



4 May 2023

## **Submission: Gas Wholesale Market Monitoring and Reporting Reform**

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and other locations across Australia. Offering a wide range of services to gas users, retailers and producers, APGA members ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia and are at the forefront of Australia's renewable gas industry, helping achieve net-zero as quickly and affordably as possible.

APGA welcomes the opportunity to provide comments on the AER's consultation on the proposed gas Wholesale Market Monitoring and Reporting reforms. APGA flags that this reform creates duplication of information disclosure requirements in much the same way as many other reforms across the past five years. The cost of complying with duplicate requirements adds to increasing consumer energy prices while increasing the risk that similar but marginally different information may mislead market participants.

APGA supports a net zero emission future for Australia by 2050<sup>1</sup>. Renewable gases represent a real, technically viable approach to lowest-cost energy decarbonisation in Australia. As set out in Gas Vision 2050<sup>2</sup>, APGA sees renewable gases such as hydrogen and biomethane playing a critical role in decarbonising gas use for both wholesale and retail customers. APGA is the largest industry contributor to the Future Fuels CRC<sup>3</sup>, which has over 80 research projects dedicated to leveraging the value of Australia's gas infrastructure to deliver decarbonised energy to homes, businesses, and industry throughout Australia.

### **Duplicate disclosure requirements**

There remains real potential for duplication of monitoring and reporting measures between existing NGL transparency measures and the wholesale market monitoring and reporting (WMMR) framework. The Energy and Climate Change Ministerial Council agreed in February 2023 to expand the AER's WMMR functions, in line with expected reforms flagged in August 2022. APGA commented on the original consultation process to amend the WMMR

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<sup>1</sup> APGA, *Climate Statement*, available at: <https://www.apga.org.au/apga-climate-statement>

<sup>2</sup> APGA, 2020, *Gas Vision 2050*, [https://www.apga.org.au/sites/default/files/uploaded-content/website-content/gasinnovation\\_04.pdf](https://www.apga.org.au/sites/default/files/uploaded-content/website-content/gasinnovation_04.pdf)

<sup>3</sup> Future Fuels CRC: <https://www.futurefuelscrc.com/>

framework, noting industry concerns regarding the potential cost impacts to customers of introducing WMMR into the National Gas Law (NGL) for the wholesale gas market.<sup>4</sup>

APGA appreciates that these concerns have been acknowledged in the Issues Paper, however, potential solutions have only been flagged, rather than committed to. For example, the Issues Paper notes an intention of the ACCC and AER “to work together to minimise regulatory duplication and to appropriately share information that is collected” – without committing to do so. The ACCC and the AER readily share resourcing and staff, and information in other contexts, and the AER can also access information from other market bodies such as the AEMC and AEMO. Where there are regulatory or legal barriers to accessing this information, arguably these are more straightforward to amend, rather than creating a new and potentially redundant reporting framework.

The Issues Paper acknowledges that data requests are already undertaken for a number of purposes – over the counter gas contracts for ASIC, gas market activity for the Gas Bulletin Board, the ACCC East Coast Gas Market Inquiry, derivatives from the Australian Financial Markets Association, retailer reliability obligations for the AER, and, unidentified by the Issues Paper, bespoke information orders for multiple purposes.

### **Costs of duplicate disclosure**

As we stated in our prior submission on this subject, providing this information is not a cost-free exercise for pipeline operators; these costs are ultimately passed on to consumers.

APGA members indicate that the cost of compliance with information disclosure processes, many of which request duplicate information, is in the millions of dollars.<sup>5</sup> This cost of responding to often duplicate and parallel regulatory compliance obligations ultimately increases energy prices. Governments and regulators have an obligation to minimise cost of compliance ultimately borne by consumers; instead, expanding the scope of the information gathering powers of the AER in the way proposed will significantly increase industry costs, costs which will be passed on to customers.

APGA suggests the AER reconsider the necessity of exercising such duplication in the Guidelines, and seek wherever possible to streamline its data requests to those similar in form and function to those already provided for existing regulatory processes.

### **Repeat issue**

Further, this concern is and has been repeated across multiple government processes. Most relevant, similar duplication concerns are arising in the adjacent consultation process for the implementation of Pipeline Information Disclosure reforms currently under consultation by the AER. Governments, departments and regulators need to start genuinely considering the

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<sup>4</sup> APGA, 2022, *Submission: Amending the Australian Energy Regulator Wholesale Market Monitoring and Reporting Framework consultation*, [https://www.apga.org.au/sites/default/files/uploaded-content/field\\_f\\_content\\_file/220825\\_apga\\_submission\\_-\\_amending\\_aer\\_wholesale\\_market\\_monitoring\\_reporting.pdf](https://www.apga.org.au/sites/default/files/uploaded-content/field_f_content_file/220825_apga_submission_-_amending_aer_wholesale_market_monitoring_reporting.pdf)

<sup>5</sup> Individual companies will discuss their individual costs either directly with the Department or in their individual submissions. As an indication, APA Group advises that responding to ACCC information requests as part of the 2015-2030 Gas Inquiry has cost over \$5.3 million since 2015. Other members have advised similar figures for this and similar processes.

negative impacts of regular duplication of information disclosure requirements across broad and far-reaching reform processes.

APGA generally recommends a review of all gas supply chain information disclosure requirements with a view towards consolidation. Such a reform would reduce the risk of conflicting market data misleading market participants, as well as reducing costs for customers currently driven by duplication of efforts.

To discuss any of the above feedback further, please contact me on +61 422 057 856 or [jmccollum@apga.org.au](mailto:jmccollum@apga.org.au).

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'JM', is positioned above the typed name.

JORDAN MCCOLLUM  
National Policy Manager  
Australian Pipelines and Gas Association