

Too many ministers not enough gas on tap

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THE Federal Government has seven ministers with varying levels of responsibility for the nation's natural gas industry, but not one of these has yet highlighted the importance of natural gas in reducing Australia's carbon emissions, according to the gas transmission industry.

"It's clear that natural gas will be part of this nation's future – either as a back-up fuel for renewable energy sources or as a less expensive fuel than coal when a price is put on carbon emissions," Australian Pipeline Industry Association (APIA) chief executive Cheryl Cartwright said this morning.

An early increase in natural gas for energy generation, would help to immediately reduce Australia's carbon emissions, Cartwright told an energy regulation conference in Melbourne.

"But the Government continues to support renewable energy sources and the development of clean coal technology, while ignoring the need to encourage use of natural gas," she said.

Cartwright said there was an urgent need to address the disincentives that regulation can have on investment.

"We must ensure that Australia's abundant supplies of natural gas will be available when the increased demand occurs," she said.

"The gas transmission industry calls on Energy Minister Martin Ferguson to share his knowledge of the gas industry with his colleagues, and also calls on the Government to ensure that natural gas is not disadvantaged when final decisions on emissions reduction policies are made.

"This includes ensuring that the Infrastructure Minister, Mr Albanese, is aware of the nation's gas transmission infrastructure that is 'out of sight' and sometimes out of mind. This infrastructure is fully privately funded and requires appropriate incentives in order for long-term investment planning.

"And it requires the Climate Change Minister, Senator Wong, to acknowledge the role that natural gas will play in the future reduction of carbon emissions as the private sector is waiting for policy decisions by government in order to make medium- and long-term investments for energy supplies."

Other ministers with responsibilities directly affecting the gas industry include Industry Minister Kim Carr and Environment Minister Peter Garrett, as well as Finance Minister Lindsay Tanner and Assistant Treasurer Chris Bowen who have responsibilities for regulatory regimes and deregulation.

Cartwright said that the gas transmission industry welcomed the Government's latest timetable for the introduction of emissions trading, but warned that clear policies regarding carbon emissions are still required so that investment can be



Cheryl Cartwright,
CEO, Australian
Pipeline Industry
Association.

undertaken in the necessary infrastructure for the future.

“The private sector will not invest further in natural gas transmission infrastructure without an indication of increased demand for gas and that increased demand won’t happen until the Government demonstrates that it sees natural gas as part of the future energy mix,” she said.