

Abstract

From an address given to the Vic/Tas Branch lunch meeting on Wednesday, May 17.

NATURAL GAS IN AUSTRALIA - AN INDUSTRY COMING OF AGE

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The Australian natural gas industry is on the threshold of the most dramatic development in its 25-year history.

Natural gas currently accounts for 17.6 per cent of Australia's primary energy consumption and the industry's target is for this share to grow to at least 20 per cent by the year 2000.

An interconnected pipeline grid across the eastern States is the key element in current micro-economic reform by the Federal and State Governments and to encourage exploration and production of new gas reserves. The grid will take natural gas to an extended market characterised by competition among traditional gas utilities and a variety of new entrants.

The gas industry supports a reform framework which encourages commercial negotiation and self-regulation and which links the industry's Pipeline Access Code with the National Competition Policy and relevant State reforms, including the removal of barriers to free and fair trade.

Reaching the new horizon for the natural gas industry in Australia will involve a combination of micro-economic reform to:

- stimulate wider participation in and more vigorous exploitation of traditional and new gas reserves;
- reaching an extended and more competitive market through an interconnected pipeline grid;
- employing innovative technology;
- offering consumers a choice of gas