

ALAN CARPENTER MLA
MINISTER FOR STATE DEVELOPMENT; ENERGY
GOVERNMENT OF WESTERN AUSTRALIA

WELCOME ADDRESS
APEC GAS FORUM

PERTH CONVENTION AND EXHIBITION CENTRE

1 SEPTEMBER 2005

- As Minister for State Development and Energy in Western Australia, I would like to welcome you all to Perth for this APEC Gas Forum.
- I would like to begin by acknowledging Robin McClellan, the US Consul General in Western Australia.
- Can I also acknowledge all the other distinguished delegates here for this forum.
- The choice of Perth to stage this event is in many ways an appropriate one – apart from being a major and growing centre for petroleum production, Perth is Australia’s most outward looking city – we welcome people from overseas, we have a strong export focus and we conduct a significant proportion of our trade and investment with APEC countries.
- This forum provides an historic opportunity for the 21 country members of APEC to take a constructive approach to resolving energy challenges in our region.
- The APEC region accounts for over one-third of the world’s population, nearly half of its trade and around 60 per cent of the world economy.
- To sustain the rapid economic growth enjoyed in the APEC region it is vital that all member countries gain access to secure supplies of energy at competitive prices.

- Collectively, we have a responsibility to ourselves – and the rest of the world – to work together to shape energy supply and security issues in a way that enables us to grow and prosper.
- Disruptions to energy supplies and price volatility are threats to maintaining high rates of economic growth that underpin our progress and prosperity.
- An important consideration for both security of energy supply and competitive energy prices is the need to diversify fuel sources in order to reduce an over-reliance on particular fuel types.
- As our energy policies develop and mature, we also need to take greenhouse and pollution issues into account when promoting the sustainable development of our industries and lifestyles.
- One common factor linking all of these considerations is the increasing use of gas in industrial and domestic energy supplies.
- Gas can contribute to enhancing security of supply, is generally a cost competitive with other fuel sources and it is a relatively clean fuel.

- Here in Western Australia, where we have access to extensive reserves of coal and other fuel sources, we are increasing our use of gas and will generate around half of the State's electricity needs from gas by the end of the decade because of the economic and social benefits provided by gas.
- But if we are to maximise and optimise the role of gas in economic development within the wider APEC region, we have to create the right conditions under which the markets for gas can operate freely and transparently through the establishment of a competitive framework for trading and transporting gas between countries.
- There are many challenges to creating an open market for gas – but the potential rewards for all APEC members are considerable.
- I am keen for Western Australia to be a central part of an APEC in which gas is a driver of regional economic development.
- Western Australia is Australia's 'Energy State' – in addition to accounting for over half of Australia's oil production, we also have 80 per cent of Australia's very extensive gas reserves and provide 100 per cent of Australia's exports of LNG.

- The State has proved a reliable and competitive supplier of LNG since exports began in 1989, delivering over 1900 cargoes, mainly to Japan, that amounts to over 100 million tonnes in LNG exports.
- The State has also won China's first long term supply contract to supply China with LNG – a contract that we hope to build on to assist China meet its long-term energy needs.
- With numerous additional multi-billion dollar LNG projects looking to go ahead in the next decade, Western Australia is well placed to meet some of the growing needs for clean energy in Asia.
- The Western Australian Government provides a supportive environment for the development of gas projects – we have an attractive regulatory framework, supportive assistance for infrastructure and we are streamlining approvals processes so that we will see more projects coming into production in shorter time frames.
- As Western Australia expands its energy sector, Perth is rapidly gaining importance as a global centre for energy services.

- The city is a base for many international companies servicing oil and gas projects in the Asian region and Western Australia has growing capabilities in technology development and research, supported by international standard Centres of Excellence.
- The Western Australian Government has worked with the energy industry to ensure that we develop the right policies and business environment for the gas and LNG industry to grow.
- The future of the gas and LNG industry in Western Australia looks very positive.
- If most of the proposed projects do receive the go-ahead, we are looking at Western Australia producing nearly 50 million tonnes of LNG per year by around 2015.
- In addition, I also believe there is tremendous potential for gas processing projects such as the production of petrochemicals.
- We intend to build Perth as one of the world's great energy cities.
- In that context, I think that Perth is a logical choice for this APEC Gas Forum.
- As a growing energy centre, I would welcome the idea Perth being chosen for any future APEC meetings in discussing the development of the gas industry in the region.

- As regards this year's forum, I hope that the meetings are informative and constructive, as we collectively work towards developing the regulatory frameworks that will allow trade in gas to flourish.
- My congratulations to the APEC Energy Working Group Business Network for organising this forum to bring together industry and Government to solve challenges.
- I look forward to seeing outcomes that are positive for all APEC member countries, including findings that can be conveyed to the next APEC Ministers meeting to be held in Korea in six weeks time.