

**Standing Committees on Economics
Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Inquiry into the Competition and Consumer (Gas Market Code) Regulations

Department/Agency: Australian Competition and Consumer Commission

Topic: Written QoN received from Senator McKim

Date: Friday, 22 September 2023

Question:

1. Is the ACCC confident that LNG exporters on the East Coast are meeting and will meet their 342PJ export contract volumes from their own production sources or will they additionally source gas from Australia's domestic market?
2. Please provide any past figures or future estimation of how much gas LNG companies are purchasing from the domestic market?
3. If this information is not available to the ACCC, if this information was provided by gas companies to the ACCC, would it improve proper oversight of a functioning domestic gas market?

Answer:

1. *Is the ACCC confident that LNG exporters on the East Coast are meeting and will meet their 342PJ export contract volumes from their own production sources or will they additionally source gas from Australia's domestic market?*

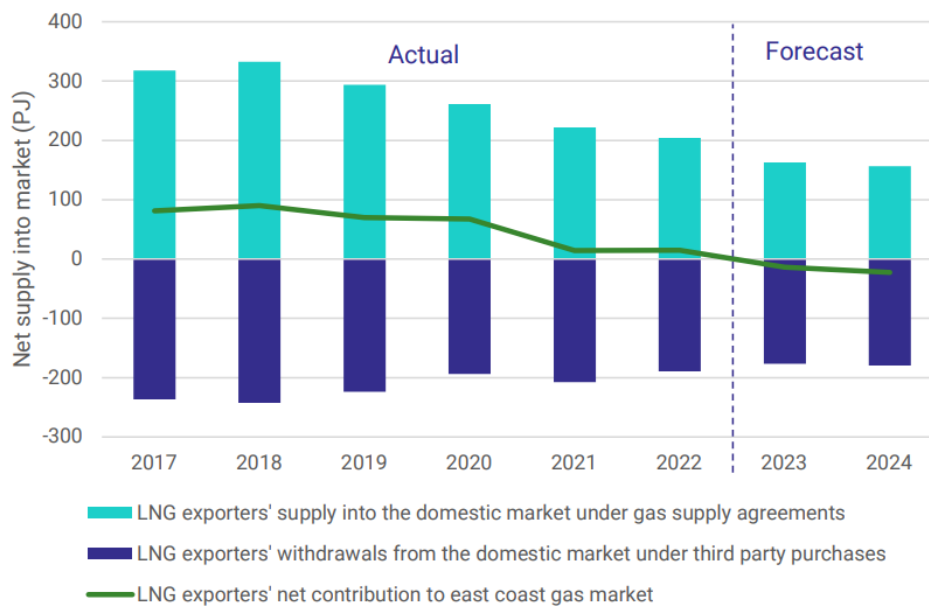
Our September 2023 Gas Inquiry interim report found that the east coast LNG producers' gas production from 2P reserves and net storage withdrawals were forecast to be 356.9 PJ in Quarter 1 of 2024. It also found that the east coast LNG producers are forecast to purchase 41.9 PJ of gas from domestic suppliers other than LNG projects and have contracted to sell 35.8 PJ to the domestic market in that time period.

2. *Please provide any past figures or future estimation of how much gas LNG companies are purchasing from the domestic market?*

Our June 2023 Gas Inquiry interim report found that in 2024, the east coast LNG producers are forecast to purchase 179 PJ of gas from domestic suppliers other than LNG projects and are contracted to sell 157 PJ of gas to the domestic market.

Information on the east coast LNG producers' past net contribution to the domestic market can be seen in Chart 1.11 from our June 2023 Gas Inquiry interim report:

Chart 1.11: The net contribution of LNG producers to the east coast gas market



Source: ACCC analysis of data obtained from gas producers in March 2023 and of the domestic demand forecast (Orchestrated Step Change scenario) from AEMO's 2023 GS00.

The report notes that LNG producers' supply into the domestic market has been decreasing over time. While the LNG producers have made a net contribution in aggregate terms for each year that has fully elapsed, the amount has also been decreasing over time.

3. *If this information is not available to the ACCC, if this information was provided by gas companies to the ACCC, would it improve proper oversight of a functioning domestic gas market?*

This information has been sourced by the ACCC using our compulsory information gathering powers under the Competition and Consumer Act and published in our recent Gas Inquiry interim reports.