



Australian Pipeline Industry Association Inc.

MEDIA RELEASE

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CHANGES TO TRADE PRACTICES LEGISLATION WILL ENCOURAGE INFRASTRUCTURE INVESTMENT: INDUSTRY

The Australian Pipeline Industry Association has welcomed a prompt response by the Treasurer's Parliamentary Secretary, Hon Chris Pearce MP, to industry concerns and his introduction of amendments to legislation currently before Parliament.

APIA Chief Executive, Ms Cheryl Cartwright, said Mr Pearce's changes would help to encourage investment in infrastructure.

"In a victory for commonsense, Mr Pearce will introduced an amendment to legislation in the House of Representatives to include price-setting principles, which are important for providing certainty for infrastructure investors," Ms Cartwright said today. "These pricing principles were omitted from the original legislation: a major concern for industry.

"The Senate Economic Legislation Committee, chaired by Senator George Brandis, gave industry a fair hearing and Mr Pearce and his staff were very responsive to industry's concerns, taking the matter up with the Treasurer's office and the Department."

The *Trade Practices Amendment (National Access Regime) Bill 2005* provides important changes to the *Trade Practices Act*, but during the drafting of the Bill specific guiding pricing principles were omitted. The omission of the pricing principles would have increased uncertainty in all industries operating under access regimes.

The legislation will amend Part IIIA of the *Trade Practices Act* to help encourage efficient investment in new infrastructure and improve the certainty, transparency and accountability of regulatory processes.

The pricing principles are a key element of the Government's response to the *Productivity Commission (PC) Review of the National Access Regime* and provide an important model for price-setting principles in industry-specific regimes, including the gas access regime (hence the strong interest by APIA).

"Certainty of regulatory processes is a critical pre-requisite for infrastructure investment, given the fact that the initial investment is large and must be recouped over a long period," Ms Cartwright said.

"It is important that infrastructure investors know with certainty that regulators dealing with pricing issues are obliged to comply with defined pricing principles.

"Mr Pearce and his staff understand this important fact and I also thank Senator Brandis and the Senate Economic Legislation Committee for taking the time to listen to industry's concerns."

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