clothes washers, room air conditioners, and furnaces.

The development of energy labelling requirements overseas would assist Australian authorities in introducing such requirements here in that many of the basic testing problems would have been overcome. It is therefore recommended that the Committee approach relevant Ministers and strongly urge the introduction of energy labelling in Australia.

ACA suggests that in any inquiry into energy supplies, wider questions such as the above and the energy-efficient design of buildings should be included in matters of consideration. There are both government and consumer benefits to be obtained by the construction of energy efficient houses, and in general terms ACA recommends that the design requirements of any building put out for public tender by the government should include energy-efficiency as one of the criteria. (An article on such housing from a Canadian consumer magazine is enclosed for your information.) For example, taking the Canadian article, passive solar heating buildings achieved by reason of design, construction and the use of such techniques as glazing and insulation, could be required in some areas.

Finally, ACA recommends that the Committee urge relevant Ministers to introduce a mandatory system of labelling vehicles at point of sale with effective standardised fuel consumption figures, using the Australian Standard 2077. The government, following much lobbying from consumer and other sources, has finally agreed to make this information available on a voluntary basis. ACA considers that this is inadequate. Consumer action and attitudes can usually only be

.../3

- 3 -

changed over a period of time. To make fuel consumption figures available on a voluntary basis and not necessarily at point of sale is to restrict this information unnecessarily to the informed and articulate and directly discriminate against the mass of consumers. The fuel consumption figures are known, and in ACA's opinion, must be made available to all consumers.

ACA trust that the Committee will be concerned with general aspects of energy use as well as the particular topic of energy supplies in the Australian Capital Territory.

We look forward to hearing of enlightened actions and recommendations made by the Committee.

Yours sincerely,



Dr Peta Colebatch,  
Public Affairs Unit,  
AUSTRALIAN CONSUMERS' ASSOCIATION

PRC:JS

Encl.

NOTE: An article from the 'Canadian Consumer', Volume 9, No.5, entitled 'Save money with an energy efficient house', by Bruce Gough, was submitted to the Committee but is unsuitable for incorporation.

CHAIRMAN - Do you wish to make any amendments to that letter?

Mr Asher - No. No statements of fact there need to be changed. I point out, apologetically, that it is a very brief document. We would certainly have liked to have given a lot more time to the material we have put before you.

CHAIRMAN - Since there are no specific amendments I will invite you to speak to your submission. Would you like to enlarge on some aspects of that letter or on your Association's views on the the issue before the Committee, which is of course the question of energy use and distribution in the ACT? We welcome your comments.

Mr Asher - The very establishment of your Committee shows your concern about this issue. We believe that though there has been a lot of comment about energy scarcity and oil crises and oil price rises there is still some way to go before the real impact of energy energy conservation reaches policy makers. We are keen to show that our organisation is very concerned about it as well, fundamentally because it is consumers who will pay all of the bills in the end. We believe that it is far more appropriate for consumers to finance energy conservation through capital investment. changes in building codes and so on, which admittedly are very expensive. We believe that in the long run that is going to save money for consumers through the future appropriations of their budget in energy costs or through future appropriations in the proportion of taxes that go to covering up problems caused by a failure to deal with it now.

Our letter dealt with stocks of energy held in the Australian Capital Territory. The buildings we spoke about specifically were some on the university campus. We are aware that quite a few of the buildings had to be closed down and could not be used. It seems to us that this should not be allowed to happen. I am not really sure of the full ramifications of that. Clearly Canberra is part of the New South Wales oil distribution system and I do not suppose it can be dealt with in a separate way. The disputes that exist in that industry seem to be intractable and I guess you are always going to be locked into them. However, some statement of objectives over perhaps the next five or 10 years,

linked with the growth of population, seems to me to be an appropriate way of at least matching supply with future demand where it can be predicted.

One of our more important recommendations is to provide for consumer representation on energy authorities. We mention specifically the A.C.T. Electricity Authority, although we do not see why it should be restricted to that. The Australian Capital Territory is to have natural gas. There will be a distribution or marketing authority for that. It will provide an excellent opportunity for consumer representation, either through a panel of names submitted by consumer groups or by some other means. That would give you a more direct input. Canberra, above all other centres in Australia, provides great opportunities. Canberra is the headquarters of the Australian Federation of Consumer Organisations. Many of the members of the Canberra consumers group happen to be working for either the Territory or the Federal Government. Thus they are perhaps better informed than many people in other areas. That gives the opportunity of achieving a higher calibre of consumer input to these decisions.

Ralph Nader has just finished a week-long tour here. One of the concerns he expressed throughout his tour was the lack of energy planning. He feels that in the United States and in Australia little is being done to plan future energy supplies and energy use. Conservation requires not only that we seek to moderate our present consumption of power but that we design future systems that are going to be efficient. One example he gave was of hotels in which he stayed. Not only are they well lit and overheated inside, they even have lights poking outside the windows, and things like that. One irony was that the hotel in which he was staying in Sydney, the Boulevard, had lights inside the rooms but also lights on the outside of the windows. That sort of thing has to be called into question more and more in coming years. I guess it makes the building look more attractive from the outside but there is a real cost in it, not just to the hotel management and the consumers, who are paying

for it, but also a social cost to the extent that this is taxing our power generating capacity.

The whole of New South Wales including the power supply to the Australian Capital Territory, is under real strain at the moment. The development of aluminium smelting in the Hunter Valley is going to affect the consumers in Canberra as well as consumers in Sydney because of the grid network. I do not have anything to say about that except that, since it means a significant increase in power generating capacity, at the very least electricity for the next decade in this region is going to be at a premium. This adds some urgency to your deliberations.

We see public accountability and representation as similar issues. Allowing consumers to participate in decision making enhances the public accountability of public authorities. It has been said that far too much power in Australia has been delegated by parliaments to statutory authorities. I think there is some truth in that. Unless we can provide direct consumer input to decision making, and by that I mean representation on boards and the right of consumers to make submissions to inquiries, and I guess this is an example of that, the consumers will feel increasingly remote from decision making and the organs of administration will themselves become increasingly remote from consumer needs. One good example that is relevant to your work is the deliberations in Tasmania of the hydro-electricity authority. For a long time its decisions were made in a vacuum. It was dealing with largely technical material and not the human component. The outcry from the public over that and the Cabinet's subsequent modification of the plans exemplify the point I am making there.

One suggestion that we made, and it may well be something that is already done, was that there should be some models of typical domestic power consumption in Canberra.

It is possible to compute the mean number of residents in dwellings and mean power consumption over a year. Our suggestion is that some consideration ought to be given to imposing penalty rates on people who exceed that mean level by certain margins. By having imposed on them some financial penalty people will be made more aware of the cost of energy. After all the cost to consumers is only part of the cost directly to the utility. Also there are the costs of building and maintaining dams, electricity generation stations and, of course, the social costs in pollution by coal-fired establishments. We are all paying for those costs as well. Thus this suggestion is not unreasonable. In Canada and the United States for years energy labelling has been carried out on a large range of appliances. This Committee may wish to recommend that for marketers in Canberra energy labelling systems be introduced. You may be aware that the Standards Association of Australia has set up a special committee to deal with this matter. It may be valuable, if this Committee is not already represented on that committee, for you to seek input from the Association's committee. There are the Energuide labelling systems. I have some figures that we did not put in that paper. Is it appropriate for me to forward more material later?

CHAIRMAN - If you have material there, we can incorporate it or take it as an exhibit. If you refer to other material and the Committee wished to have it, we could ask you to provide it.

Mr Asher - During the last few days I have had somebody look at some figures for energy costs, proportions of budgets spent on space heating, costs and value of insulation, et cetera. If you are agreeable, I would like to look a little more closely at those figures and perhaps forward them to you. I understand that you still have some time to run as a committee. It might be more valuable to you that way.

CHAIRMAN - Thank you, we look forward to receiving that information.

Mr Asher - Apart from penalties for excessive use, there ought to be consideration of incentives for energy saving. In New Zealand, for example, the Government is prepared to fund

installation of insulation materials in dwellings by providing interest free loans. That method also is used in some other areas. We are aware that we published a report in 'Choice' magazine two years ago in which we said that we did not believe it was appropriate for governments around Australia to offer interest free loans for insulation. I think Canberra is one geographical location where that course may be appropriate. Some governments have been prepared to advance the purchase price for ceiling insulation or even wall cavity insulation during construction and then consumers repay the amount by instalment of their utility bills, such as gas or electricity bills.

We referred to fuel consumption labelling. There was a short note about it in our letter. Of course, this matter is especially relevant this week because the Federal Government has published a guide to fuel consumption by domestic motor vehicles. We are completely dissatisfied with that guide as a means of energy conservation. We do not believe it will achieve the objective. We urge that an interim recommendation be made that at least in the ACT at the point of sale of new motor vehicles consumers be provided with information that could come directly from that publication so little or no cost is incurred by the retailers or manufacturers. It might be appropriate for you to conduct a controlled study. Some dealers could be required to participate. I am sure we would see a marked change in consumption patterns. People would buy cars which may look the same but are more energy efficient.

I have a document which I wish to submit to you. It is a submission that we made to several political parties more than three years ago. It is about national resources, but it has two chapters on energy conservation. I only regret that the person who sent this letter was not aware of it because we have dealt with much energy saving in buildings and design criteria that are relevant.

CHAIRMAN - If the Committee agrees, we will take that document into our records. It will become Exhibit 16.

Mr Asher - That concludes my introductory comments.

CHAIRMAN - I wish to ask about consumer representation on authorities. The ACT Electricity Authority has on its board a representative of our House of Assembly, which is a locally elected body but which lacks executive powers. Do you think that sort of representation is adequate or do you have in mind a different form of representation - perhaps a more extensive consumer representation?

Mr Asher - Certainly more extensive representation would be a requirement for it to be realistic. The age of appointing token consumer representatives should be over. Wherever it has happened I think the authorities can point to significant gains that they have had from having the people there. I do not believe that somebody with as diverse a mandate as being elected to the Assembly would be adequate to represent consumer interests. Firstly, there are party line considerations when so often people would be locked into a particular approach and, secondly, there are so many other aspects that go to somebody's election that just do not bear on that person's standing as a consumer.

CHAIRMAN - What criteria would you set for such representatives and how would they be appointed or elected?

Mr Asher - One of the easiest ways - not necessarily the best way - would be to call from existing consumer groups for a panel of names or even a representative. Many consumer groups now have energy advisory panels. They may be constituted of people whom one would appoint as community experts. But those people would be there more or less officially representing a specific constituency. One of Mr Nader's recommendations was that corporations and government statutory corporations ought to consider constituency representatives when a specific board member has the task to represent or seek out the views of consumers, minority groups or other components. I suppose the method of election depends on the charter of the authority.

CHAIRMAN - You referred also in your letter and comments to energy labelling. Are any costs involved in that method?



Mr Asher - Yes, costs are involved. The major costs go to the development of standards and means of assessing these matters. For example, in Canada it has been estimated that 8 per cent of energy usage is in refrigeration. The Energuide system that was developed there worked out a standard routine for calculating the energy costs over about 10 years. But having that system set up, it is simply a matter of disclosing on the label one figure plus the point of sale information that would be provided anyway. It might be a scale number. There might be five divisions from very high energy efficiency to very low energy efficiency. It is simply a matter of printing a number and through general community education people would know the capacity of refrigerators just as they know the standard of accommodation from the number of stars allocated to it.

CHAIRMAN - Who sets those guidelines?

Mr Asher - In Canada it was done by the standards authority. In Australia it will be done on the whole by our standards authority - the Standards Association of Australia. This means members of the Standards Association as well as governments are paying for its development.

CHAIRMAN - Right. But you were referring to costs in another context.

Mr Asher - Yes.

CHAIRMAN - Would this cost repay many times the implementation of such a scheme?

Mr Asher - It would not necessarily repay an individual manufacturer. It would repay him only if he also happened to produce an efficient appliance. It would certainly repay consumers. For some years now it has been true that the cost of running most appliances during their lives will far exceed their capital cost.

CHAIRMAN - What about anti-pollution devices on motor vehicles which reduce their energy efficiency? What view does your Association take on that?

Mr Asher - We do not accept that as a proposition. Last year we published a report on pollution control devices. We argued that the Australian system, which uses high lead petrol and carburetion emission control equipment, was very inefficient and would not survive. That is being borne out. In its next issue our organisation will be publishing an article on lead in petrol. In that article we endorse the New South Wales Government's stand. That Government wants to have lead taken from petrol by 1984. That will mean that catalytic converters can be used. We are not completely convinced about them but we see them as a far better option than use of lead traps in cars. Catalytic converters will also make a significant reduction. The estimate even by the Government group was that, far from decreasing energy efficiency, that would improve it. We are at a loss because the claims seem to be contradictory. Some say there will be a 12 per cent efficiency loss; others say there will be a 15 per cent energy improvement. Some of the

Japanese cars such as Mazda which are being marketed now with catalytic converters give extremely high energy efficiency ratings as well as extremely low emission ratings. So there is something to be learned there.

CHAIRMAN - Honda is one of those vehicles, is it not?

Mr Asher - Yes, Honda is another.

CHAIRMAN - Have you any more background on those claims, ranging from 12 per cent at one end of the spectrum to 15 per cent at the opposite end? Could you provide us with any additional information on those claims and the people who make them?

Mr Asher - Yes. In the August issue of 'Choice' there will be an article on that. We would certainly be happy to provide you with the background. You will be seeing the Energy Authority in Sydney. It has done a considerable amount of work on that as well.

CHAIRMAN - If you could provide us with any additional information from your Association, that would be very helpful.

Mr FRY - Has the Canberra branch of your organisation given any specific information to the people of Canberra about the relative costs of oil and electricity for heating?

Mr Asher - Yes. A few months ago we published an article on home heating. In fact I am a bit remiss for not supplying that. I understood you had been sent the relevant material. We do that about every year. It includes a table of energy costs. In the last one we referred specifically to regional energy costs as well. The Committee has a copy of that report. In our normal appliance reports we speak of costs of running but we normally pick an average cost of something like 4c per kilowatt hour for electricity as an average cost round Australia.

Mr FRY - Have you done anything specifically for the ACT?

Mr Asher - No, but the ACT is included in the reports where we mention regional costs.

Dr EVERINGHAM - You said that consumers ought to spend money on energy saving in buildings. But you then oppose the concept other than for Canberra of interest free loans to smaller building

owners for insulation. Do you see some compromise such as a low interest loan to particular income groups?

Mr Asher - In a purely financial sense rather than in a social sense, to low income families it is not very relevant. They will almost never have central heating. Only with central heating systems are the energy costs I am talking about relevant. Building codes must be altered to incorporate either passive or active solar energy efficiency loadings. The material we supplied to you from that Canadian article and some more material you will see in that other submission deal with that in some detail. It was not just Canberra; it was Canberra and below. For example, there is a case for Government subsidy in Melbourne and throughout most of Tasmania. We think it is very advisable that governments subsidise the installation of insulation. It is not really subsidising because it will repay them in time and it will repay consumers in time as well.

Dr EVERINGHAM - You then spoke of a penalty for excess use not only for energy conservation but for the costs of the capital that has to be set up. The capital aspect would apply only at peak hours. Have you any specific suggestions for levelling out peak demand? One example that hit me was the example you quoted from Ralph Nader - the external lighting. A lot of external lighting could be closed down at peak hour probably.

Mr Asher - That is an idea. Another is the extension of off-peak rates. The installation of heat banks would be especially appropriate to Canberra. Many office buildings are fairly homogeneous, carpeted, glass and concrete walled buildings. Heat banks could be quite appropriate there for off-peak heating. That could have considerable savings on excess capacity. Programs that give generous reductions to people who use power in the off-peak period are clearly a great incentive for industrial users.

Dr EVERINGHAM - Does this scale of 1 : 5 merely indicate the level of energy consumption or is it a measure of efficiency?

Mr Asher - There are at least five different ways of approaching it. The Standards Association has set up an expert committee to try to determine which is going to be best for information purposes and energy conservation purposes. I cannot really say which I would prefer. I would like to see a lot more information on it. Under a system operating in the United States, the marketer has to give a total life energy usage figure in a standardised way. It might be on a scale of 1 : 10 which might represent thousands of kilojoules or perhaps gigajoules in the case of some appliances. In this way consumers can look at the appliance in terms of not only cost per hour of running but also the expected life time. It is a life time energy cost.

Mr DEAN - My question relates to making available to consumers some accurate consumption figures for motor cars. Has your Association had any discussions with motor vehicle manufacturers about that and about the desirability of manufacturers putting a little stamp on a motor vehicle once that particular model has been independently tested?

Mr Asher - We have had quite a number over the last few years. Indeed, the whole process of setting up that AS 2077 provides, through a standardised method, in standardised motoring cycles, a way of calculating fuel efficiency to a fair degree of comparative accuracy for urban and city driving cycles. That is mandatory under Australian Design Rule ADR 27A. As a comparative figure it is quite acceptable. However, I have heard some reservations expressed just lately about the accuracy of some of the data in the book which has been published and we are considering testing some motor vehicles to see if the data supplied is accurate. It would be rather tragic if it were not because that is the whole thrust of the fuel conservation program for cars.

Mr DEAN - Can you give us some idea of the reaction you have received from motor vehicle manufacturers as a result of your discussions?

Mr Asher - It has been unfailingly negative. None have responded; they have constantly put us off to their manufacturing confederation which has said that it is the responsibility of individual manufacturers to respond. We have not had a positive commitment from anyone so we have turned our attention to lobbying the Federal and State governments to exact those requirements. We believe that within a year governments will require this mandatory disclosure of the ADR 27A information at point of sale. I really cannot understand why manufacturers, especially those with efficient vehicles, do not do it. Chrysler did at first but withdrew the advertisements very quickly, and just lately one model of Holden is being advertised in that way although it is not referred to in its printed.

material.

CHAIRMAN - We look forward to receiving the additional information referred to in the course of discussion. Thank you.

Mr Harold Mervyn STEEL, Chairman's Representative and Commercial Manager, Shell Company of Australia Limited, 140 Phillip Street, Sydney, New South Wales, and

Mr Ernest John ROWE, Marketing Operations Manager, New South Wales, Shell Company of Australia Limited, Durham Street, Rosehill, New South Wales, were sworn and examined.

CHAIRMAN - Welcome, gentlemen. We have your submission. Do you wish to make any alterations or amendments at this stage?

Mr Rowe - No.

CHAIRMAN - Is it the wish of the Committee that the submission be incorporated in the transcript of evidence? There being no objection, it is so ordered.

(The document read as follows) -



SUBMISSION TO

THE JOINT COMMITTEE ON THE AUSTRALIAN CAPITAL TERRITORY  
BY THE SHELL COMPANY OF AUSTRALIA LIMITED

INQUIRY INTO ENERGY IN THE A.C.T.

FEBRUARY 1980.

1. Normal Sources of Supply

In principle Canberra is part of the New South Wales supply envelope based on Clyde Refinery and the adjacent Parramatta Terminal.

The normal supply method for bulk products into Canberra is by rail ex our Parramatta Terminal which draws product directly by pipeline from the Clyde Refinery which is immediately adjacent. Exceptions to this supply method are: LPG, Aviation Turbine Fuel to the RAAF base at Fairburn, and heavy Fuel Oils; all of which are transported by road tanker, again from Parramatta Terminal.

Packed products such as lubricating oil, grease, and specialty products are transported by road ex local manufacturing/blending plants in Sydney.

Considerable discussion has recently taken place with the New South Wales Public Transport Commission on the introduction of a block train operation into Canberra, and plans are sufficiently advanced to advise that this service will commence before the end of the current year. The train will be filled at Shell's Parramatta Terminal through new facilities currently under construction; discharge at the Canberra end will be to individual Company depots. A new siding is already under construction at the Shell depot at Fyshwick. Based on current planning, the block train will have a 25 hour turn round and will substantially enhance the oil industry's ability to service Canberra requirements by the most economical and expeditious means.

2. Alternative/Emergency Sources of Supply

It is considered that there is adequate flexibility in the total distribution system to meet most emergencies, either by alternative modes

out of Sydney, or Port Kembla, or by road out of Melbourne (albeit at a higher cost). As an example, in times of high demand (peak Heating Oil season coupled with high gasoline sales), volumes transferred into Canberra have regularly exceeded the norm by over 50%.

This, coupled with storage cover exceeding 10 days average throughput, together with product holdings in retail outlets and customers' premises, assures product availability except in very long term emergency circumstances, e.g. an extended industrial stoppage affecting the ability of the oil industry to meet normal demand requirements. Users (including Government) must also make their own commercial decisions regarding storage and stock holdings in the light of their assessment of the likely supply interruptions and the effect on their business.

Product shortages in the Sydney area (normal supply source) have from time to time prompted the need to supplement stocks by road ex Melbourne; this applies to all products including LPG. Unfortunately, the costs of distribution ex Melbourne are double those of supplying ex Sydney and there is, therefore, a reluctance to utilise this method other than for pressing emergency requirements. It may be necessary to give consideration to recovering the additional distribution costs incurred under emergency supply conditions.

Shortages and disruption will, no doubt, occur from time to time for a host of reasons (generally man made) and our views on the handling of such situations are set out in a letter dated 21 December 1979 to the A.C.T. House of Assembly, Standing Committee on Management. A copy is attached as Appendix 1. One of the recommendations made in the letter was for the establishment of a standing "Advisory Committee" (Trigger Committee) comprising members of the oil industry and the Fuel Controller and which would apprise the Minister of pending emergencies.

3. Growth

Whilst growth in the demand for transport fuels is anticipated, it is probable that the demand for other forms of energy will decline, and

that in the final analysis total volumes will remain static; for example, heating fuels will decrease substantially immediately reticulated Natural Gas is available. This obviously points to a change in the mix with the need to re-adjust storage to best fit the changed circumstances.

Rates of growth of major products are assessed at approximately 3% per annum.

Historically, growth rates of petroleum fuels handled through the Canberra Depot have been above the national average. However, future growth depends on population trends and this is contingent on the policies of the Australian Government.

4. Storage

Whilst Shell's Canberra depot distributes products beyond the boundaries of the A.C.T., we see no significant development which would stimulate throughput to the point of creating storage or distribution problems.

Attached is a table (Appendix 2) setting out storage capacities of the various products held at our Canberra Depot with Average Daily Throughputs and a calculation of Days Cover.

There is sufficient flexibility to vary this storage in accordance with changes in product mix and, as stated previously, replenishment under normal operating circumstances can be achieved in around 24 hours.

5. Energy Conservation

The publication "Energy Efficiency" (A.J. Beifdorff) may be of assistance. A copy is enclosed with this submission. A simple audit on energy usage in Government Departments is likely to yield worthwhile savings.

30 July 1980

## APPENDIX 1

21st December, 1979.

Ethos House,  
28 Ainslie Ave,  
P.O. Box 1001,  
CIVIC SQUARE,  
2608.A.C.T. House of Assembly,  
Standing Committee on Management,  
Attention Mr. Jim Purcell,  
Acting Clerk of the Committee,  
CANBERRA. ACT.

Ph. 473893

Dear Sirs,

In response to your invitation (addressed to the Manager, Shell Co. of Australia Limited, 16 Ipswich Street, Fyshwick) to comment on fuel supplies in the A.C.T. during times of shortage when control is exercised under the Fuels Control Ordinance 1979, we are pleased to put forward these views.

Firstly although we dislike any controls impinging on normal business activities, we do support in principle the Government's objectives manifested in the Fuel Control Ordinance of 1979 and are ready to co-operate in genuine supply emergency situations. We believe a state of emergency should only be evoked when absolutely necessary and not, for instance, necessarily be enacted when individual Oil Companies suffer internal IR problems.

In line with this sentiment our first recommendation is for the establishment of a standing "Advisory Committee" (Trigger Committee), comprising members of the oil industry and the Fuels Controller, which would advise the Minister of pending emergency situations and of the likely seriousness of the supply situation for the A.C.T. We suggest such a body should be no larger than 3 or 4 persons and the oil industry representative should most appropriately be from the two major N.S.W. refining companies - Shell and Caltex.

Other comments to help the smooth running of supply and distribution under emergency conditions:-

- (i) the Fuel Controller must be aware of and appreciate the logistic importance of Canberra oil storage in relation to supplies for other surrounding areas ie. south and south east N.S.W.:
- (ii) when a state of emergency is declared, control should be with the Fuel Controller/Advisory Committee who

would ensure among other things--

- \* Fuel allocation be approved on commercially sound grounds
- \* logistic suitability of any nominated satellite storage outlets certification/verification of "out of stock" claims

To aid this process we have suggested to the Fuels Controller that an oil industry representative could be rostered on call to afford technical/commercial advice during the duration of future emergencies.

All the above comments have been discussed with Mr L. Gillespie in his capacity as Fuels Controller and all the suggestions relating to improvements for working arrangements have been favourably received by him. He has also undertaken to discuss the suggestion of a "trigger committee" with the Minister.

Trust you will find these comments helpful and of course we should be pleased to further discuss with you any points requiring clarification.

Yours faithfully,

(L. BEVIS,  
Chairman's Representative in Canberra)

CANBERRA DEPOT - BULK STORAGE

|                      | <u>Storage<br/>Capacity<br/>(kL)</u> | <u>Annual<br/>Throughput<br/>(kL)</u> | <u>Average<br/>Daily<br/>Throughput<br/>(kL)</u> | <u>Average<br/>Days<br/>Cover</u> |
|----------------------|--------------------------------------|---------------------------------------|--------------------------------------------------|-----------------------------------|
| Premium<br>Mogas     | 1,870                                | 62,200                                | 170                                              | 11                                |
| Regular<br>Mogas     | 172                                  | 4,200                                 | 12                                               | 14                                |
| Lighting<br>Kerosine | 34                                   | 192                                   | N/A                                              | *                                 |
| Heating<br>Oil       | 702                                  | 10,100                                | N/A                                              | *                                 |
| Distillate           | 920                                  | 10,700                                | 29                                               | 31                                |
| Diesel<br>Fuel       | 445                                  | 9,000                                 | 25                                               | 18                                |
| LPG                  | 80 tonnes                            | 3,500 tonnes                          | 10                                               | 8                                 |

\* Seasonal fluctuations

CHAIRMAN - I invite you to speak to the submission.

Mr Rowe - I wish to amplify one element of the submission relating to the block train project for the supply of fuel to Canberra. That project is well under way and, everything working properly, should be operational by late March or early April 1981. I have with me a couple of illustrations showing how those projects will look at both the Canberra and the Sydney end of that development. The total cost of the project is slightly more than \$2m.

CHAIRMAN - You mentioned under the heading 'Growth' in your submission the impact of the availability of natural gas in Canberra. Will its impact affect your operations in the Territory in any way?

Mr Rowe - Yes, it will. The heavy fuels, the fuel oils and the diesel fuels used for heating and other purposes, will certainly be reduced and, I believe, will be taken over, by and large, by natural gas. The other main change in our operation will be in the domestic consumption of heating oil which will be largely supplanted, depending on the natural gas reticulation system, by natural gas. Even without natural gas, domestic heating oil in Canberra this year is significantly down in its sales compared with last year. Electricity is probably already supplanting quite a lot of the heating oil supplies required in previous years. We see those two products becoming of less significance in our Canberra operation.

We also market in Canberra bottled liquid petroleum gas which is a small part of our operation. We would also expect some of that market to go to reticulated natural gas. None of these make a significant alteration in our overall operation other than really allowing a small flexibility and more facilities for our remaining products in Canberra.

CHAIRMAN - Is the block train project to be used only by Shell or will it be used by other oil companies to transport to Canberra?

Mr Rowe - It will be operated from Shell in Sydney but it will be used by Shell, BP and Esso for transporting fuel to Canberra.

CHAIRMAN - In terms of the supply of petroleum products to Canberra and the turnaround time it offers very significant advantages over the present system. Does it offer cost advantages?

Mr Rowe - It offers significant advantages in the efficiency of supplying Canberra. The turnaround time for the train will be about 25 hours. The average turnaround time for cars which currently go on general freight trains is about three or three and a half days. As far as cost is concerned, there will be a freight saving, which is speculative at this point because there will probably be more freight increases before it starts operating. Our estimate indicates a probable freight saving of 0.1c per litre or 0.15c per litre on the block train method when compared with the conventional rail method. In other words, 10 per cent of the rail freight costs will be saved.

CHAIRMAN - So in cost per litre of petrol a relatively small amount is likely to be gained.

Mr Rowe - Yes.

CHAIRMAN - You refer in your submission to a form of standing advisory committee relating to the supply of fuels. Your submission was done in February, as I recall. In April the Minister for the Capital Territory announced that an arrangement would be made for a fuel use advisory committee. Have you seen that? Are you aware of that statement on the arrangement? Does that meet the proposal you were making or is it not quite up to what you had in mind?

Mr Steel - We believe there is value in having an advisory committee locally on the spot to handle problems when they arise.

CHAIRMAN - Do you think the sort of advisory committee the Minister established in April is adequate or do you think it could be improved in some way, for example, in its representation or the powers it has?

Mr Steel - I think the reference is that the committee would consist of fuel companies, service stations and government basically and that is similar to what is operating here.

CHAIRMAN - You also refer to an audit on energy use in



government buildings. Is that based on your feeling that from your experience as a supplier to government buildings and instrumentalities in Canberra there may be avenues for more efficient use by those agencies?

Mr Steel - We believe there are opportunities for energy savings with probably the majority of users and I think this has been demonstrated when the product has been in short supply. People have been able to get by a little longer and one believes there is more efficient use of energy in times of shortage. The suggestion there was that there could be opportunities for fuel savings, not only with government but also with any energy user.

CHAIRMAN - Are you prepared to recommend that, even though it might mean a reduction in your sales?

Mr Steel - I think in the longer term interest energy conservation is a very important aspect.

Mr FRY - The question of the price differential between the Australian Capital Territory and New South Wales is getting a lot of publicity lately and at a previous hearing we had evidence from a representative of another company that the freight differential after allowing for the subsidy was 0.4c if it came from Sydney or 0.6c if it came from Eden, but in fact the differential is generally two or three cents per litre. Will you comment on the general question of the retail price differential?

Mr Steel - At present with New South Wales being price controlled there is a difference of approximately 2c a litre in the wholesale reseller price between New South Wales and the ACT and then there is the customer-pays element of the differential, which is, as you say, about 0.4c, which gives you that margin of, say, 2.5c.

Mr FRY - What do I infer from that? That you are being forced to sell too cheaply in New South Wales or that the price is too dear in Canberra?

Mr Steel - We are forced to sell at a price which is 2c lower in New South Wales than it is in Canberra because of the price control in New South Wales.

Mr FRY - But that is assessed as being a fair price.

30 July 1980

Mr Steel - That was the determination by the Prices Commission  
in New South Wales.

Mr FRY - So you think that if you accept that as being a reasonable price it should be 2c cheaper in the ACT than it is now.

Mr Steel - We are not suggesting that is a reasonable price. I think what determined the attitude of the Prices Commission was the market-place at the time that assessment was made. We are all aware that we have a situation of plentiful supply and high competition. There is less growth in the market and that will create a very competitive market-place. As a result of that we have seen a decline in prices, particularly in Sydney and the surrounding areas where, I suppose, the prices are as low as they have been at any time, but that is the result of the forces in the market-place.

Mr FRY - Are you aware that petrol stations in Canberra can get supplies at a cheaper price than the traditional wholesale price in New South Wales?

Mr Steel - Do you mean from their conventional sources?

Mr FRY - From alternative sources. Are people cutting the price for petrol available to petrol stations in the ACT?

Mr Steel - There are discounted prices in Canberra - but I am not aware of that information.

Dr EVERINGHAM - What impact do you say price fixing in New South Wales has had on the distribution of pricing within New South Wales? Has it made Queanbeyan prices closer to those of the ACT or taken them further away?

Mr Steel - I cannot answer that question.

Dr EVERINGHAM - One of the objects of the price fixing, I understood, was that it would lessen the degree of price competition in the metropolitan area and bring prices more into line with the country prices. Do you know whether it has had such an effect?

Mr Steel - I think, bearing in mind that in the country there was less discounting than in the metropolitan area, the 2c reduction in the country has certainly narrowed that margin.

Dr EVERINGHAM - So you are not able to say whether it has made any difference in the differential between Queanbeyan and the ACT.

Mr Steel - Not specifically on Queanbeyan.

Dr EVERINGHAM - You mentioned that you dislike any controls impinging on normal business, or at least the letter of 21 December appendix 1 mentioned that. Some of the independent retailers have claimed they want more government controls. When you say you dislike any controls impinging on normal business activities, do you mean that it is to the disadvantage of oil companies as such or do you see some long term disadvantage to consumers as well in the sort of control for which retailers are asking?

Mr Steel - In looking at that letter, I think it has been written in the context of the inquiry regarding controls during times of shortage.

Dr EVERINGHAM - Yes, but I take it to be a more general statement because it does not oppose controls in time of shortage. I thought it was just putting forward a general principle.

Mr Steel - I think that we would say we would like to see as little impingement by government on our business as far as possible. But I think, in the terms it is written there, I suggest it was referring mainly to times of emergency supply. We are saying that we believe the industry in general is fairly well equipped to handle the product in times of plenty or in times of shortage. I think that is, perhaps, the inference there.

Dr EVERINGHAM - Regarding the photographs you have shown us, the models appear to show a small well around one of the smaller storages, and, I think, around the larger one too. Is that included in the design? Is there a depression in the ground which will act as a safety area in case of leakage?

Mr Rowe - Yes. That is already there, in fact, and the term is 'bundling'. That is required to contain the full contents of a tank within the perimeters of that banded area, as a normal operation.

Dr EVERINGHAM - In the case of a major train accident, do you see any increased hazard in the use of the block train operation because of the greater bulk of fuel in one place at one time?

Mr Rowe - There is more fuel travelling on the rails but we do not see that as making any increase - in fact, we would see a reduction - in the potential risk. This is because it is a unit

train with matched equipment right through the train, rather than being a train made up of a number of different units with variations in braking equipment et cetera. As far as the Canberra end is concerned, once the trains are static there is an increase of approximately 25 per cent in the amount of fuel sitting in the cars compared to now, while they are being discharged. But the facilities we are providing: Firefighting, spillage control, drainage, and other environmental aspects result in a significant upgrading of the facilities that are there now. This is what one would naturally expect with a new facility. So we see it as a distinct improvement in the safety and in the environmental areas.

Dr EVERINGHAM - Regarding the advisory committee to which the Chairman referred, would you have any objection to supplementing the representation of government with specifically consumer representatives? In other words, representatives of bodies such as motorists' organisations or consumers' associations on the advisory committee?

Mr Rowe - Certainly, in principle, that is very sensible. My experience with the committees in New South Wales which the Energy Authority has set up in Sydney, is that - as with any committee - the more people sitting around the table trying to reach a decision and the more divergent views probably, the more time is spent in getting a consensus decision. I suggest that there are circumstances where that may not be necessary. In the appropriate oil industry representatives who are normally looking after the interests of the community and the public can, in many situations, make sure that continues to happen without the input of advice from the community. There would be other situations where that may be necessary. So, in principle, we have no objection but in practice it may well be that it perhaps takes longer to get to a slightly different decision.

Mr BURNS - Referring to the price differential per litre of petrol to the consumer in Canberra, Sydney and Melbourne, I do not think you were right in saying a differential is 2c per litre. I think it is more like 6c per litre to the consumer. In Melbourne

30 July 1980

the discounting price - which is all over Melbourne at the moment -  
is 29.5c per litre. In Canberra it is 34c to 35c per litre.

Mr FRY - The difference last week was only 2c a litre.

CHAIRMAN - The difficulty is that the price is up and down at each end.

Mr BURNS - When I was last in Canberra I took note of the price. It was 34c a litre to 35c a litre.

Mr Steel - I think that tends to vary from time to time. The lessee dealers are free to move their prices at will. For that reason one sees a variation.

Mr BURNS - You said the difference is 2c a litre, the reason being that in Sydney you are forced to sell a litre wholesale at 2c less than the wholesale price in Canberra. You are not forced to sell a litre wholesale at 2c less than the wholesale price in Melbourne, but the retail price seems to be the same in Melbourne and Sydney.

Mr Steel - Those markets tend to vary from day to day and area to area.

Mr BURNS - Has the Melbourne price been inconsistent at 29.5c per litre during, at least, the last five weeks? Is petrol any cheaper in Sydney?

Mr Steel - The most common current price at our agent-dealer self serve sites in Sydney is 30.9c a litre.

Mr BURNS - So petrol is cheaper now in Melbourne.

Mr Steel - Is it below 30.9c a litre?

Mr BURNS - It is 29.5c a litre.

Mr Steel - At Shell sites in Sydney the average price is 30.9c a litre.

Mr FRY - Some independent service station proprietors in Canberra made allegations that some of the oil companies adopt cut price policies and increase rents to their independent operators with the long term objective of forcing out the independent operators and replacing them with commission agents. Would you like to comment on this point in relation to your company?

Mr Steel - We are not endeavouring to force the small operator out of business. We have a plan under which

commission-agent operations function. In the Canberra and Sydney areas, approximately one-third of our service stations are commission-agent operations.

Mr FRY - How many commission agents do you have in Canberra?

Mr Steel - We have eight.

Mr FRY - How many outlets do you have?

Mr Steel - Out of 23 Shell service stations eight are Shell commission agents.

Mr FRY - Has there been much change in that ratio during the last 12 months?

Mr Steel - I could not answer in regard to the last 12 months. Our current figure is eight. We see that figure as being unlikely to increase. It depends, of course, on what happens during the present inquiry in Canberra.

Mr FRY - Are you saying you do not have a policy of trying to put pressure on operators to convert to commission agents?

Mr Steel - We have a plan for a network of commission agents. We are achieving it, I think, to the satisfaction of both parties.

CHAIRMAN - Do you plan to have a ratio of one-third commission-agent operators to two-thirds independent operators?

Mr Steel - I could not answer that specifically.

CHAIRMAN - I noticed that you twice used the word 'plan'. I wonder whether it is aimed at having a ratio of about one-third as against two-thirds.

Mr Steel - I could not answer that.

CHAIRMAN - Is that how it has worked out at this point?

Mr Steel - The comparison I was drawing was between the situation in Canberra and the situation in, say, Sydney. A predominance of commission agents does not exist in Canberra, but the number is about the average.

CHAIRMAN - Is it relative to Canberra's size?

Mr Steel - Yes.



Mr FRY - Do you apply the same sort of guidelines throughout the industry in your fixing of rents for sites?

Mr Steel - I cannot answer a question on the rental policy.

Chairman - Could you let us have subsequently in writing some information on that? You could forward it to the Committee's secretary.

Mr Steel - These are the details of our rental policy.

Mr FRY - I would particularly like to know whether the initial price paid for the site is an element in fixing the rentals for the site. Some very high premiums were paid for sites in Canberra quite a few years ago.

Chairman - Could you clarify that, please? When discussing the price differential in Canberra you referred to a 2c differential which you said related to the decision in New South Wales. Then you mentioned a 0.4c differential because of the consumer pays principle.

Mr Steel - No. That is a freight differential. The differential to Canberra is about 1.1c per litre, of which there is a subsidy of 0.7c, so the customer pays 0.4c.

Chairman - Thank you very much for your submission and for appearing before us this morning. We are very grateful for your co-operation and we look forward to receiving additional information from you.

Mr Steel - On our rental policy?

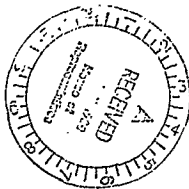
Chairman - Yes. Before the next witnesses appear I would like to incorporate in the transcript of evidence a letter from the Australian Bureau of Statistics dated 12 June 1980 and relating to petrol prices in capital cities in Australia from 1976 to the March quarter of 1980. It sets out comparative prices. Is it the wish of the Committee that this document be incorporated in the transcript of evidence? There being no objection, it is so ordered.

(The document read as follows) -

Chief Officer

Telephone

Mr P.F. Bergin  
Clerk to the Committee  
Parliament House  
CANBERRA ACT 2600



Dear Mr Bergin

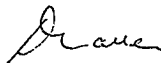
PETROL PRICES

I refer to your letter of 5 June requesting data on petrol prices in Canberra and the other capital cities.

2. The attached table sets out data on the average retail prices of premium grade petrol in the capital cities for the periods requested.
3. In using these data the following points should be noted:
  - (a) the average petrol prices shown are the averages of prices charged by a number of selected retailers in each city. The retailers have been selected as representative to measure price change over time. Thus the prices do not purport to be the actual averages relating to all retail sales of petrol in the various periods, and should be regarded as no more than approximate indicators of relative price levels
  - (b) petrol is priced for Consumer Price Index purposes as at the week day closest to the 15th of the first month of the quarter
  - (c) general price increases may be reflected in different quarters in different cities as a result of such factors as the requirement for increases to be approved by State Prices Commissioners in some States. Any comparison of relative price levels at particular points of time should take account of this.
4. If the attached data are published or otherwise released would you please ensure that they are accompanied by the above qualifications.

5. If you have any queries regarding these data please contact Mr T. Travers on 526251.

Yours sincerely



D.N. Allen  
A/g Assistant Statistician  
Public Finance and Prices Branch

12 June 1980

AVERAGE RETAIL PRICES  
 PETROL - PREMIUM GRADE  
 (CENTS PER LITRE)

| QUARTER | SYDNEY | MELBOURNE | BRISBANE | ADELAIDE | PERTH | HOBART | CANBERRA |
|---------|--------|-----------|----------|----------|-------|--------|----------|
| 1976    |        |           |          |          |       |        |          |
| MAR     | 17.8   | 13.7      | 16.5     | 14.7     | 15.8  | 16.7   | 16.7     |
| JUN     | 16.1   | 13.8      | 16.8     | 14.7     | 16.2  | 17.0   | 16.9     |
| SEPT    | 16.4   | 14.0      | 17.2     | 14.7     | 16.5  | 17.6   | 17.3     |
| DEC     | 16.5   | 14.0      | 16.8     | 15.2     | 16.2  | 17.6   | 17.4     |
| 1977    |        |           |          |          |       |        |          |
| MAR     | 17.1   | 14.7      | 17.1     | 15.9     | 16.3  | 18.5   | 18.4     |
| JUN     | 16.6   | 14.7      | 17.0     | 15.5     | 15.8  | 18.6   | 17.8     |
| SEPT    | 16.4   | 15.3      | 17.3     | 16.2     | 16.2  | 19.4   | 18.4     |
| DEC     | 18.2   | 16.7      | 18.0     | 17.5     | 17.8  | 21.2   | 19.7     |
| 1978    |        |           |          |          |       |        |          |
| MAR     | 17.8   | 16.7      | 17.9     | 17.2     | 17.7  | 21.2   | 19.1     |
| JUN     | 17.8   | 16.9      | 18.0     | 16.9     | 17.7  | 21.6   | 19.0     |
| SEPT    | 18.3   | 16.6      | 17.9     | 17.3     | 17.6  | 18.8   | 18.8     |
| DEC     | 21.8   | 20.4      | 21.9     | 20.9     | 21.4  | 20.7   | 21.2     |
| 1979    |        |           |          |          |       |        |          |
| MAR     | 23.0   | 20.7      | 22.3     | 21.1     | 21.4  | 22.2   | 22.3     |
| JUN     | 24.2   | 23.4      | 25.0     | 23.9     | 23.8  | 25.1   | 25.3     |
| SEPT    | 25.6   | 26.4      | 26.1     | 25.0     | 26.0  | 28.5   | 27.1     |
| DEC     | 28.9   | 28.1      | 28.5     | 29.4     | 28.9  | 29.5   | 29.8     |
| 1980    |        |           |          |          |       |        |          |
| MAR     | 27.6   | 27.7      | 27.9     | 29.0     | 28.6  | 29.5   | 30.0     |

AUSTRALIAN BUREAU OF STATISTICS

CANBERRA

12/6/1980

30 July 1980

Mr Derek Michael WOOD, Operations Manager - New South Wales, Caltex Oil (Australia) Pty Limited, 167-187 Kent Street, Sydney, New South Wales, and

Mr Peter Anthony SOLOMONS, Marketing Manager - Canberra and southern New South Wales, Caltex Oil (Australia) Pty Limited, 167-187 Kent Street, Sydney, New South Wales, made affirmations and were examined.

CHAIRMAN - We will take your submission as read. Is it the wish of the Committee that the document be incorporated in the transcript of evidence? There being no objection, it is so ordered.

(The document read as follows) -

30 July 1980

CALTEX OIL (AUSTRALIA) PTY. LIMITED

Incorporated in N.S.W.

CALTEX

Telephone 2-0555  
Telegraphic Address Caltex  
In Reply Please Quote

Caltex House  
167-187 Kent Street  
Sydney, N.S.W. 2000  
Box 3916 GPO 2001.

MGN:JT

February 12, 1980

Mr P.D. Bergin,  
Clerk to the Committee,  
Parliament House,  
Canberra. A.C.T. 2600.

Dear Sir,

Reference your letter of December 11, 1979, suggesting that we might make a submission to the Parliamentary Joint Committee on the Australian Capital Territory enquiry into Energy.

Caltex Oil (Australia) Pty. Limited is a marketer and distributor of petroleum products in the A.C.T. and the A.C.T. sub region.

We attach for your reference, details of our facilities in the A.C.T. and details of our current means of supplying these facilities. Should the Committee have any further need for information relating to our petroleum supply distribution activities, would you please contact me.

Yours faithfully,  
CALTEX OIL (AUSTRALIA) PTY.  
LIMITED

N.K. Nacard  
Manager - Government Affairs.

Attachment.

Caltex Oil (Australia) Pty. Limited,  
 Canberra Depot,  
 11 Barrier Street,  
 Fyshwick, A.C.T. 2609

1) STORAGE CAPACITIES

|                   | KILOLITRES |
|-------------------|------------|
| PREMIUM GASOLINE  | 682        |
| 92R               | 203        |
| DISTILLATE        | 682        |
| HEATING OIL       | 318        |
| LIGHTING KEROSENE | 54         |
| DIESEL FUEL       | 468        |
| JET FUEL          | 159        |

ii) NORMAL METHOD OF SUPPLY

Canberra Depot normally receives all refined product with the exception of Jet Fuel by rail cars loaded at Bankmeadow Terminal. Currently the rail car turnaround time is 2.9 days. Jet Fuel is delivered by road tanker from our Melbourne Spotswood Terminal.

iii) EMERGENCY SUPPLY

In the event of an industrial stoppage by the Public Transport Commission, product can be delivered to Canberra from Bankmeadow Terminal in company trucks. In addition, and if stocks permit, product can be hauled from Eden by distributor vehicle.

iv) DISTRIBUTION AREA

In addition to deliveries within the City and environs, Canberra Depot is currently used as the supply location for Gasolines to Wagga Wagga and Gundagai service stations. Jet Fuel is delivered by our distributor to Canberra airport.

During times of stock shortage, Canberra on occasions supplies emergency stock to our depots in Wagga Wagga/Cootamundra/Cooma/Yass.

C. LIRMAN - Would you like to make any points about your submission or about the general issues before the Committee before we proceed?

Mr Wood - Since the date of our submission, February 12, we have made plans to build a 1,200 kilolitre storage tank at our present Canberra depot. This will cost us about \$250,000. It is out for tender now and we are hopeful that this storage tank will be in service by the end of the year. This will give us more coverage of stock at our Canberra depot than we have at present. In fact we have five or six days coverage of Caltex petrol sales in Canberra. The new tank will increase that to eight days or eight days plus. There will be a rearrangement of tanks. This will give a better coverage for distillate and diesel fuel.

Mr Solomons - I have nothing to add at this stage.

C. LIRMAN - I gather that Caltex will not be part of the bulk rail system?

Mr Wood - No. We send our supplies to Canberra from our Banksmeadow terminal. This is the distribution terminal for the AOR refinery. We send an average of nine cars a day to Canberra. That is the limit which we can put on the siding at our Canberra depot. We are stuck at this stage with a 2.9 day turn around. We appreciate that the bulk train concept has benefits but in view of the investment that will be needed at Canberra, we do not propose it at this stage. That is one of the reasons why we are increasing our storage in Canberra to satisfy our requirements.



CHAIRMAN - Does the three-day turn around necessary in the present system add to costs to the consumer?

Mr Wood - No, not really. It probably adds to our own costs. We probably could be more efficient with an investment in the rail tank car operation.

CHAIRMAN - Have you very limited outlets in Canberra?

Mr Wood - We have only 11 reseller sites.

CHAIRMAN - Is there a reason for that? Do you foresee some expansion here? Do you intend to retain a relatively limited number of outlets here?

Mr Solomons - Our range of sites has very largely depended on the auction system. We have determined an economical return based on the auction price. Over the years we have secured a number of sites at which we could get a viable return assuming we had secured the site at a reasonable price at the auction. The 11 sites here are pretty close to our overall market share throughout Australia. It is probably a reasonable percentage by comparison with other companies in Canberra but it is to a large degree related to the price we have had to pay at auction.

CHAIRMAN - I have to go right over to the end of Lonsdale Street to get Caltex petrol. Is CX9 the designation you use for the clean petrol?

Mr Solomons - No, it is CX3.

CHAIRMAN - Initially there was an enormous amount of advertising of that particular fuel. There seems to be much less now. Is this because other suppliers have developed a similar component or because CX3 is less efficient?

Mr Solomons - We have recently increased our advertising in Canberra of CX3-92.

CHAIRMAN - Yes, that is right. I have noticed that.

Mr Solomons - The CX3 additive is applicable to both grades of gasoline. We are trying to promote CX3-92 because of its benefits in reducing the energy requirement.

CHAIRMAN - Does the CX3 additive lessen the efficiency of the fuel? I understand that it keeps the engine cleaner but has

it had some impact on the efficiency of the fuel?

Mr Solomons - I have no particular expertise in the technical area but if you keep the engine cleaner the engine will operate more efficiently. Therefore there will be some savings.

CHAIRMAN - I hope it is working with my Triumph.

Mr Wood - The CX3 additive is not peculiar to Australia, of course. We use it all over the world.

CHAIRMAN - Is this CX3 additive exclusive to Caltex?

Mr Wood - Yes.

Mr PRY - Do you have any commission agents in Canberra? Do you have any policy about commission agents?

Mr Solomons - In Canberra and New South Wales we currently have no commission agents. We did have a commission agent in Canberra but we converted that back to dealer operations 18 months ago. We do not have a commission agent at present.

CHAIRMAN - Why did you change?

Mr Solomons - The company made a conscious decision based, I think, on the fact that with this business franchise legislation that is being considered at the moment, it was not advisable to proceed with the commission agency. In combination with that, in our particular case in Canberra, it was felt that the dealer operation was a much better type of operation for that particular locale.

CHAIRMAN - The Lonsdale Street station has now become all self-service, but it used to be-----

Mr Solomons - May I correct you slightly on that? We have adopted a policy with the Lonsdale Street site. While all the equipment is self-serve equipment, we believe that there is a demand by a percentage of the population for full service, and so in Lonsdale Street we have one lane that is full serve and will continue to be full serve at this stage.

CHAIRMAN - I did not realise that. I went in there the other day and it was raining, so I got wet while filling my tank. I did not even look for driveway service because the big sign as you drive towards it now says 'All Self Serve'. So I did not even

look for driveway service. Just in case I misread the sign I shall check when I go back and take it up with you then.

Mr FRY - What share do you have in Canberra in the domestic heating oil market? Is it more than your share of the retail petrol market?

Mr Solomons - No, it would be less, and the market is declining very much in heating oil, as such. We find that a very large percentage of people are converting to electricity. Some are using small amounts of electricity with small radiators, pending, as we see it, the possible gas line coming through and the availability of gas before they make a final decision either to stay with electricity and convert the whole house to electric heating, or to take up the gas that will be made available.

Mr FRY - In any case, do you see much future for heating oil in Canberra?

Mr Solomons - No.

Mr FRY - What about your heating oil storage? Could that be used for other purposes?

Mr Solomons - Yes, it could be used for other products.

Mr EVERINGHAM - I know I have directed questions to some people regarding the effects of New South Wales price fixing on the relative costs between the ACT and Queanbeyan. Reflecting on that, perhaps I did not get to the nub of the question which is: What effect has New South Wales price fixing had on prices in the ACT? Do you think it has had a similar effect to that in country areas of New South Wales generally? After all, market forces operate between Queanbeyan and the ACT. If the prices drop in Queanbeyan presumably this will be reflected somewhat in pressures to reduce prices in the ACT.

Mr Solomons - I have not taken account of the pricing in each site in Queanbeyan but an overall impression that I have gained through seeing a number of sites there is that the petrol appears to be selling for about 33c per litre. The low prices in Canberra appear to be about 33.7c per litre, so there is not the 2c a litre difference in the list price passed on, you might say,

in terms of Queanbeyan versus the ACT. I think because of that, probably there is not going to be a great deal of effect between the cheaper price in Queanbeyan versus the ACT because of the small difference. In that respect I would just like to add that with our dealer network the dealer has the prerogative of setting the price he determines. We are not involved in that area at all.

Mr DEAN - I have a question about rationalisation which I did not ask Shell - maybe I should have - and which perhaps is something that ought to be further considered. We may have to get more information about it. The recent Trade Practices report on the question of price discrimination indicated among other things that the movement during the last five or 10 years is towards rationalisation in a number of outlet sites. It seemed to suggest that that process of rationalisation will continue.

As far as Canberra is concerned, what would be an optimum number of outlets in the city? What are the benefits of that rationalisation so far as availability of supply and prices apply to the ACT?

Mr Solomons - Recently I had to make a submission to the National Capital Development Commission in response to a similar question. Firstly, I said in terms of the future potential of Canberra our existing sites should be more than able to cope with demand for the next five years to 10 years. Secondly, I said rationalisation depended on a number of factors. If we had an ACT site from which we were not getting an economic return, we would classify that as worthy of consideration for divestment, but whether or not we would then divest it would depend on a number of factors. Firstly, we would have to consider the future growth in that area and if it could subsequently become viable. Secondly, if currently there appeared to be a complication should we divest a site in the ACT, we would consider to what use it could be put. Therefore, the recovery we could obtain if we walked away from a site would have a bearing as well on whether we would divest.

Mr DEAN - What about a broader, all-company look at it? Does any material which might suggest an optimum number of outlets for Canberra overall exist?

Mr Solomons - I do not know of such a survey but I might add that Canberra is probably better planned in the distribution of service stations when compared with other places in Australia. For that reason, the level of divestment would probably be minimal by comparison with some other areas where service stations have developed on each corner and where the numbers are far greater than those which would be considered to meet an optimal level.

Mr DEAN - Have we heard from NCDC about that recent survey to which you referred?

CHAIRMAN - I do not think so. It probably arises from this Committee's hearings and the evidence obtained in the pursuit of issues raised then. I have one question on the issue of

types of fuel, fuel efficiency and anti-pollution devices. Has your company had a look at the comparison between the lead crack system and the catalytic converter with lead-free petrol? Have you any views or guidance to offer on such issues?

Mr Wood - We have certain suggestions. We have made representation to Government but I am not in a position to talk about it in detail. However, we could certainly give you that information.

CHAIRMAN - If that could be provided subsequently it would be very useful because it will be one of the matters we must consider.

Mr Wood - We will very soon be making representation to the ACTU about the proposed pipeline which we are building from Sydney to Newcastle. It has been reported in the Press that some research has been conducted on the possibility of building a pipeline to Canberra and we have, in fact, done some research on that aspect. The economics, at best, are marginal and there is an indefinite delay on any further research towards this goal. Nevertheless, the possibility could be developed in the future. That pipeline may eventually become a reality. I do not know. It is not envisaged at this stage.

CHAIRMAN - It is not a useful prospect at this stage.

Mr Wood - It would not be, at this stage. If it did eventuate, it would probably connect into the line near Newcastle but no further research is being done at the present time.

CHAIRMAN - We will look forward to receiving your additional information. Thank you, gentlemen.

Resolved (on motion by Mr Dean):

That pursuant to the power conferred by section 2(2.) of the Parliamentary Papers Act 1968-1974, this Committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 11.15 a.m.