



Australian Government

**Department of Climate Change, Energy,
the Environment and Water**

**Department of Industry, Science
and Resources**

Gas Market Review

Consultation Paper

July 2025

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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

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Introduction

The Australian Government is committed to ensuring Australia's households' and businesses' energy needs are supported by effectively functioning markets and regulatory frameworks. These markets and frameworks help Australia achieve efficient investment and affordability and availability of gas. They also work to maintain energy security as Australia reduces its emissions consistent with legislated emission reduction targets, and as our region transitions to net zero.

The Commonwealth Gas Market Review (the Review) will examine the effectiveness and coherence of the Gas Market Code (the Code), the Australian Domestic Gas Security Mechanism (ADGSM) and the Heads of Agreement (HoA) with the east coast liquefied natural gas (LNG) exporters. These policies are referred to as 'the instruments' in this paper. The focus of the Review will be consistent with the objectives and principles of the Future Gas Strategy.¹

The objectives, scope and context of the Review are set out within the Terms of Reference. The Review is national and will take a first principles approach to consider the effect of the instruments on these themes:

- Supply, security and trade
- Contracting and bargaining conduct
- Gas market transparency
- Wholesale gas prices
- Efficient wholesale markets

The Review will inform the Australian Government's consideration of future reform options. This paper and feedback from the consultation process will inform the review and reform options. Decisions on the options is a matter for the Australian Government. Further details on the scope, process and timeframes are set out in the Terms of Reference.

Review Process

Stakeholders can respond to this consultation paper via the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) [Consultation Hub](#).

Submissions should provide responses to the consultation questions outlined throughout this paper (Appendix 1 includes a consolidated list of questions).

Submissions close at 5pm Friday 15 August 2025. Questions about the consultation or the review can be emailed to: gasmarket@dcceew.gov.au.

Submissions will be published on DCCEEW's website.

Following this consultation process, a Review report will be given to the Minister for Climate Change and Energy, and the Minister for Resources. They will consider the findings, recommendations and proposed next steps.

¹ Australian Government [Future Gas Strategy](#), 2024, accessed May 2025

Overview of Australia's gas market regulations and policies

Supply, security and trade

The instruments work together to ensure Australian consumers have sufficient supplies of natural gas while minimising disruption to the operation of Australia's LNG industry, which plays an enduring role in supporting Australia's position as a reliable trade partner of LNG. These instruments have been put in place by successive governments in response to a crisis of supply or price, or both:

- The **Code** aims to ensure adequate supply of wholesale gas at reasonable prices and on reasonable terms. The Code has secured additional domestic supply commitments secured through the Conditional Ministerial Exemptions framework.
- The Commonwealth entered into a **Heads of Agreement (HoA)** with east coast LNG gas exporters to safeguard Australia's domestic supplies. It aims to prevent a gas supply shortfall by requiring LNG exporters to offer uncontracted gas to the domestic market for reasonable supply periods with reasonable notice, on competitive market terms at prices no more than international customers will pay, before being offered to the international market
- The **Australian Domestic Gas Security Mechanism (ADGSM)** aims to ensure sufficient natural gas remains in Australia to meet the needs of Australian energy users. The ADGSM is a measure of last resort. If a gas supply shortfall is forecast for Australia, LNG projects may need to limit exports or find new gas sources. While the ADGSM has never been activated, the potential for ADGSM activation may influence the behaviour of LNG exporters to increase domestic gas supply.

There are several regulatory or market bodies that inform and affect the supply, security and trade of gas within Australia. Australia's regulatory frameworks vary by geographic location. Supply and demand forecasts for east and west coast gas markets are provided by the Australian Energy Market Operator (AEMO)'s annual Gas Statement of Opportunities (GSOO), Western Australian (WA) GSOO and the Australian Competition and Consumer Commission's (ACCC) quarterly Gas Inquiry publications.

- AEMO's Gas supply Statement of Opportunity (GSOO)
 - forecast of annual gas consumption and maximum gas demand, and
 - report on the adequacy of western and eastern gas markets to supply forecast demand over the outlook period.
- ACCC's Gas Inquiry 2017-2030
 - inquiry into the supply of and demand for wholesale gas in Australia
 - publish quarterly reports on the supply and pricing of gas
 - publish 6-monthly reports on HoA compliance.

The ACCC Gas Inquiry aims to increase transparency on supply and demand in the east coast gas market, in particular in relation to LNG producers' uncontracted gas forecasts and informs decision making by the Minister for Resources in relation to the ADGSM.

In addition to the above measures, AEMO monitors and works with the market to address identified risks or threats to gas system reliability and supply adequacy. AEMO may direct market participants where it considers a direction necessary to prevent, reduce or mitigate an actual or potential threat. Such directions could hypothetically be used to direct uncontracted gas destined for export as spot into domestic markets in circumstances where a shortfall was anticipated. A compensation framework underpins use of these powers by AEMO. As part of these functions to support reliability and adequacy of the supply of natural gas within the east coast gas system, AEMO can also trade in natural gas and purchase related gas services - noting that the operation of some of these functions are currently being considered as part of the Reliability and Supply Adequacy Framework (Stage 2) rule change request processes (see Appendix 3).

Current observations on supply, security and trade

Structural adjustments are underway, particularly on the east coast. National gas demand is expected to remain steady, with the profile of demand changing over time.² The 2025 GSOO forecasts a long-term domestic requirement for natural gas out to 2044 (the end of the forecast period), with the consumption profile shifting from a reduction residential and commercial consumption towards greater gas consumption for gas powered generation, with growing peak day gas volatility in winter. The supply outlook varies by Australia's geography. On the east coast, large legacy fields are reaching their end of life, new gas supply and infrastructure projects coming online at varying speeds, but not at a pace that is replacing existing production, and LNG regassification terminals emerging as a potential new source of supply.

In the west coast, the near-term supply-demand outlook has improved compared to previous years as a result of higher forecast production from existing domestic production projects, new forecast supply likely to come online in the near term, and reduced industrial demand.³ Over the medium term, AEMO forecasts the potential for supply shortfalls in Western Australia from 2030, resulting in part from increased demand from industrial restarts and new industrial projects (including the major Perdaman urea production facility), forecast to come online in 2028, and indicating the risk of a supply gap in that year under modelled assumptions. From 2030 onward, the risk of structural shortfalls emerges, indicating the need for increased domestic supply in the Western Australian market.

As these forecasts suggest, the next five to ten years are critical in terms of gas supply security. Australia's LNG industry will likely play an increasingly important role in meeting our national gas needs while sustaining energy security in our region. Australia cannot rely on past investments to meet our future energy needs, continued investment is required to meet demand during the economy-wide transition.

The Code has secured additional domestic supply. Current forecasts show a total of up to 644PJs to be supplied to market under the conditional Ministerial exemption (CME) framework in the Code. This includes the following domestic supply commitments:

² Australian Energy Market Operator (AEMO) Gas Statement of Opportunities (GSOO), March 2025 and Western Australian Gas Statement of Opportunities (WA GSOO), December 2024;

³ Australian Energy Market Operator (AEMO), Western Australian Gas Statement of Opportunities (WA GSOO), December 2024.

- A commitment from APLNG to provide 60PJs of additional gas supply to domestic markets between 2024 and 2029 at no more than \$12GJ + CPI – this is in addition to existing APLNG sales to the domestic market
- A commitment from Walloons (a part of Shell’s QGC business) to offer 40PJs of gas between 2024 – 2027 at no more than \$12GJ + CPI to support gas-powered electricity generation – this is in addition to existing Walloons’ sales to the domestic market
- Commitments from domestic producers Woodside and Esso to maintain investment in Victorian-based operations and sell all gas produced to the domestic market
- A commitment from Senex to sell at least 50 per cent of production to the domestic market

Further detail regarding these commitments is available on the [ACCC conditional Minister exemption register](#).

In response to the ACCC’s forecast of a potential shortfall of 56 PJ for the east coast domestic market in 2023, the HoA was used to secure an additional 157 PJ of gas through a combination of uncontracted gas and existing and improved gas marketing methods. This contributed to the mitigating a shortfall from eventuating.

The HoA has seen consistent offers of gas provided to the domestic market with uptake varying quarter by quarter, with no gas supply shortfall materialising in any quarter. The proportion of HoA offers sold since the renewal of the agreement indicates that gas is available but not being taken up at the offered price or terms.⁴ Note, LNG exporters also supply the domestic market outside of the HoA framework which is not captured in Table 1 below.

As part of the practical operation of the HoA, regular high-level meetings are held between east coast LNG gas exporters and the Minister for Resources to ensure both parties are actively engaged in their obligations under the HoA.

Table 1: Impact of Heads of Agreement August 2022 to December 2024

(PJ)	Offers	Sold
Aug 2022 – Feb 2023	274	7
Feb 23 - Aug 23	26	18
Aug 23 - Jan 24	147	41
Jan 24 - Jun 24	49	22
Total from Feb 23 to June 24	222	81

Source: ACCC Gas Inquiry Interim Reports from January 2023, June 2023, December 2023, June 2024, December 2024

The Code and HoA act to secure domestic gas supply for the east coast by encouraging exporters to offer uncontracted gas to the domestic market prior to export (HoA) and securing domestic supply commitments from producers (as noted above), in exchange for exemptions to the price or conduct provisions (Code). The ADGSM is also acts to ensure domestic supply security as a measure to restrict exports in the event a shortfall period.

⁴ Australian Competition and Consumer Commission (ACCC) Gas inquiry 2017-30 reports

Establishing a more formal national approach to securing domestic gas would require careful consideration of a range of policy and legal complexities but may offer the opportunity to simplify existing gas market regulations. Any scheme would need to recognise existing long-term contracts that have underpinned Australia's LNG industry, and co-exist with existing State and Territory reservation policies.

Breakout box 1:

Understanding domestic supply commitments

Australia's two largest gas producing states, Western Australia (WA) and Queensland (QLD), have adopted differing versions of domestic gas reservation policies. The WA Government's reservation policy was formalised in 2006 and has been updated over time. It secures WA's energy needs by ensuring that each LNG export project makes 15% of LNG production available to local consumers. LNG projects also commit to developing and obtaining access to the necessary infrastructure to meet their domestic gas commitments.

In 2017, the QLD Government introduced the 'Australian market supply condition' on certain tenements, requiring that any gas developed through the tenement to be sold and used only in Australia. The application of QLD's policy also accommodates Australian market conditions and provides flexibility to producers to meet their commitment to the domestic market.

Some LNG export projects and gas producers have made commitments to supply domestic users. This is both through ordinary contracting activity, or by 'shaping' their LNG exports, to provide more gas to the domestic market when demand increases and export more LNG when domestic demand reduces. Other companies have committed gas produced from projects to the domestic market, for example the Narrabri Gas Project operated by Santos in New South Wales has committed to supply 100 per cent of gas it produces to the domestic market.

Consultation questions on supply, security and trade:

Evaluative

1. How effective are the existing instruments in ensuring sufficient supply of natural gas for Australia's domestic market, including impacts on the exploration and development of new gas resources and infrastructure? Please provide detail.
2. Have the instruments affected the competitiveness of Australia's LNG export industry, investment reputation or international reputation for quality and reliability? If yes, please provide detail.

Reform

3. How might the instruments be improved to better achieve the Review's objective?
4. Are there alternative policies that would secure gas for Australian consumers while maintaining a strong LNG export industry? If so, please provide detail regarding anticipated effect these policies would have, how they should be applied, and how they should interact with existing instruments and policies?

Contracting and bargaining conduct

The Code sets out requirements to address bargaining power imbalances between producers and buyers. Minimum conduct and standards for commercial negotiations and contracting processes include the following requirements and obligations on producers to:

- issue a final offer prior to entering into a gas supply agreement (GSA)
- negotiate expression of interest, initial and final gas offers for gas supply for greater duration than 12 months
- publish information regarding expressions of interest and uncontracted gas on their website
- deal in good faith (this obligation extends to gas buyers).

To maintain flexibility, the Code does not mandate that gas must be offered through expression of interest (EOI) processes. However, it requires producers to publish information on their website on expected EOI and the amount of uncontracted gas available over a 24-month period.

The HoA requires LNG exporters to offer uncontracted gas to the domestic market for reasonable supply periods with reasonable notice, on competitive market terms at prices no more than international customers will pay, before being offered to the international market. This helps improve the bargaining position of domestic buyers by providing a first right of purchase for gas before the gas can be exported.

DISR monitors progress of these HoA commitments quarterly and the Minister for Resources meets with each of the LNG exporters quarterly to review compliance with the HoA to discuss the future domestic gas outlook. The ACCC also monitors the progress of these commitments and includes observations in relation to HoA compliance 6-monthly in its Gas Inquiry 2017-30 interim reports.

Current observations on contracting and bargaining conduct

Feedback through stakeholder engagements and the ACCC's December 2024 Gas Inquiry Report highlighted that commercial and industrial (C&I) gas users continue to face bargaining power imbalances in securing long-term GSAs with producers at reasonable terms and prices, posing challenges for gas buyers to meet their medium to long-term gas supply and exposing them to greater price and supply risk. This may have also been exacerbated with the introduction of EOIs and other regulatory requirements under the Code. Feedback since the commencement of the Code has focused on the following areas:

- Buyers have stated their concerns are around the silent nature of the EOI process and that C&I users do not have useful price signals both pre and post EOI/transactions.
- Producers are not engaging in bilateral negotiations or responding to buyer-led EOI processes and that non-price terms of gas supply contracts are increasingly becoming inflexible.
- The shift to shorter-term contracting exposes buyers to greater price and supply risks. This impacts buyers' long-term investment decisions and certainty to maintain their existing operations.
- Regulatory interventions have blunted investment signals and incentives to contract over multiple years.

- Transaction efficiency has been impacted by concerns of non-compliance with the Code, and the civil penalties that it attracts, and cannot respond quickly to changing market conditions.

ACCC Review of retailer selling practices – December 2024 Gas Inquiry Report

The ACCC undertook a detailed review over the period 2020-24, which found there was no evidence of a persistent market failure or systemic problem in retailer pricing practices requiring price regulation, and doing so may harm an already fragile competitive environment to the detriment of C&I users.⁵ The ACCC noted that competition in the market has improved selling practices but some retailer practices continue to fall short of what the ACCC would expect in a well-functioning retail market.

The ACCC advised that it will publish best practice guidance on retail selling practices in 2025 and monitor uptake. The ACCC will also publish more information on the prices that retailers are charging C&I users and the prices that retailers are paying producers.

Consultation questions on contracting and bargaining conduct:

Evaluative

1. Has the Expression of Interest (EOI) and offer process in the Code and HoA respectively been effective?
 - a. To what extent have these instruments helped address bargaining power imbalances?
 - b. Have these instruments produced any unintended consequences?
2. Have existing instruments impacted your ability, either positively and/or negatively, to secure long-term contracts?

Reform

3. How might the HoA and Code EOIs and offer processes be improved? Potential improvements could include price guidance and feedback being required from producers or exempting buyer-led EOIs from the Code.
 - a. How might this impact EOI processes? Please provide detail.
4. Do you consider buyer negotiating positions would improve with a standard Gas Supply Agreement (GSA) template that provides guidance or optionality on non-price terms as a reference for negotiations? Please provide detail.
 - a. What non-price terms would benefit from standardising?
 - b. What are the benefits of standardising terms and conditions?
 - c. What are the barriers in adopting a standardised GSA?

⁵ACCC Gas inquiry December 2024 interim report

Gas market transparency

The Code and the HoA both include transparency obligations regarding the publication of available uncontracted gas, and the HoA and Code also contains a requirement to publish gas supply EOIs. These are all published via producers' websites.

Supply and pricing transparency is also facilitated through market body reporting via AEMO, AER and ACCC. Table 2 outlines the key reports and data published by market bodies.

Table 2: Key gas supply and pricing transparency information published by market bodies

	AEMO	AER	ACCC
Pricing	<ul style="list-style-type: none"> • Gas Bulletin Board (GBB) short-term contract prices including for Queensland and Victoria (published weekly, monthly for other jurisdictions) • Price information on trading hubs (published daily) • Short Term Trading Market (STTM) data – (published daily) • Declared Wholesale Gas Market (DWGM) data (published up to 5 times per day) 	<ul style="list-style-type: none"> • Price transparency reporting for short-term (12 months or less) gas traded via hubs or over-the-counter • State of the Energy Market – wholesale gas pricing trends (published annually) • AER also has the capacity to report prices under its Wholesale Market Monitoring functions. 	<ul style="list-style-type: none"> • Gas Inquiry reports - Long term volume weighted average (12 months or more) Gas Supply Agreement contract prices and offered prices, under contracts with a minimum volume of 0.5PJ (published quarterly) • LNG netback price series
Supply	<ul style="list-style-type: none"> • GBB supply data – real-time data on production, pipeline flows, storage usage, outages and forecasts (published in real time) • Volume data at trading hubs (published daily) • GSOO long term supply and demand forecasts, potential supply shortfalls and infrastructure constraints (published annually) 	<ul style="list-style-type: none"> • State of the Energy Market – gas production, infrastructure and storage use (published annually) 	<ul style="list-style-type: none"> • Gas Inquiry reports - quarterly reporting on supply forecasts (12-months ahead in the June and December reports), and information on uncontracted gas, LNG export volumes and infrastructure constraints

Current observations on gas market transparency

Stakeholders have provided feedback that the prescribed EOI and negotiation process under the Code is inflexible, prescriptive and lacks transparency. With the introduction of the Code, there is some duplication between the Code and HoA obligations regarding EOIs and reporting of uncontracted gas. Neither are centralised and they are accessible only via producers' websites. Under

the Code, suppliers note uncontracted gas reporting does not assist the market in understanding actual gas volumes available.

There is a lack of transparency of long-term pricing information beyond the ACCC Gas Inquiry (which is published quarterly, with a data lag of between three to six months), given the bilateral nature of contracting. The lack of transparency on up to date wholesale prices reduces the ability of other gas buyers to inform their contract negotiations. The facilitated markets focus on short and medium-term trades (less than 12 months). There is limited participation in ASX Energy forward contracts and derivatives.

Transparency of gas transactions is fragmented across multiple sources and this contributes to unnecessary reporting burden for industry. There is an opportunity to improve the co-ordination of reporting of gas market information across of gas market information by AEMO, the ACCC and the AER. To improve this, DCCEE is developing a change to the National Gas Rules to transfer the GSA reporting function (currently conducted quarterly via ACCC's Gas Inquiry, with a six-month data lag) to a market body (AER or AEMO) to aggregate and publish this information on AEMO's Gas Bulletin Board (GGB) in closer to real-time. The intent is to shift market transparency to a more fit-for-purpose instrument that is designed to report information relevant to participants in a timely manner, and to minimise reporting burden by ensuring this function is centralised.

Consultation questions on gas market transparency:

Evaluative

1. What are your key sources of supply and pricing information (both from market bodies or elsewhere)?
2. What impact would more transparent or more timely information have on the supply of gas to the domestic market? How does this impact LNG operations?
3. How transparent are shortfall determination processes under the instruments, and in particular under the ADGSM?⁶
4. Are you aware of uncontracted gas information and EOIs hosted on gas producer websites? If yes, please provide detail.

Reform

5. What changes are required to ensure you have sufficient access to market information (e.g., more real time price information, available supply, contract terms etc) to make informed procurement decisions?
6. What are the tradeoffs that come with closer to real time price transparency to the market?
7. Would consumers and/or producers support an information sharing arrangement whereby GSAs are reported in close-to-real-time to the AER (rather than waiting for an information order)? Please provide detail.

⁶The Department of Industry, Science and Resources, AEMO and ACCC. Customs (Prohibited Exports) (Operation of the Australian Domestic Gas Security Mechanism) Guidelines 2023, Item 8 (1).

Wholesale Gas Prices

The Code is the primary piece of price regulation within the wholesale gas market and defines a *reasonable price*, currently set at \$12/GJ. In December 2022, the ACCC advised that this price reflected ‘reasonable costs of production at currently developed fields, including a reasonable return on capital, for a 12- month period’.⁷ Prior to the Code, a \$12/GJ cap was imposed on new wholesale gas sales from December 2022 to December 2023 under a temporary gas price cap.⁸ The ACCC may, after two years of the Code’s commencement, make a determination specifying a reasonable price.

The HoA requires LNG exporters to offer uncontracted gas to the domestic market on competitive market terms before it is offered to the international market. The HoA gives effect to the principle that domestic gas customers should not pay more for gas than international customers.

Price caps also exist in mandatory AEMO-operated spot markets (STTM and DWGM, under the National Gas Rules). These caps are only triggered under defined market conditions to protect participants from the worst impacts of acute market instability.

Current observations on wholesale gas prices

Southern state gas fields are depleting rapidly. The east coast market is increasingly reliant on higher-cost supply from Queensland. Queensland production costs average around \$6.50/GJ, but when transport is included, the delivered cost to Melbourne and Sydney averages around \$8.60/GJ.⁹

The Northern Territory until recently was a small net exporter of gas to southern states and Queensland. Production difficulties have resulted in the Northern Territory’s gas needs to be met under alternative supply arrangements, including emergency supply from local LNG projects and new investment to enable gas imports from other states. Domestic gas pricing in the Northern Territory is opaque with gas sold under individual contracts.

Since the introduction of the temporary gas price cap and the Code, spot prices and wholesale and retail contract prices have declined from the highs observed in mid-2022, as seen in the below figure.¹⁰ The introduction of the temporary emergency price cap in December 2022 coincided with lower forward gas prices, with east coast spot prices since settling to an average of \$12.58/GJ for 2025 as at 12 June 2025, well down from the 2022 yearly average of \$20.77/GJ.

Wholesale contract prices agreed under Gas Supply Agreements (GSAs) for following-year (Y+1) supply continue to decline, averaging \$13.58/GJ for contracts signed in the second half of 2024 for 2025 supply, down from \$26.70/GJ in the second half of 2022 for 2024 supply. These recent prices are closer to levels last seen in early 2022 but remain higher than historic averages. The average wholesale contract price for gas sold by retailers in the same period were \$14.51/GJ, compared to \$19.84/GJ during the first half of 2023 (refer Figure 1).

West coast spot prices have eased to an average of \$7.20/GJ as at 1 March 2025, having peaked at \$10.0/GJ in June 2023 (refer Figure 2). These prices reflect the dynamics of WA’s gas market and

⁷ ACCC, *Summary of the Australian Competition and Consumer Commission Advice to Government*. Published December 2022 at: <https://treasury.gov.au/consultation/c2022-343998>

⁸ The temporary gas price cap came into effect on 22 December 2022 as the *Competition and Consumer (Gas Market Emergency Price) Order 2022*, made under section 53M of the *Competition and Consumer Act 2010*.

⁹ DISR, *Future Gas Strategy Analytical Report*, p80: <https://www.industry.gov.au/publications/future-gas-strategy-analytical-report>

¹⁰ ACCC Gas inquiry December 2024 Interim Report [Gas inquiry December 2024 interim report | ACCC](#)

domestic policy settings, particularly the impact of the state government's domestic gas reservation policy.

Under GSAs, average producer prices for supply in 2025 reduced by 10 per cent in the second half of 2024 (compared to the first half of 2024) and reduced by 2 per cent in the second half of 2024 (compare to the previous 6 months) for 2026 supply.

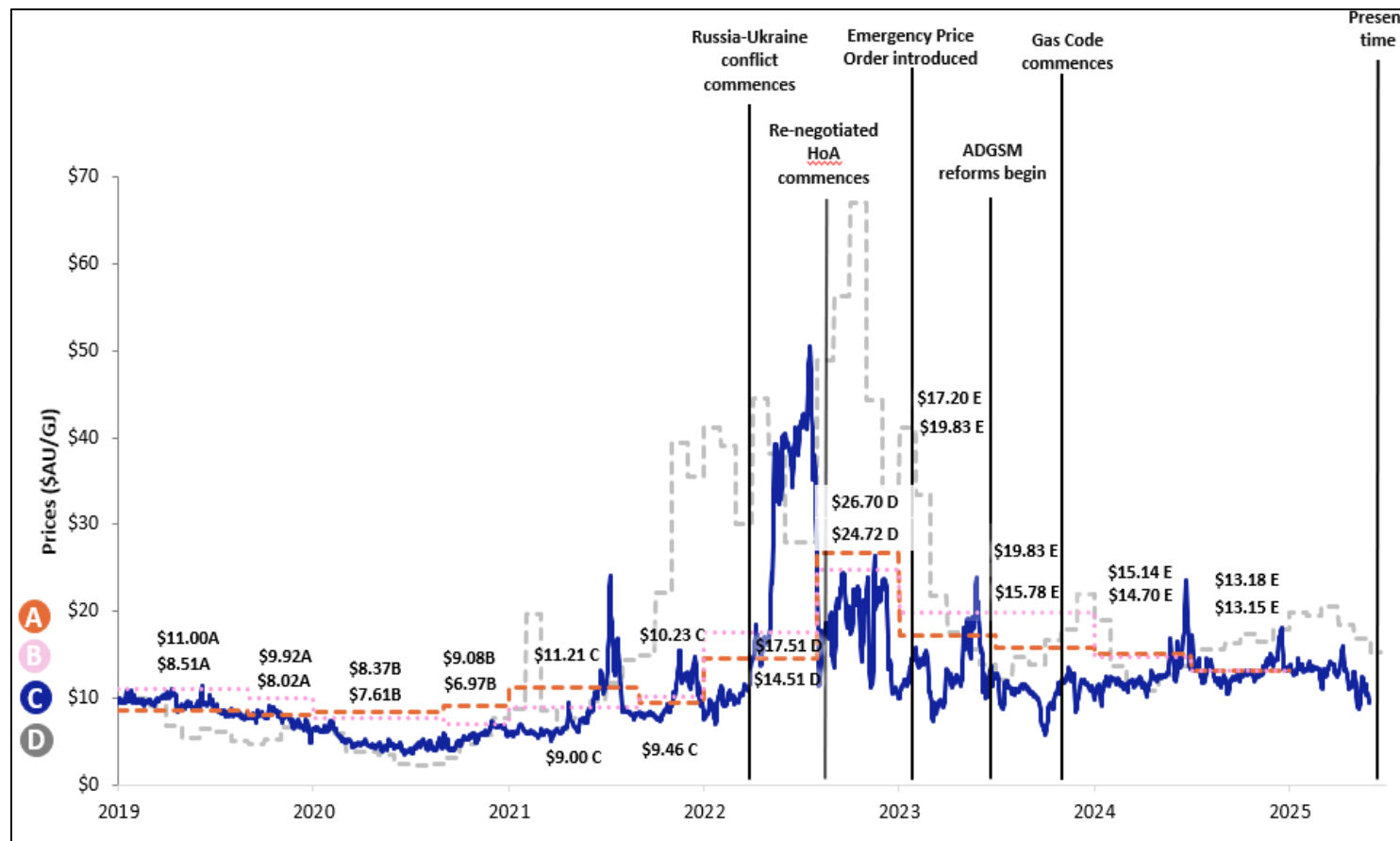
Most GSAs and volumes sold under GSAs are fixed price contracts. The ACCC has observed that for GSAs agreed between July and December 2024, 63 per cent of volume for 2025 delivery is fixed price and 73 per cent of volume for 2026 delivery is fixed price.¹¹ The shift from commodity-linked towards fixed price priced GSAs will reduce buyers' exposure to price volatility risks.¹² For GSAs agreed between July and December 2024, 63 per cent of volume for 2025 delivery is fixed price and 73 per cent of volume for 2026 delivery is fixed price.¹³

¹¹ Ibid.

¹² ACCC Gas Inquiry March GSA 2025 Interim Report [Gas Inquiry 2017-2030 March 2025](#)

¹⁴ ACCC LNG netback prices series, last updated 16 May 2025

Figure 1: Market price summary 2019-present day (East Coast)

**A: Wholesale producer prices agreed**

Contracts for supply quantities >0.5 PJ gas & minimum 12 months (ACCC Gas Inquiry Reports)

B: Wholesale retailer prices agreed

Contracts for supply quantities >0.5 PJ gas & minimum 12 months (ACCC Gas Inquiry Reports)

C: Average east coast spot price

Average daily price fluctuations across the east coast spot markets

- \$5.73/GJ recent minimum (02 October 2023)
- \$50.56/GJ recent maximum (18 July 2022)
- \$12.69/GJ 2025 YTD average

D: Historic ACCC netback price

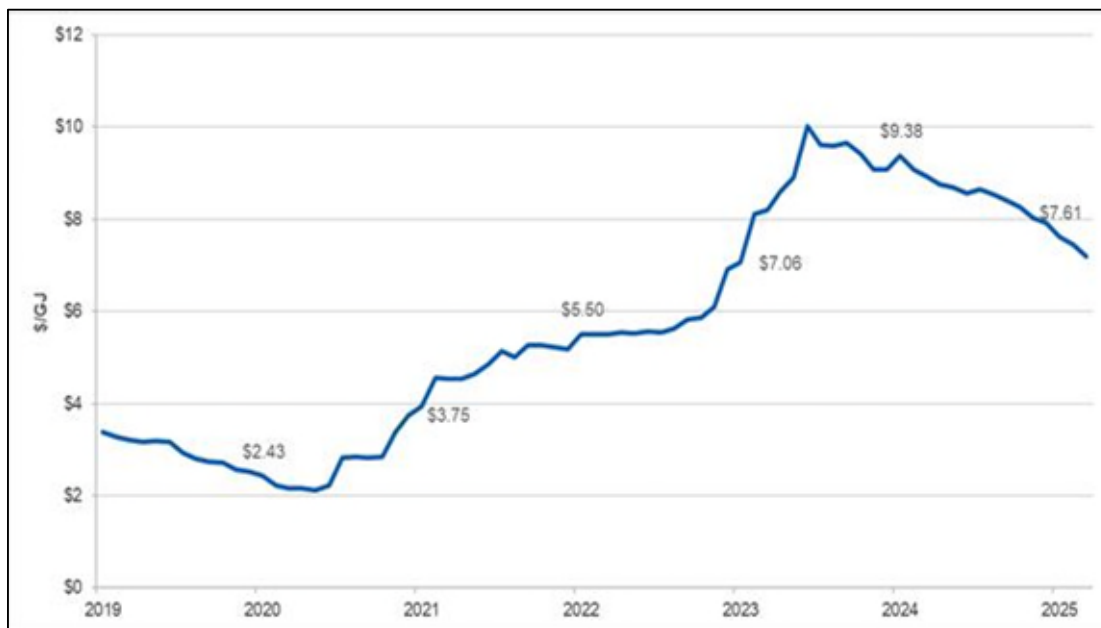
Historic short-term ACCC netback price (ACCC LNG netback price series, May 2025)

Wholesale contract prices agreed (A-E)

Price reported in the ACCC Gas Inquiry Reports are estimated based on current market expectations for the relevant supply year. It is important to note that there are differing assumptions underpinning the prices reports.

- A. 2021 Supply (January 2021 ACCC Gas Inquiry Report)
- B. 2022 Supply (January 2022 ACCC Gas Inquiry Report)
- C. 2023 Supply (January 2023 ACCC Gas Inquiry Report)
- D. 2024 Supply (December 2023 ACCC Gas Inquiry Report)
- E. 2025 Supply (March 2025 ACCC Gas Inquiry Report)

Figure 2. West Coast Gas Market's Trading Daily Price History, 2019 to 2025.



Source: <https://www.gastrading.com.au/spot-market/historical-prices-and-volume/daily-price-history>

The ACCC publishes two price series that provide forward short- and medium-term estimates of export parity prices for the notional supply of gas at Wallumbilla. These prices can assist in interpreting the impact of international prices on the domestic market. At 16 May 2025, the short-term forward netback (based on the Japan-Korea Marker index) forecast a 2026 average price of \$15.93, compared to \$17.41 for 2025. The medium-term forward LNG netback price series (based on Brent Crude oil futures prices) is \$11.90/GJ for 2025-26, reducing to \$11.36/GJ in 2029-30 (refer to Figure 1).¹⁴

Consultation questions on wholesale gas prices:

Evaluative

1. Has the Code's reasonable price mechanism been effective at reducing gas prices? Please provide your observations.
 - a. Does the current reasonable price (set at \$12/GJ excluding transport costs) reflect actual supply and demand conditions? Please provide detail.
 - b. Has price volatility reduced or increased under the instruments? Please provide detail.
 - c. Does the reasonable price support competition in Australia's gas markets? Please provide detail.
2. Is the mechanism in the Code for setting a reasonable price appropriate or should an alternative mechanism set the reasonable price?

Reform

3. What changes to the existing instruments are needed to ensure gas is affordable and reliable for your operations?
4. How might future market conditions or potential new supply sources (e.g. LNG regasification terminals) impact wholesale gas prices?

¹⁴ ACCC LNG netback prices series, last updated 16 May 2025

Efficient Wholesale Markets

The majority of gas bought and sold in Australia – 70 to 90 per cent – is traded through wholesale bilateral contracts, including Gas Supply Agreements, with the remainder traded through other markets, principally those operated or “facilitated” by AEMO.¹⁵ On-screen trading through markets enhances liquidity, and supports more efficient price discovery by making offers visible to a broader range of participants and enabling real-time competition between buyers and sellers. Several reforms are currently being progressed under the National Gas Law framework to improve participation, transparency, liquidity and efficiency of gas markets. A subset of these reforms recognise that trade through facilitated markets can deliver a range of potential benefits, including reducing transaction costs through more efficient price discovery and trade via standardised contracts. The reforms include:

- Reforms to anonymise trade in the Gas Supply Hub to support greater participation and improve liquidity.
- Reforms to harmonise prudential arrangements across AEMO operated markets (GSH, Short-Term Trading Market and the Declared Wholesale Gas Market) to reduce transaction costs and encourage participation.

Current observations on efficient wholesale markets

While reforms to facilitated markets seek to improve access to pricing and supply/demand information, there are a range of issues which challenge participation and liquidity (particularly the voluntary Gas Supply Hub) and reduce potential efficiencies these markets can deliver. Issues include:

- **Large bid-offer spreads:** Relatively low participant numbers and trade volumes tend to result in greater spreads in the GSH than other comparable markets internationally.
- **Lower on-screen trading volumes:** For example, there has been a five-fold increase in off-screen trades through the GSH since 2018, reducing the reliability and efficiency of price discovery that would arise through the trade of larger volumes on-screen.¹⁶
- **Small order book depth:** Volumes offered through the GSH remain relatively small with the potential for significant trade volumes to have significant price impacts.
- **Execution times:** It is unclear whether participants and potential participants in the GSH are able to execute trades in sufficient time and at expected prices.
- **Price volatility:** It is unclear how price volatility in facilitated markets is affected by market liquidity or other factors.
- **Associated costs of trading:** costs associated with trading, such as the structure of trading fees and prudential requirements, may play a role in limiting participation and the benefits of a more liquid market.

¹⁵ Australian Energy Regulator (AER) 2024, State of the Energy Market, Chapter 4.

¹⁶ Australian Energy Regulator (AER) [Wholesale gas market focus report: Gas Supply Hub](#), December 2024

Consultation questions on efficient wholesale markets:*Evaluative*

1. What benefits do bilateral gas trades offer compared to use of AEMO's facilitated markets. What barriers exist to greater use of AEMO's facilitated markets?
2. Does bilateral gas contracting limit competition, transparency and a more efficient price formation process?
3. Views on the performance and efficiency of the wholesale gas market, including supporting evidence, are welcomed. Stakeholders may wish to consider specific market aspects, such as the following voluntary market (Gas Supply Hub) features:
 1. Bid/Ask spread: Do relatively low participant numbers and trade volumes lead to wide spreads? Please provide detail.
 2. Trading volumes: Given the 5-fold increase in off-screen trades via the GSH since 2018, is there sufficient volume being transacted on screen to support reliable and efficient price discovery? Please provide detail.
 3. Order book depth: Does the market have enough depth to support meaningful trades without excessive price impact? Please provide detail.
 4. Execution times: Can participants reliably execute trades quickly at known prices, or are there delays and uncertainty? Please provide detail.
 5. Price volatility: Is observed volatility a function of supply/demand fundamentals, or a symptom of low market liquidity? Please provide detail.
 6. Market confidence: To what extent would more structured supply of gas to market, including for example a market making regime, encourage greater levels of confidence amongst smaller participants around the availability and price of gas at the GSH? Please provide detail.

Governance of gas market regulations and reporting

Regulatory bodies help to ensure the efficient and reliable operation of Australia's gas and energy markets. They provide strategic and operational advice on energy issues, develop rules, set price and policy parameters, monitor, regulate and maintain wholesale and retail energy market operations, see **Table 3**.

The Review will consider how the instruments operate within the other regulatory market functions outlined above and will identify any necessary changes to ensure the instruments remain fit for purpose.

Table 3: Summary of key regulatory bodies

Agency and Gas Market Role	Current Activities
Australian Energy Regulator (AER) Regulator of wholesale electricity and gas markets, it forms part of the ACCC. It sets the maximum amount of revenue that monopoly natural gas pipelines can earn from consumers, and monitors network, wholesale and retail market performance and compliance with national energy legislation/rules (and takes	<ul style="list-style-type: none"> • Regulating the revenues of the natural monopoly businesses. • Monitoring of the wholesale electricity market. • Monitoring and enforcing compliance with rules and legislation. • Publishing information on energy markets.

enforcement action when there is potential or actual harm to consumers). ¹⁷	
Australian Energy Market Operator (AEMO) Responsible for the day-to-day management of wholesale and retail energy market operations, and the coordination of the strategic development of the future energy system. ¹⁸	<ul style="list-style-type: none"> • Delivers strategic planning advice and long-term forecasting to guide long-term investment and resource management. • Maintaining and improving power system security. • Registering market participants and providing exemptions. • Operates Australia's gas retail markets, the Declared Transmission System (DTS) in Victoria and bulletin boards that provide gas market and system information. • Operates and regulates a number of wholesale markets including the Declared Wholesale Gas Market (DWGM) and other markets supporting the secondary trading of gas and pipeline capacity.
Australian Competition and Consumer Commission (ACCC) Responsible for enforcing the <i>Competition and Consumer Act 2010</i> and other legislation promoting competition and fair trading, and regulating national infrastructure. Also undertakes market studies and inquiries to support competition, consumer and regulatory outcomes at the direction of the Treasurer.	<ul style="list-style-type: none"> • Gas Inquiry 2017-30. • Compliance monitoring and enforcement for the Gas Market Code. • Publishes LNG netback price series.

Consultation questions on governance of gas market regulations:

Evaluative

1. Are the current roles and responsibilities of the AER, AEMO and ACCC in gas market regulation and reporting clear and appropriate? Please provide detail. If not, are there gaps or overlaps that could be addressed?
2. What has been your experience in relation to the reports and forecasts produced by these regulatory bodies?

¹⁷ AER website, [Our role | Australian Energy Regulator \(AER\)](#), accessed May 2025

¹⁸ AEMO website [AEMO | What we do](#), accessed May 2025

Potential options for change

This consultation paper seeks views on the potential options outlined below. Examples of potential changes and are not intended to be an exhaustive list or an indication of recommendations as part of this Review. Stakeholders are encouraged to offer alternative options for change along with a justification for why this may be necessary.

Table 4 categorises potential options for change across the policy themes outlined in the body of the consultation paper, including:

- Domestic Supply, security and trade
- Pricing
- Contracting and bargaining, including ability to secure longer term contracts
- Market transparency
- Efficient wholesale markets


The degree of change may vary across policy themes, are characterised below:

1. **Minimal change:** changes are minor or improve administrative efficiency and the coherence of the instruments. Changes should be achievable without the introduction of new instruments or large amendments to the operation of existing instruments.
2. **Incremental change:** more significant policy changes within the existing frameworks.
3. **Fundamental reform:** introduction of new policies and obligations on market participants and/or the substantial revision or removal of existing instruments, while providing regulatory stability. This means any substantive change to the current policy settings must protect existing commercial arrangements and provide for appropriate transitional arrangements between current and future policy and regulatory settings.

The below options set will include opportunities for:

- **Deregulation:** Existing market regulation is removed and not replaced, with an increasing reliance on market-based outcomes
- **No change/status quo:** prioritises regulatory stability under the scenario that the HoA is renegotiated and no changes are made to the operation of the Code or ADGSM. This option is considered the base case against which all other options would be compared against.

Table 4 – Potential options to change gas market regulations

Degree of change to regulatory frameworks 			
	Minimal change	Incremental change	Fundamental reform
Supply, security and trade	<p>ADGSM – Provide regulatory certainty by clarifying the treatment of domestic supply contributions in calculating shortfall contributions under the ADGSM – for example, amendments could give more weight to exporters' existing domestic supply profile and discouraging withdrawal of gas from the domestic market to meet LNG export contracts.</p> <p>HoA – Provide regulatory stability in the short-term by renegotiating the HoA and retain commitment that uncontracted gas first be made available to the domestic market or 'shape' their LNG exports to support the domestic market.</p> <p>Code – Consolidate and streamline regulations by moving the commitment that uncontracted gas first be made available to the domestic market from the HoA to the Code.</p>	<p>Strengthen domestic supply assurance within existing ADGSM and/or Code frameworks – for example:</p> <ul style="list-style-type: none"> - ADGSM – include a domestic supply requirement through basic export licensing arrangements (preserving existing contracts) and stronger inter-operational links between AEMO's advice, facilitated markets and utilising AEMO's existing supply adequacy and reliability powers. This would also clarify the treatment of existing domestic supply contributions in calculating shortfall contributions under the ADGSM. - Code – Establish key principles on domestic supply for future Ministerial exemption decisions under the Code to impose quantitative thresholds and conditions. Other potential amendments to Code EOIs are set out below. <p>In the short term, renegotiate a short extension to the HoA while other regulatory changes on supply in the ADGSM and Code are being progressed and implemented.</p>	<p>Introduce a new framework to ensure sufficient domestic gas supply – for example:</p> <ul style="list-style-type: none"> - Establish a national framework requiring all exports of LNG to be approved subject to conditions (e.g. through a LNG export permit / licensing regime, or requiring new contracts that support LNG export to be approved by the Commonwealth). - Conditions could potentially encompass issues including domestic supply and pricing considerations. <p>A new framework could provide regulatory and investment certainty by:</p> <ul style="list-style-type: none"> - Streamlining supply obligations by replacing much or all of the existing regulatory framework following a transition period. - Protecting contracts. - Incentivising investment in supply - Recognising state/territory government policy settings. - Stronger inter-operational links between AEMO advice, facilitated markets and powers. - Establishing a transition period to allow existing supply commitments to continue.

	Minimal change	Incremental change	Fundamental reform
Contracting and bargaining	<p>Consolidate and streamline regulations by transferring the existing HoA EOI obligations on LNG exporters from the HoA into the Code's EOI provisions.</p> <p>Explicitly exempt buyer-initiated gas supply EOIs (short and long term) from the Code except good faith provisions (deregulation).</p>	<p>Improve gas supply and availability by requiring uncontracted gas offers under Code/HoA to be made available via the Gas Bulletin Board (GBB) or AEMO's markets rather than producer websites. In doing so, buyers would have a centralised location to find all gas offers, including pricing information, and suppliers would be relieved from more specific EOI obligations contained in the Code/HoA.</p> <p>Consolidate and streamline regulations by simplifying procedural obligations (initial and final offer process) for entering into gas supply agreements under the Code to provide greater flexibility in negotiations. This could include incorporating requirements for initial and final offers within EOI provisions, so they are published only once or reducing initial and final offer obligations to allow flexibility to negotiate terms in a timeframe that suits both parties.</p> <p>Require producers to provide price guidance and feedback on EOI outcomes to all unsuccessful bidders to support bidders in developing their bids.</p>	<p>Standardise key terms for contracting between buyers and producers:</p> <ul style="list-style-type: none"> - a standard GSA template or a framework that provides guidance on drafting of non-price term clauses that either represent a 'balanced GSA' or a 'buyer or seller' friendly reference point for negotiations. This could be voluntary or mandated by the Code. <p>Reduce/remove civil penalties for EOI, initial and final offer processes under the Code (deregulation).</p>
Market transparency	<p>Increase the timeliness of gas price reporting/transparency to real-time.</p> <p>Consolidate and streamline reporting regulations by removing the Code's transparency obligation to publish available uncontracted gas on producer websites. Replace with Code obligations to report EOIs and uncontracted gas through either the GBB or AEMO's</p>	<p>Consolidate and streamline reporting regulations by establishing a role for an Energy Market Body to act as a 'central repository' for collecting all gas market information required from producers to inform gas reporting requirements for the AER, AEMO and ACCC.</p> <p>Promote domestic gas supply and availability through market transparency by establishing the AEMO GBB as "one-stop shop" for gas market information, including available gas, long term and</p>	<p>Promote domestic gas supply and availability through transparency to support a new framework to secure domestic gas supply commitments (refer long-term option under supply, security and trade).</p>

	Minimal change	Incremental change	Fundamental reform
	<p>markets (refer contracting and bargaining options).</p> <p>Consolidate and streamline reporting regulations by updating the ACCC Gas Inquiry terms of reference to clarify roles and responsibilities for gas market transparency, reporting and analysis on supply/demand outlook.</p>	<p>short-term price benchmarks and relevant metrics to inform contract negotiations such as a forward domestic gas price curve.</p> <p>Promote domestic gas supply and availability through market transparency by establishing a role for AEMO to actively facilitate and improve gas market transparency, with a view to improving price discovery and reduce information asymmetries. This could include better aggregation and publication of gas market contract prices (post-trade) and bids and offers (pre-trade).</p>	
Pricing	<p>Provide regulatory stability by renegotiating the HoA to retain principle that domestic gas customers will not pay more for LNG exporters' gas than international customers.</p> <p>Request that the ACCC review the existing \$12/GJ reasonable price under the Code.</p>	<p>Prioritise efficient investment by amending the Code's reasonable pricing settings from a static price to a variable price, linked to a relevant index to reflect changes in market conditions (such as the impact of new sources of supply, e.g. from LNG regasification terminals) or production costs.</p> <p>Consolidate and streamline regulations by shifting the HoA principle that domestic gas customers will not pay more for LNG exporters' gas than international customers from the HoA to the Code.</p>	<p>Provide regulatory stability by removing the Code's reasonable price provisions and replace over time with a new framework to secure domestic gas supply commitments (refer long-term option under supply, security and trade).</p> <ul style="list-style-type: none"> - A transition period would be applied to provide regulatory certainty to producers who prefer to retain existing conditional ministerial exemptions under the Code.
Efficient wholesale markets	<p>Promote domestic and supply and availability through arrangements to improve the way gas is offered to market (e.g. more structured timing for when or where gas is offered). Could be achieved through the Code's EOI (refer incremental option under contracting</p>	<p>Promote domestic supply and availability through a voluntary market making scheme to provide market participants with greater certainty about the availability of gas and improve market liquidity. A scheme could include obligations on relevant entities to: offer specific products; trade during set times or at a set volume, or; trade within a maximum bid-offer spread (the difference between</p>	<p>Promote domestic supply and availability through a mandatory market making scheme to provide gas market participants with greater certainty about the availability of gas and to improve market liquidity. A scheme could include obligations on relevant entities to: offer specific products; trade during set times or at a set volume, or; trade within a maximum bid-offer</p>

	Minimal change	Incremental change	Fundamental reform
	and bargaining power) or the Code's exemptions frameworks.	<p>the price to buy and sell). Incentives to participate in a voluntary arrangement could be achieved through the Code exemption framework (with market making obligations specified in exemptions for relevant entities), discounted market participant fees, or otherwise under the Code and/or HoA as a separate function.</p> <p>Promote domestic supply and availability through refinements to AEMO-operated markets (for example, market physical scope, or expanding markets including establishing an expanded, virtual hub) to aggregate trade across AEMO-operated markets and improve liquidity.</p> <p>Consolidate and streamline regulations through reforms to AEMO prudential requirements to reduce barriers to participation, particularly for smaller buyers in facilitated markets. This would build on existing reforms to harmonise prudential arrangements across AEMO operated markets to reduce transaction costs and encourage participation/liquidity.</p>	<p>spread (the difference between the price to buy and sell). Could be achieved as a new function through any new regulatory framework to manage domestic gas supply.</p> <p>Promote domestic and supply and availability through comprehensive changes to AEMO-operated markets, or the introduction of new markets or market functions (including one or more virtual trading hubs) to pool liquidity within trading zones and to support more competitive, efficient, transparent trade across hubs.</p> <p>Consolidate and streamline regulations by standardising rules and structures (such as registration processes and credit requirements) across different gas hubs (e.g. Wallumbilla, Moomba) and markets (STTM, DWGM, GSH) to increase trade efficiency and reduce participation costs.</p>

Consultation questions on the reform options presented:

1. Do the issues you have raised in your submission warrant significant change to the current system?
2. If yes, do any of options presented above offer better alternatives to the existing system and why?
3. If there are options not presented here that should be considered, please outline and explain how they would improve the current system.

Appendix 1: Consolidated list of Consultation Questions

Supply, security and trade

Evaluative

1. How effective are the existing instruments in ensuring sufficient supply of natural gas for Australia's domestic gas market, including impacts on the exploration and development of new gas resources? Please provide detail.
2. Have the reforms affected the competitiveness of Australia's LNG export industry, investment reputation or international reputation for quality and reliability? If yes, please provide detail.

Reform

3. How might the instruments be improved to better achieve the Review's objective?
4. Are there alternative policies that would secure gas for Australian consumers while maintaining a strong LNG export industry?

Contracting and bargaining power imbalances

Evaluative

1. Has the Expression of Interest (EOI) and offer process in the Code and HoA respectively been effective?
 - a. To what extent have these instruments helped address bargaining power imbalances?
 - b. Have these instruments produced any unintended consequences?
2. Have existing instruments impacted your ability, either positively and/or negatively, to secure long-term contracts?

Reform

3. How might the HoA and Code EOIs and offer processes be improved? Potential improvements could include price guidance and feedback being required from producers or exempting buyer-led EOIs from the Code. How might this impact EOI processes? Please provide detail.
4. Do you consider buyer negotiating positions would improve with a standard Gas Supply Agreement (GSA) template that provides guidance or optionality on non-price terms as a reference for negotiations? Please provide detail.
 - a. What non-price terms would benefit from standardising?
 - b. What are the benefits of standardising terms and conditions?
 - c. What are the barriers in adopting a standardised GSA?

Transparency

Evaluative

1. What are your key sources of supply and pricing information (both from market bodies or elsewhere)?

2. What impact would more transparent or more timely information have on the supply of gas to the domestic market? How does this impact LNG operations?
3. How transparent are shortfall determination processes under the instruments, and in particular under the ADGSM?¹⁹
4. Are you aware of uncontracted gas information and EOIs hosted on gas producer websites? If yes, please provide detail.

Reform

5. What changes are required to ensure you have sufficient access to market information (e.g., more real-time price information, available supply, contract terms etc) to make informed procurement decisions?
6. What are the tradeoffs that come with closer to real time price transparency to the market?
7. Would consumers and/or producers support an information sharing arrangement whereby GSAs are reported in close-to-real-time to the AER (rather than waiting for an information order)? Please provide detail.

Pricing

Evaluative

1. Has the Code's reasonable price mechanism been effective at reducing gas prices? Please provide your observations.
 - a. Does the current reasonable price (set at \$12/GJ excluding transport costs) reflect actual supply and demand conditions? Please provide detail.
 - b. Has price volatility reduced or increased under the instruments? Please provide detail.
 - c. Does the reasonable price support competition in Australia's gas markets? Please provide detail.
2. Is the mechanism in the Code for setting a reasonable price appropriate or should an alternative mechanism set the reasonable price?

Reform

3. What changes to the existing instruments are needed to ensure gas is affordable and reliable for your operations?
4. How might future market conditions or potential new supply sources (e.g. LNG regasification terminals) impact wholesale gas prices in both the southern and northern markets?

Efficient Markets

Evaluative

1. What benefits do bilateral gas trades offer compared to use of AEMO's facilitated markets. What barriers exist to greater use of AEMO's facilitated markets?
2. Does bilateral gas contracting limit competition, transparency and a more efficient price formation process?
3. Views on the performance and efficiency of the wholesale gas market, including supporting evidence, are welcomed. Stakeholders may wish to consider specific market aspects, such as the following voluntary market (Gas Supply Hub) features:

¹⁹ Department of Industry, Science and Resources, AEMO and ACCC. Customs (Prohibited Exports) (Operation of the Australian Domestic Gas Security Mechanism) Guidelines 2023, Item 8 (1).

- a. Bid/Ask spread: Do relatively low participant numbers and trade volumes lead to wide spreads? Please provide detail.
- b. Trading volumes: Given the 5-fold increase in off-screen trades via the GSH since 2018, is there sufficient volume being transacted on screen to support reliable and efficient price discovery? Please provide detail.
- c. Order book depth: Does the market have enough depth to support meaningful trades without excessive price impact? Please provide detail.
- d. Execution times: Can participants reliably execute trades quickly at known prices, or are there delays and uncertainty? Please provide detail.
- e. Price volatility: Is observed volatility a function of supply/demand fundamentals, or a symptom of low market liquidity? Please provide detail.
- f. Market confidence: To what extent would more structured supply of gas to market, including for example a market making regime, encourage greater levels of confidence amongst smaller participants around the availability and price of gas at the GSH? Please provide detail.

Governance of Gas Market Regulations

Evaluative

1. Are the current roles and responsibilities of the AEMC, AER, AEMO and ACCC in gas market regulation and reporting clear and appropriate? Please provide detail. If not, are there gaps or overlaps that could be addressed?
2. What has been your experience in relation to the reports and forecasts produced by these regulatory bodies?

Potential Options for Reform

1. Do the issues you have raised in your submission warrant significant change to the current system?
2. If yes, do any of options presented above offer better alternatives to the existing system and why?
3. If there are options not presented here that should be considered, please outline and explain how they would improve the current system.

Appendix 2: Glossary

Term	Definition
Commercial and Industrial (C&I) Gas Users	A business or organisation that purchases gas for commercial or industrial use, with higher and more consistent demand than residential users.
East Coast Gas Market	An interconnected gas grid connects Australia's eastern, northern and southern states and territories.
Facilitated Markets	AEMO operated trading markets and hubs like the Victorian Declared Wholesale Gas Market, Short Term Trading Markets in Adelaide, Sydney, and Brisbane, and the Gas Supply Hub at Wallumbilla and Moomba, that enable the primary and secondary trading of gas.
Gas Supply Agreement	As defined in the National Gas Rules, an agreement for the supply of gas but does not include an agreement for the supply of gas to: (a) a residential customer within the meaning of the National Energy Retail Law, or (b) a business customer within the meaning of the National Energy Retail Law who consumes less than 10 TJ per annum at business premises.
Gas Expression of Interest	As defined in section 4 of the Code, an expression of interest for the purpose of ascertaining whether a person is interested in acquiring regulated gas.
Initial Offer	As defined in section 4 of the Code, an offer outlining basic terms to begin negotiations for a binding agreement to supply regulated gas, without immediately creating such an agreement.
Final Offer	As defined in section 4 of the Code, an offer to supply regulated gas that: (a) is in a form that is capable of acceptance, and (b) if accepted, results in a binding agreement to supply regulated gas.
LNG Regassification Terminal	A facility where LNG is converted back into gas form (regasified) so it can be injected into the gas transmission network for supply to end users.
Netback Price	As defined by the Gas Inquiry 2017-2025, Guide to the LNG netback price (September 2022), a measure of an export parity price, calculated by taking the price receivable for LNG and subtracting the costs incurred in delivering LNG to its destination.
Prudential Arrangements	Financial risk management requirements imposed on market participants to ensure they can meet their obligations, such as providing credit support or collateral, in regulated markets.
Order Book Depth	Refers to the quantity of buy (bid) and sell (ask) orders at various price levels, indicating liquidity and the volume of gas on the exchange.
Spot Prices	The trading market price for gas available for immediate delivery.
Uncontracted Gas	Gas that has no supply agreement in place at a given time.

Appendix 3: Current Energy and Climate Ministerial Committee (ECMC) Gas Projects

The 6 December ECMC meeting agreed to progress development of a range of market reforms. This decision builds on earlier initiatives to systematically strengthen the reliability and adequacy of the Gas Market as outlined below. The Gas Market Review is separate but complementary to reforms being progressed through ECMC.

Potential to expand AEMO Powers

On 6 December 2024 ECMC tasked officials with considering whether AEMO's powers should be expanded to address possible structural supply shortfalls in the east coast gas market, including consideration of whether to enable AEMO to look further ahead to address forecast gas supply shortfalls.

Any expanded powers would direct AEMO to be technology and solution agnostic and would be available to secure supply as a last resort measure only.

Officials are currently preparing advice for ECMC, including the development of a draft Bill and an assessment of costs and benefits, to be considered by ECMC in mid-2025.

Medium Term Supply Options

At the 6 Dec 2024 meeting, ECMC tasked energy officials to work with resources officials to recommend policy options to address the supply and cost of gas over the medium term. These options are to complement market-led solutions, while preserving current export contracts. Advice is to be brought back to ECMC and Resources Ministers in mid-2025.

Reliability and Supply Adequacy Framework reforms

The East Coast Gas System (Stage 1) reform work was commissioned by ECMC in August 2022 to support a more secure, resilient and flexible ECGM, by enabling improved monitoring and communication of threats to the reliability or adequacy of supply and the ability to respond to any such threats by using a new directions and/or trading functions if AEMO is of the opinion that it is necessary to prevent, reduce or mitigate the threat. Stage 1 of the reforms was completed in May 2023.

Subsequently, ECMC agreed in December 2024 to progress a second stage of reforms under the Reliability and Supply Adequacy Framework (Stage 2). The Stage 2 rule change requests build upon the Stage 1 reforms, and are intended better enable AEMO to identify and respond to reliability and supply adequacy threats and better manage periods of volatility, by facilitating more timely and efficient market-led responses and providing additional guidance and guardrails around how AEMO can best utilise the new functions granted under Stage 1 of the reforms.

The four rule change requests arising from the Stage 2 reform process are currently being considered by the Australian Energy Market Commission, including via open public consultations, with the intent for their determinations to be made before mid-2026.