

Security a crucial issue at gas talks

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Energy writer

NATIONAL and international energy security is expected to be a key issue at a major oil and gas conference beginning in Perth today.

More than 2300 delegates have registered for the Australian Petroleum Production and Exploration Association for what is the biggest annual oil and gas conference in the southern hemisphere and one of the biggest in the world.

While industry heavies from across the world, including Royal Dutch Shell executive director gas and power Linda Cook, BHP Billiton Petroleum president Michael Yeager and senior US energy department official Jim Slutz, will be attending, much of the domestic industry's interest will lie in domestic issues.

The new federal Energy Minister, Martin Ferguson, is expected to take up points he has made to industry meetings recently that the Rudd Government is keen to cut red tape and that it wants to encourage investment in an internationally competitive industry.

Mr Ferguson is expected to argue in a keynote address that Australia is on the threshold of developing an energy province in the Browse Basin north of Broome which will be important

not only for Australia, but internationally, as a major contributor to reducing greenhouse gas emissions in Asia.

It will be Mr Ferguson's first APPEA conference as Resources and Energy Minister.

But he has already indicated that the Government is prepared to listen to the industry's concerns. Recently it was confirmed the Rudd Government did not intend to change the legislation on retention leases in a bid to encourage a "use it or lose it" policy for energy reserves.

While Mr Ferguson is known to be concerned that a number of energy assets remain undeveloped despite the current high prices for oil and gas, the Government has told the industry that it will concentrate on tightening the current rules rather than bring in new ones.

APPEA has been leading the campaign against replacing the current retention lease regime — a proposal put forward last year by the Howard government as a sop to the West Australian Government following its controversial policy of demanding that export LNG project proponents quarantine 15 per cent of their reserves for future domestic consumption.

APPEA chief executive Be-

linda Robinson believes the issues facing the oil and gas sector centre on: declining oil production, both in Australia and globally; increasing energy demand, particularly in the Asia-Pacific; growth in energy nationalism and the emergence of government oil companies setting agendas; and higher environmental consciousness in the community leading to concerns about energy's contribution to greenhouse gas emissions.

She said yesterday that natural gas offered a very real solution to the reduction of greenhouse gas emissions.

APPEA has a target of encouraging at least 70 per cent of new electricity generating stations constructed in Australia to be fuelled by natural gas by 2017.

But APPEA's drive at the conference will be to secure more federal government support for exploration in remote areas.

Onshore exploration in Australia has declined dramatically in recent years and there are large areas of the country which remain under-explored.

APPEA has warned that Australia's self-sufficiency in oil is declining rapidly and that the energy trade deficit will be \$28 billion by 2017.