



MEDIA RELEASE

16 March 2006

INTRUSIVE REGULATION COULD SLOW MINISTER'S AMBITION FOR A GAS-FIRED ECONOMY

Unnecessarily intrusive regulation is the biggest threat to realising Federal Resources Minister, Mr Ian Macfarlane's goal of a gas-fired economy, according to the Australian Pipeline Industry Association.

APIA Chief Executive Officer, Ms Cheryl Cartwright, today welcomed Mr Macfarlane's strong commitment to a much expanded natural gas market in Australia but warned that inappropriate regulation could hamper efficient construction of the pipelines required to transmit gas and meet future demand.

In launching a joint initiative with the Australian Petroleum Production and Exploration Association, Mr Macfarlane backed industry plans for natural gas to provide up to 70% of all new electricity generating capacity as well as a doubling of gas as a feedstock for resource processing.

"I congratulate Minister Macfarlane and APPEA for this strong endorsement of natural gas as the fuel of the future," Ms Cartwright said.

"Clearly the Government believes that gas can and should play an important role in Australia's future energy needs.

"The industry also notes that greater gas consumption requires increased pipeline construction, generating more activity and employment across the gas pipeline industry.

"Nevertheless, the greatest threat to the realisation of a gas-fired future is overly intrusive government regulation.

"At present, the industry is building more pipelines but, under the current regulatory regime, they are being constructed to meet specific, contracted capacity requirements rather than including extra capacity in the initial design.

"APIA looks forward to continuing to work closely with the Government to improve the regulatory regime and also increase the use, and therefore transportation, of natural gas – a less greenhouse intensive fuel – in Australia," she said.

Media contacts:

Ms Cheryl Cartwright
APIA Chief Executive Officer
Phone: (02) 6273 0577
Mob: 0419 996 066

Mr Peter Gill
Field Public Relations
Phone: (08) 8234 9555
Mob: 0417 784 059