

INTRODUCTION

The Energy Users Association of Australia (EUAA) is the peak body representing Australian energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined they employ over 1 million Australians, pay billions in energy bills every year and are desperate to see all parts of the energy supply chain making their contribution to the National Gas Objective.

The information asymmetry that exists between the gas supply chain and gas users is an issue the EUAA has been highlighting for many years. Eventually it was recognised by the ACCC in its seminal report on the East Coast Gas Supply in April 2016. This report provided much impetus for the detailed reform program now underway through the Energy Council Gas Market Vision with detailed analysis of reform options through the ACCC, AEMC and GMRG. We strongly support the vision and the various underlying work streams and look forward to their timely implementation.

Despite some progress, there continues to be major information deficiencies in the gas market that have contributed to it being a significant distance away from achieving the National Gas Objective. The inefficiencies are obvious to our members as they seek to negotiate gas agreements effectively with both hands tied behind their back. Poor information transparency has led to gross inefficiency in the market and these problems have been made even more acute with the very tight demand/supply balance and significant increase in pricing.

Our members have often struggled to get even one offer to supply or are required to respond to a gas supplier EOI on gas supply. All this at a time of very limited public information on the market to help gas users. This suggests there is something seriously wrong with the market.

So, we welcome the COAG Regulatory Impact Statement (RIS) consultation process. Our approach to the RIS is:

- There is a market failure in that market participants do not voluntarily provide transparent information to assist gas users evaluate offers
- This has led to a large information asymmetry that results in inefficient negotiations and deadweight losses to the economy
- More specifically to our members it results in frustration at the gas terms they are forced to accept and serious doubts about their business' viability in the medium term – rather than achieving a demand/supply balance through an efficient market characterized by informed negotiation, it is achieved by demand destruction
- This market failure is serious enough to justify government intervention – the required information will not be provided voluntarily by the supply chain players
- We are pleased to see the joint press release from the Minister for Energy and Emissions Reduction, the Treasurer and the Minister for Resources and Northern Australia on 6th August announcing the extension of the ACCC's role in monitoring and publishing data on the gas market in Australia until December 2025¹
- The costs associated with information provision are generally low – most if not all of the measures proposed relate to information:
 - that is already provided to the ACCC or other Governments and their agencies and requires only conformity to standardisation guidelines

¹ See "Government acts to deliver affordable, reliable gas" <https://minister.environment.gov.au/taylor/news/2019/government-acts-deliver-affordable-reliable-gas>

- that should already be available as part of normal business practice within a well-run business.
- The costs associated with Government agencies collecting and publishing the data and compliance should also be low and we support the Government ensuring there is sufficient funding available for these functions to be efficiently fulfilled
- For these reasons we generally favor Option 4 as it has the lowest residual risk rating
- The measures proposed should be considered part of an overall package – the information on pricing cannot be considered independently of information on reserves, supply and demand as the effectiveness of one piece of information is increased by the provision of another part
- There needs to be appropriate provisions to preserve anonymity of particular sources
- The compliance regime and associated penalties need to differ between the provision of historical and current factual information on the one hand and forecasts on the other with the latter having a lower compliance hurdle e.g. as long as they are good faith estimates based on transparent assumptions; forecasts inevitably change over time as circumstances change.
- We support the proposed fast track implementation.

THE IMPORTANCE OF AUDITING ANY INFORMATION PROVIDED

Given the findings of the ACCC audit of information disclosure under Part 23 published in its most recent report of August 2019, there should be a strong focus on auditing all the information to be provided. The ACCC found a significant level of overstatement in costs and pricing which highlighted:

“...an apparent disregard for the objectives of the disclosure requirements and those shippers that may seek to rely on this information.”²

and went on to refer to information being inconsistent with the information disclosure Guideline which states that information should not be false or misleading in a material particular. The ACCC will refer one pipeline owner to the AER for consideration of compliance action.

COST BENEFIT ANALYSIS

Given that that the base case or status quo scenario in the RIS assumed an end to the ACCC Gas Inquiry in 2020, the Ministerial Press release of 6th August extending the ACCC Gas Inquiry to 2025 will significantly change this base case scenario to:

- continuation of the ACCC Gas Inquiry data measures from 2026 (rather than 2021)
- the additional data measures from 2021

We also look forward to seeing how Frontier will incorporate the potential for policy induced change in the status quo scenario. For example, were this scenario to continue post 2020, we believe that it is reasonable to assume that:

- the supply side will not voluntarily provide the information in Options 2, 3 and 4
- the longer this occurs, the more likely businesses will fail because they are unable to negotiate a gas supply agreement that will sustain their business operations

² See p. 150 <https://www.accc.gov.au/publications/serial-publications/gas-inquiry-2017-2020/gas-inquiry-july-2019-interim-report>

- this will result in a political response to force greater disclosure anyway – just as the Ministerial Press Release has for the ACCC data

So, the status quo scenario will change over the central case 20-year evaluation period – with the sensitivity scenarios at 10 and 15 years needing to make assumptions about how quickly these politically induced changes might occur.

The complexity of the CBA process (as well as the association Regulatory Burden and Competition Effects analyses) means that we think it would be worthwhile to have another round of consultation with stakeholders on the forecasting. This could take the form of a review of the Frontier assumptions book or their preliminary analysis results.

The provision of information is an important part of the measures to deal with the gas market's failure to achieve the NGO and more needs to be done. This is recognised in the Energy Council's Gas Market Vision. Implementing these disclosure – even our preferred Option 4 – will not, by itself, lead to a 'fair' gas price outcome for example.

A market failure on information disclosure is accompanied by a "government" failure in the various moratoriums and restrictions on gas development and exploration in some States. Information disclosure on a monopoly provider does not produce the same efficiency outcome as a transparently competitive market with a consumer receiving multiple offers to supply. Both the demand and supply sides need to work before our members can have some confidence that the price they negotiate might be considered 'fair'.

THE COVERAGE OF THIS SUBMISSION

The focus in our submission is on Sections 1-11 in the submission template. We will leave the legal drafting of the amendments to the national Gas Law/Regulations/Rules to others more qualified.

Please contact me if you would like to discuss this submission further.

Sincerely,



Andrew Richards
Chief Executive Officer

ATTACHMENT B STAKEHOLDER FEEDBACK TEMPLATE
1. BULLETIN BOARD

Number	Questions	Feedback
1	Box 2.3 describes the purpose of the Bulletin Board. If the transparency measures outlined in this Consultation RIS are implemented, do you think that the purpose of the Bulletin Board should be further clarified (e.g. to capture both domestic and export-oriented activities)? If yes/no please explain.	Yes – the Bulletin Board purpose should develop over time to reflect the way the gas market is developing – including LNG exports and imports.

2. ACCC RECOMMENDATIONS ON RESERVES AND RESOURCES REPORTING FRAMEWORK

Number	Questions	Feedback
2	As noted in Table 3.3, the ACCC has recommended that annual movements in 2P reserves be reported. Do you think: <ul style="list-style-type: none"> (a) an additional category of ‘pricing’ should be included to capture reserve adjustments due to changes in gas price assumptions? (b) reserves upgrades and downgrades should be combined into a single category? 	The lack of publicly available and clearly understood reserves numbers is a crucial part of the information asymmetry that our members confront as they seek to negotiate their gas supply agreements. So, the EUAA was a strong supporter of the ACCC reforms on the reserves and reporting framework. <ul style="list-style-type: none"> (a) Yes (b) Yes
3	As noted in Table 3.3, the ACCC has recommended that reserves and resources be reported on a field level. How do you think the term ‘field’ should be defined for this purpose? For example, do you think it should be defined by reference to a permit, or is greater guidance on how tenures are to be grouped into a field assist? Alternatively, do you think there should be a standard or requirement for naming fields? Please explain your response to this question.	We do not have any specific technical expertise in this matter. However, given the objective is transparency around the reserves that are available for sale from a particular producer from each of its “fields”, we would recommend that the definition enable that information to be transparently provided.

3. GAS, LNG AND INFRASTRUCTURE PRICES

Number	Questions	Feedback
4	Do you agree with the information deficiencies that have been identified in Table 4.1? If you don't agree please explain why. Are there other pricing related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?	Yes, we agree with the information deficiencies in Table 4.2.
5	How significant an effect, do you think the information deficiencies identified in Table 4.1, are having on the gas markets in eastern and northern Australia and the broader economy?	<p>We think that the impact is significant. It can be particularly seen in two situations our members face:</p> <ul style="list-style-type: none"> (i) Where a consumer only receives one offer for supply (j) Where a consumer receives no offers and is invited to participate in a supplier led auction for gas supply
6	Do you agree that the information deficiencies for gas, LNG export and infrastructure prices could be viewed as a market failure that will warrant government intervention? If not, please explain why.	<p>Yes.</p> <p>A competitive market produces price discovery naturally as is the case with the US gas market. Some of our members remember the time around a decade ago, prior to the prospect of LNG from Gladstone being seriously considered, when they received competitive offers to supply gas. No Government action was required to force supplies into public information disclosure. It came through the offer to supply process with multiple offers being presented to consumers to compare, evaluate and negotiate.</p> <p>This all changed when the prospect of Gladstone LNG started to firm as developers sought to commit reserves to their impending projects. Many other producers not linked to LNG projects were either acquired by an LNG project or sold their gas to the LNG projects so that gas was no longer available to the domestic</p>

	<p>market. Offers dried up, and with it, information disclosure to consumers.</p> <p>Those very few producers that had gas to sell to domestic customers had no incentive to provide information to assist the buyer when they were the only seller. It was simply a matter of the seller understanding if the maximum price the buyer could bear was high enough to cover the seller's view of their opportunity cost.</p> <p>This lack of disclosure led to our members experiencing a pervasive and extensive information asymmetry that was finally confirmed and highlighted in the initial ACCC report on the East Coast Gas Market in 2016. The significant increase in information disclosure since then has been due to the ACCC forcing disclosure on the players in the supply chain. We do not believe that this would have been provided voluntarily from producers or pipeline owners without the ACCC exercising its information gathering powers. By contrast, our members have been happy to provide the ACCC with information on their experiences.</p> <p>Yet, even where specific information disclosure requirements have been imposed, parts of the industry seem to be deliberately resisting improving transparency. This is seen in the most recent (August 2019) ACCC Interim Report's audit of the Part 23 Information Disclosure rules introduced in 2017. Some pipeline owners seem to be providing deliberately misleading information. One has been referred to the AER for possible enforcement action.</p> <p>Information disclosure does not necessarily result in a competitive market. If there is insufficient gas being produced and offered to domestic consumers e.g. due to moratoriums, commitment of reserves to LNG, then information disclosure does help. However, it does not, in the absence of some form of price cap regulation, prevent monopoly behaviour by producers.</p>
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		<p>So yes, there has been market failure in information provision. But market failure by itself is not sufficient to justify government intervention. That intervention needs to show that the benefits are greater than the costs. The EUAA believe that the current information asymmetry leads to a gross imbalance in bargaining power against industrial (C&I) users who may go into the market only once every few years. This impedes the bargaining process which results in allocative inefficiency and deadweight losses.</p> <p>The benefits of Option 4 to reduction in these losses far exceed the transactions and administrative costs involved.</p> <p>We agree with the ACCC-GMRG view expressed in Table 4.2 p.48 that the lack of publicly available information makes it very difficult to determine a 'fair gas price'. However, we should caution those who may believe that implementing Option 4 will lead to a 'fair' price outcome. The definition of "fair" is in the eye of the beholder and simply providing information does not guarantee a workable competitive market. This requires sufficient producers with sufficient gas to provide customers with a range of offers that reflect the relative efficient costs of production plus a reasonable rate of return.</p> <p>Yes, there is market failure on information provision and government intervention is justified on a cost benefit basis. But there is still "government failure" in the various moratoriums and restrictions on gas development and exploration in some States that needs to be addressed before our members can have some confidence that the price they negotiate will be 'fair'.</p>
7	To what extent have you been using the existing information on the Bulletin Board and information published in the ACCC Gas Inquiry?	
8	Do you agree with the ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the	Yes – we support the publication of all the proposed data series.

	<p>following (see section 3.3 for more detail)?</p> <ul style="list-style-type: none"> ○ production cost estimates; ○ short-term GSA prices; ○ long-term GSA prices; ○ LNG netback prices; ○ LNG export prices; and ○ the standing prices and actual prices paid for compression and storage facilities. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Given the absence of a range of offers reflecting a competitive market, our members required the publication of that information to provide them with some negotiation leverage with the offer(s) they do receive.</p>
9	<p>Do you agree with the options that have been identified in section 4.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what they are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	<p>Yes – we agree with the proposed options.</p>
10	<p>In relation to the options set out in section 4.3:</p> <ul style="list-style-type: none"> (a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option? (b) What incremental benefits do you think are associated with options 2-4? (c) What incremental costs do market participants expect to incur under options 2-4? (d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council’s Vision as set out in Box 1.1? (e) Do you agree with the proposed reporting frameworks for short- 	<p>Given our views above on the need for substantial change in the level of information provided, we do not see Options 1 and 2 as meeting the NGO. Further, the Ministerial Press release of 6th August 2019 extending the ACCC Gas Inquiry to 2025 means that many of the proposed examples of information disclosure in Options 1,2 and 3 that were to end in 2020 will continue to 2025.</p> <p>We agree that Option 3 would reduce most of the identified information deficiencies in Section 4.1-4.2.</p> <p>We generally support the proposed additional measures in Option 4 with the following comments:</p> <ul style="list-style-type: none"> ● Producers actual production costs – it is not clear how this would be calculated and

	<p>term GSAs, swaps and/or secondary trades of storage capacity? If not, please explain what you think should change and why.</p>	<p>hence how useful it would be for gas users; there are a myriad of ways of calculation e.g. how to allocate fixed overheads? Is its short run or long run costs? marginal or average? In the absence of more detail on how it would be calculated – and the monitoring/ compliance role of the AER - we would hold judgement on its usefulness.</p> <ul style="list-style-type: none"> • LNG import prices – again it is not clear about how this would be calculated so we would hold comment on its usefulness until we see the proposed methodology; While we understand that to the extent that imported LNG is a competitor for locally produced gas, local producers knowing actual import costs might stifle competition. However local producers would have a very good understanding of LNG import prices given that most are in the LNG business themselves. It really depends on how competitive imported LNG is with local gas. If the lack of local gas options means that imported gas is not going to face competition from local gas then information on gas import costs is very important to consumers. This would suggest a detailed methodology needs to be worked out to ensure the prices published are an accurate reflection of the cost base for negotiations. • Gas swap prices – we support publication of this information • Historic invoiced based producer and retailer gas price series/ prices offered by gas suppliers – we support continuing to report these as part of the ACCC Gas Inquiry post 2020 • Mandatory listing of all gas supply requests and offers – the current information provided by the ACCC on offers is very useful information to gas users; we support this measure continuing • Secondary trades of storage capacity – we support this information being disclosed as proposed.
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11	If you think the transparency measures set out in section 4.3 should be implemented through alternative means, please explain how you envisage this would work.	

4. SUPPLY AND AVAILABILITY OF GAS

Number	Questions	Feedback
12	Do you agree with the information deficiencies that have been identified in Table 5.1? If you don't agree with the information deficiencies that have been identified, please explain why. Are there other gas supply and availability related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?	<p>Yes. The EUAA is a strong supporter of the ACCC recommendations on consistent reporting of reserves and resources in its May 2019 report.</p> <p>We find it particularly disappointing that the range of information that producers and LNG exporters are required to provide various Governments and their agencies is not made publicly available – either by the producers or by the Government and their agencies. It is further illustration of the market failure and the need to government to facilitate information disclosure. This disclosure should be in a consistent form that is understandable to gas users.</p>
13	How significant an effect do you think the information deficiencies identified in Table 5.1 are having on the gas markets in eastern and northern Australia and the broader economy?	Very significant. Our arguments here are the same as discussed above on pricing information – failure to provide information results in

Number	Questions	Feedback
		inefficient negotiation process and barriers to effective Government policy development.
14	Do you agree that the information deficiencies regarding the supply and availability of gas could be viewed as a market failure that will warrant government intervention? If not, please explain why.	<p>Yes, it is a market failure justifying government intervention. We agree with the position of the ACCC-GMRG expressed at p.70:</p> <p>“...it is not in the perceived commercial interests of most market participants to address these information deficiencies on a voluntary basis, or to disclose information in a timely and accurate manner.”</p> <p>And that this narrow commercial interest has the impact of preventing gas users from making the best decisions on gas procurement and their investment decisions in their businesses.</p>
15	To what extent have you been using the existing information on the Bulletin Board and information published in the ACCC Gas Inquiry?	
16	<p>Do you agree with the AEMC’s and ACCC-GMRG’s recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)?</p> <ul style="list-style-type: none"> ○ 1P, 2P, 3P reserves, 1C and 2C contingent resources; ○ Links to public information on exploration activities; ○ Drilling activities; ○ Volume of gas contracted under existing GSAs; and ○ LNG import volume and operational information. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Yes, we agree with the proposed data to be published on reserves, resources, exploration, drilling, contract volumes and LNG import and operational volume.</p> <p>It would be used to address the current information asymmetry and enable gas users to better negotiate their gas supply agreement to achieve an outcome that has a greater chance of enabling them to stay in business.</p>
17	Do you agree with the options that have been identified in section 5.3, or are there other options that could be considered? If	Yes, we agree with the options set out in section 5.3.

Number	Questions	Feedback
	you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.	
18	<p>In relation to the options set out in section 5.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p> <p>(b) What incremental benefits do you think are associated with options 2-4?</p> <p>(c) What incremental costs do holders of gas reserves and resources, LNG import and LNG export facilities expect to incur under options 2-4?</p> <p>(d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?</p>	<p>The Issues Paper clearly sets out the inefficiencies that flow from Option 1:</p> <p>"...will ultimately be borne by gas users and could have broader consequences for the gas market and the economy.</p> <p>Under this option, the information deficiencies described in Error! Reference source not found. are expected to have a 'highly likely' chance of occurrence and a 'moderate' negative impact on the efficient operation of the market and the allocation of gas and other resources"</p> <p>Given that:</p> <ul style="list-style-type: none"> • The demand supply outlook for the next year is already being provided for the ACCC gas reports • We expect that internal company planning would include medium- and longer-term demand/supply balance <p>We see the additional costs of Option 4 as minor.</p>
19	If you think the transparency measures set out in section 5.3 should be implemented through alternative means, please explain how you envisage this would work.	

5. DEMAND FOR GAS

Number	Questions	Feedback
20	Do you agree with the reporting information inconsistencies that have been identified in section 6.1? If you do	Yes. We were surprised to see the level of information collected by various Government agencies on LNG exports. There are definite

Number	Questions	Feedback
	not agree, please explain why. Are there other demand related information deficiencies that are adversely affecting the gas markets in eastern and northern Australia?	benefits in aligning this into consistent and understandable data sets. We support the requirement for large users to report their demand.
21	How significant an effect do you think the demand related information deficiencies are having on the gas markets in eastern and northern Australia and the broader economy?	As we noted above – the lack of information means market decisions are less efficient than they would otherwise be. It hinders the move towards a more competitive market.
22	Do you agree that the information deficiencies identified in the demand for gas could be viewed as a market failure that will warrant government intervention? If not, please explain why.	Yes – for the same reasons as outlined above on the same question writ prices and supply.
23	To what extent have you been using the existing information regarding LNG exporters’ demand-supply balance as published in the ACCC Gas Inquiry?	This information is an important guide to understanding: <ul style="list-style-type: none"> • Whether LNG projects will need to call on reserves that would otherwise have been available to the domestic market • Its impact on the ADGSM
24	Do you agree with the AEMC’s and ACCC-GMRG’s recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)? <ul style="list-style-type: none"> ○ Large users’ information on nameplate capacity and daily actual gas consumption; ○ LNG export facility operational information; and ○ LNG export facility shipment information. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	Yes. It allows the market to get a more comprehensive view on the demand outlook than is currently the case. This contributes to an overall more efficient market outcome.

Number	Questions	Feedback
25	<p>Do you agree that requiring large users, LNG facility operators and LNG export facilities to report the information set out in section 6.3 will benefit market participants?</p> <p>(a) If so, please explain how you would use this information and the benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Yes. It allows the market to get a more comprehensive view on the demand outlook than is currently the case.</p>
26	<p>Do you agree with the list of information that large users, LNG facility operators and LNG export facilities would be required to report (e.g. do you agree that LNG facility operators should be required to report on the volume of LNG in storage facilities)?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Yes. It allows the market to get a more comprehensive view on the demand outlook than is currently the case.</p>
27	<p>Do you think that Northern Territory LNG facilities should be included or exempt from reporting the proposed operational and shipment information? Please explain your view.</p>	<p>No view</p>
28	<p>Do you have any suggestions for alternative/additional information that would improve demand side information on the Bulletin Board? If so, please explain your suggestions.</p>	<p>Not at this stage. We support the proposed information disclosure and are willing to see how that works out in practice before considering any additional disclosure.</p>
29	<p>In relation to the LNG export information:</p> <p>(a) Are there any reasons why LNG exporters should not be required to report on exports to AEMO for publication on the Bulletin Board? If so, please explain why.</p> <p>(b) Are there any constraints on the ability of LNG exporters to report this information to AEMO? If so,</p>	<p>(a) No</p> <p>(b) We are not aware of any</p> <p>(c) No comment</p>

Number	Questions	Feedback
	<p>please explain what the constraints are.</p> <p>(c) Do you agree the 20-business day lag is required to address potential concerns about the publication of LNG export information and if so, is this measure effective? If not, what would address those concerns?</p>	
30	<p>Do you agree with the options that have been identified in section 6.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	<p>We agree with the options identified in section 6.3.</p>
31	<p>In relation to the options set out in section 6.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p> <p>(b) What incremental benefits do you think are associated with options 2-4?</p> <p>(c) What incremental costs do LNG exporters, LNG facility operators and large users expect to incur under options 2-4 in section 6.3?</p> <p>(d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?</p>	<p>As a general principle we support the measures in Option 4 as it reduces the residual risk to "low".</p> <p>We support the additional measure in Option 4. Forecasts of daily gas consumption for the next 12 months and then medium-term demand outlook would be a normal part of business forecasting so we see no additional burden on users to provide this information to AEMO. The information</p>
32	<p>If you think the transparency measures set out in section 6.3 should be implemented through alternative means, please explain how you envisage this</p>	

Number	Questions	Feedback
	would work and how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.	

6. Infrastructure used to supply gas to end-markets

Number	Questions	Feedback
33	Do you agree with the information deficiencies that have been identified in section 7.1? If you don't agree with the information deficiencies that have been identified, please explain why? Are there other infrastructure related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?	Yes. These have been well canvassed in successive ACCC gas reports.
34	How significant an effect do you think the infrastructure related information deficiencies are having on the gas markets in eastern and northern Australia and the broader economy?	A significant impact. The April 2016 ACCC East Coast Gas Inquiry highlighted the ability of pipelines to exercise monopoly power given the lack of information transparency. This argument was further substantiated by the Vertigan reviews of unregulated pipelines and the AEMC reviews of lightly and fully regulated pipelines.
35	Do you agree that the information deficiencies regarding infrastructure used to supply gas to end-markets could be viewed as a market failure that will warrant government intervention? If not, please explain why.	Yes – given the ACCC finding that it allows pipelines to exercise monopoly power.
36	Do you agree with the AEMC's and ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)? <ul style="list-style-type: none"> ○ Proposed and committed infrastructure developments; ○ 36-month uncontracted capacity outlook for storage and stand-alone compression facilities, and 	Yes. As with above responses, it allows the market to get a more comprehensive view on the transportation market than is currently the case. This reduces the information asymmetry and contributes to an overall more efficient market outcome. It would be used to enable gas users to be in a better position to negotiate their gas supply agreement to achieve an outcome that has a greater chance of enabling them to stay in business.

Number	Questions	Feedback
	<p>production facilities providing third party access;</p> <ul style="list-style-type: none"> ○ Stand-alone compression facilities to report operational information; and ○ A list of users with contracted capacity under storage and stand-alone compression facilities. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	
37	<p>Do you agree that requiring project proponents to provide the proposed information on gas infrastructure developments will deliver an overall net benefit to gas market participants and policymakers?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Yes. It would be used for the same reasons as outlined in the response to the previous question.</p>
38	<p>Do you agree that the requirement for entities to provide information on gas infrastructure developments should cover both 'proposed' and 'committed' developments set out in section 7.3? If not, please explain why.</p>	<p>Yes.</p>
39	<p>Do you agree the rules requiring compression service facilities registered under Part 24 to provide operational information should extend to all stand-alone compression facilities that meet the reporting threshold? If not, please explain why.</p>	<p>Yes.</p>
40	<p>Do you agree the rules requiring compression service facilities registered under Part 24 to provide operational information should extend to all stand-</p>	<p>Yes.</p>

Number	Questions	Feedback
	alone compression facilities that meet the reporting threshold? If not, please explain why.	
41	Do you agree with the categories of information to be reported by compression service facilities set out in section 7.3? If not, please explain why.	Yes.
42	<p>Do you agree the proposed extension of the time-frame for uncontracted capacity outlooks from 12 to 36 months will deliver an overall net benefit to gas market participants?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	Yes.
43	<p>Do you see value in extending the information requirement for a 36-month uncontracted capacity outlook to production facility operators that are providing third party access?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p>	Yes. We agree that the cost of information provision should be low.
44	Do you agree that requiring Bulletin Board compression facilities and Bulletin Board storage facilities to provide a list of users with contracted capacity for publication on the Bulletin Board will deliver an overall net benefit to gas market participants?	Yes.
45	Do you agree that the materiality threshold should be changed? If not, please explain why.	Yes
46	Do you agree with the options that have been identified in section 7.3, or are there	We agree with the options provided in section 7.3.

Number	Questions	Feedback
	<p>other options that could be considered? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	
47	<p>In relation to the options set out in section 7.3:</p> <ul style="list-style-type: none"> (a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option? (b) What incremental benefits do you think are associated with options 2-4? (c) What incremental costs do entities developing new gas infrastructure, operators of storage and stand-alone compression facilities, and facilities with a capacity of 10-30TJ/day expect to incur under options 2-4 in section 7.3? (d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1? 	<p>As noted above, as a general principle we favour Option 4 given the "low" risk rating. While Option 3 also has a "low" risk rating, we consider that the costs of provision of the additional measures in Option 4 are low compared to the benefits outlined in the RIS - market participants being able to respond more efficiently to intra-day market disruptions than they would otherwise be able to.</p>
48	<p>If you think the transparency measures set out in section 7.3 should be implemented through alternative means, please explain how you envisage this would work and how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.</p>	

7. GAS STATEMENT OF OPPORTUNITIES (GSOO)

Number	Questions	Feedback
49	Do you agree that the GSOO should be expanded to include the Northern Territory now it is connected to the eastern and northern Australian gas markets? If not, please explain why.	Yes. The connection of the Northern Territory through the Northern Gas Pipeline and the impending development of gas reserves in the NT support the NT's inclusion in the GSOO.
50	Do you agree that the current voluntary requirement for market participants to provide information to AEMO results in a poor quality of information in the GSOO? If not, please explain why.	We share the concern of other stakeholders around the quality of the information voluntarily provided to AEMO.
51	Do you agree that compelling market participants to provide information required for GSOO preparation will benefit the quality of information in the GSOO? If not, please explain why.	Yes. We need to have confidence in the quality of information underpinning the GSOO analysis and recommendations.
52	Do you agree with the options that have been identified in section 8.3, or are there other options that could be considered that would result in the GSOO better achieving its objective? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.	Yes, we agree with the Options identified.
53	<p>In relation to the options set out in section 8.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p> <p>(b) What incremental benefits do you think are associated with option 2?</p> <p>(c) What incremental costs do market participants expect to incur under option 2?</p>	<p>We support Option 2. Option one is not supported as it fails to address the problems identified above – voluntary information provision, exclusion of the NT etc</p> <p>Option 2 has a 'low' residual risk rating.</p>

	(d) Are there any refinements that could be made to option 2 to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?	
54	If you think the transparency measures set out in section 8.3 should be implemented through alternative means, please explain how you envisage this would work how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.	

8. RISK ANALYSIS

Number	Questions	Feedback
55	Do you agree with the identified risks and treatments associated with maintaining the status quo, as set out in Tables A.1 and A.2? If not, please explain why. If you think there are other risks and treatments that could be included in Tables A.1 and A.2, please elaborate.	We generally agree with the approach taken in the risk analysis. A failure to provide significant information transparency acts to create allocative inefficiency and deadweight losses in gas markets. More specifically is acts to prevent gas users from getting an efficient gas supply agreement that increases the chances of them going out of business with consequent efficiency losses for the economy.
56	Do you agree with the identified risks and treatments associated with implementing recommendations described in options 2, 3, and 4, as set out in Tables A.3 and A.4? If not, please explain why. If you think there are other risks and treatments that could be included in Tables A.3 and A.4, please elaborate.	

9. COST BENEFIT ANALYSIS

Number	Questions	Feedback
57	<p>Are you aware of any upcoming changes at a government level or private sector level that the CBA should take into account under the status quo scenario? If so, please explain what the changes are and how best to account for those changes in the CBA.</p>	<p>The Ministerial Press Release of 6th August extending the ACCC's role in monitoring and publishing data on the gas market in Australia until December 2025</p> <p>https://minister.environment.gov.au/taylor/news/2019/government-acts-deliver-affordable-reliable-gas</p>
58	<p>Do you agree with the identified costs and benefit categories set out in Table 9.2? If not, please explain why? If you think there are other costs and benefit categories that could be considered in the CBA, please explain those cost categories and how best to capture them in the CBA.</p>	<p>Yes</p>
59	<p>Do you have any information on the costs and benefits outlined in Table 9.2? If so, please elaborate on the components and quantum of the costs and benefits.</p>	<p>The evidence we do have is that members are having great difficulty in negotiating gas contracts that provide confidence that they can survive even in the medium term.</p>

Number	Questions	Feedback
60	Do you agree with the proposed discount rate and appraisal period input variables to be used for the central case and sensitivity testing? If not, please explain why.	We understood that the discount rate is set by OBPR's <i>CBA Guidance Note</i> , and hence could not be changed.
61	Do you think there are other input variables which should be sensitivity tested in the CBA? If so, please explain what other input variables should be tested.	No.

10. COMMONWEALTH REGULATORY BURDEN MEASURE ANALYSIS

Number	Questions	Feedback
62	Do you have any information on the regulatory burden costs related to existing reporting requirements? If so, please elaborate on the components and quantum of the costs.	No

11. COMPETITION EFFECTS ANALYSIS

Number	Questions	Feedback
63	Do you agree with the proposed approach to qualitatively assess the competition implications of each policy option described in this RIS paper? If not, please explain why.	Yes

Number	Questions	Feedback
64	Do you agree with the categories of key stakeholder groups identified for this analysis? If not, please explain why.	Yes
65	Do you agree with the proposed seven-point scale to be used for this analysis? If not, please explain why.	Yes
66	Do you have any information on potential competition effects arising from each of the policy options summarised in Table 9.1 ? If so, please elaborate.	No

12. NATIONAL GAS LAW AMENDMENTS

NO COMMENTS

Item number	Amendment	Issue	Feedback
	Part 1	Preliminary	
1	[Insert section and subsection reference]	[Insert section/subsection text]	
2	[Insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 2	Amendment of National Gas Law	
3	[Insert section and subsection reference]	[Insert section/subsection text]	

Item number	Amendment	Issue	Feedback
4	[Insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	

13. National Gas Regulations Amendments

NO COMMENTS

Item number	Amendment	Issue	Feedback
	Part 1	Preliminary	
1	[Insert section and subsection reference]	[Insert section/subsection text]	
2	[Insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 2	Variation of National Gas (South Australia) Regulations	
3	[Insert section and subsection reference]	[Insert section/subsection text]	
4	[Insert section and subsection reference]	[Insert section/subsection text]	

Item number	Amendment	Issue	Feedback
	[insert extra rows if necessary]		

14. National Gas Rules Amendments

NO COMMENTS

Item number	Amendment	Issue	Feedback
	Part 15B	Procedures	
1	[insert section and subsection reference]	[Insert section/subsection text]	
2	[insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 15D	Gas statement of opportunities	
3	[insert division, section and subsection reference]	[Insert section/subsection text]	
4	[insert division, section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 17	Miscellaneous provisions relating to the AER	

Item number	Amendment	Issue	Feedback
5	[insert section and subsection reference]	[Insert section/subsection text]	
6	[insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 18	Natural Gas Services Bulletin Board	
7	[insert division, section and subsection reference]	[Insert section/subsection text]	
8	[insert division, section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 18A	Compression and storage terms and prices	
9	[insert division, section and subsection reference]	[Insert section/subsection text]	
10	[insert division, section and subsection reference]	[Insert section/subsection text]	

Item number	Amendment	Issue	Feedback
	[insert extra rows if necessary]		