



MEDIA RELEASE

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GOVERNMENTS WARNED TO RESIST TEMPTATION TO

CONTROL INDUSTRY: PIPELINE LEADER

Governments involved in the privatisation of Australian infrastructure were today warned by an industry leader to resist the temptation of replacing public ownership with another form of control – increased regulation.

Mr Mark Harper, President of the Australian Pipeline Industry Association (APIA), said that while industry accepted the need for some regulatory intrusion, he urged his colleagues to be “vigilant” in their stand against over-regulation.

Mr Harper was speaking on the eve of APIA’s annual convention, in Alice Springs, which is being attended by some 500 pipeline industry people from Australia and overseas.

He said around a trillion dollars, much of it from superannuation funds, was currently looking for an investment home at a time when estimates of under investment in infrastructure in Australia could be as high as \$150 billion.

“At some point in the not too distant future, I believe that the under investment in infrastructure - combined with an insatiable demand for investment opportunity - will shift the focus to greenfield development,” Mr Harper said.

“Going forward it is important for us to recognise that, as a result of this very large amount of funds available, another possible long-term effect will be the progressive withdrawal of governments from infrastructure ownership as they recognise the benefits of other forms of funding,” he said.

“Inevitably, as State and Federal governments lose control through giving up their ownership, they are tempted to replace this with control through regulation.

“So, I think we can be sure of an ongoing need to be vigilant and to ensure a balanced position between economic regulation and healthy, competitive markets.”

While Mr Harper sounded a cautionary note on the future regulatory environment, he welcomed commitments from the Federal Minister for Industry, Tourism and Resources, Mr Ian Macfarlane, and State ministers that the transmission pipeline industry would receive a fair hearing on legislation currently being drafted for a new national gas access regime.

“It is quite a challenge to stop incremental increases in intrusiveness of economic regulation,” he said.

“With parts of the bureaucracy determined to take a heavy-handed approach and the rest wanting to ‘streamline’ gas and electricity distribution and transmission, it is important for APIA to ensure that the requirements of gas transmission are emphasised as much as possible in the new legislation.

“To this end, Ministers – Federal, State and Territory – will be hearing from APIA to ensure this industry’s issues are understood.”

APIA’s three-day convention will address energy and related issues including the critical role of economic regulation now being considered by the federal and State governments, major gas and water transmission projects underway, technical innovation, and Australia’s influence in international pipeline research and development.

Speakers on Monday and Tuesday include:-

- **Mr Steve Edwell - The Australian Energy Regulator – *The View of the Australian Energy Regulator.***
- ***The Economic Value Created by the Emergence of a National Gas Pipeline Network* - Mr Mike Smart, Vice President, CRA International.**
- ***Coal Seam Gas – A Significant Driver for New Gas Pipeline Infrastructure in Eastern Australia* - Graham Baker, Senior Advisor, RLMS P/L**
- ***Pipeline Developments in the Northern Territory*
Stephen Ohi, General Manager Operations, Australian Pipeline Trust & James Kernaghan, Darwin Area Manager, ENI Australia Limited**
- ***Sydney Primary Loop Project*
Neil Cain, General Manager, Asset Strategy and Development, Agility Management Pty Ltd**
- ***Dampier Bunbury Pipeline Expansion Stage 4 and 5 Program Overview*
Peter Iancov, Project Director, DBP, Alinta Asset Management**
- ***The Water Highway – A New Approach to Water Transportation in South East Queensland*
Graham Thomsen, Executive Director, Southern Region Water Pipeline Alliance**
- ***ASEAN Council on Petroleum (ASCOPE)*
Allen Beasley, Chief Executive Officer, ASCOPE**
- ***Total Pipeline Integrity Management System*
Ahmad Nadzri bin Khalid, Manager, PETRONAS Gas Berhad**

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