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F A C S I M I L E

DATE: 21-09-2000
TO: Mr David Hatfield
ORGANISATION: ACCC
FAX NUMBER: 02-6243 1205
FROM:
SUBJECT: Papua New Guinea Gas Project application
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CC:



QUEENSLAND CHAMBER
OF COMMERCE AND INDUSTRY

20 September 2000

Queensland Chamber of Commerce and Industry Limited
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Dear Mr. Hatfield

The Queensland Chamber of Commerce and Industry (QCCI) is Queensland's largest industry association. The QCCI's membership is made up of businesses from all industry sectors regardless of their size with approximately half of the Chambers membership located in regional Queensland.

QCCI has been approached by the Papua New Guinea Gas Project Sponsors ("the Applicants") to support their application for authorisation under subsection 88(1) of the Trade Practices Act 1974. QCCI understands that this authorisation is required from the ACCC to enable all the Applicants who are participants in the Project to discuss and establish the common terms and conditions (including price) upon which natural gas produced by the Project will be offered for sale and to jointly market the gas to customers in Australia.

For this project to be financially viable and to ensure adequate supplies of gas are available it is necessary for gas to be sourced from a number of gas fields controlled by the Applicants. The basis of this arrangement will require the Applicants to discuss prices and other terms and conditions of sale with one another to enable gas to be marketed to potential customers. The project partners have supplied to QCCI copies of their application and supporting documentation under subsection 88(1) of the Trade Practices Act 1974.

QCCI supports this application based on the contents of the supporting documentation. The importance of this project to the future economic growth of Queensland and its northern regions cannot be understated. The project, if it proceeds, will provide much needed employment and business opportunities within regional Queensland and the cascading positive economic benefits to the Queensland and Australian economy's should prove to be extremely beneficial. The supply of large quantities of relatively inexpensive gas to Queensland will provide a competitive stimulus to the Queensland energy market and also allow for positive reductions in the production of greenhouse gas emissions within the Queensland electricity generating industry.

In order for the Project to deliver gas within the time frame sought by customers in Queensland, the project will need to commence detailed engineering as a matter of priority. For the reasons mentioned above, supported by the evidence contained within the Project Sponsors application, QCCI supports the Project application for authorisation under subsection 88(1) of the Trade Practices Act 1974 and urges the ACCC to provide the authorisations sought as expeditiously as possible.

Yours sincerely

Andrew Craig
CHIEF EXECUTIVE OFFICER