

**From:** s 22(1)(a)(ii)  
**Subject:** MSU Daily Update - 10 March 2017 [SEC=UNCLASSIFIED]  
**Date:** Friday, 10 March 2017 7:24:59 AM

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s 22(1)(a)(ii)

# s 22(1)(a)(ii)

## ***AEMO Gas Statement***

The Australian Energy Market Operator's projected gas supply shortfall has the potential to hurt industrial and residential gas customers.

It will also mean a shortage of gas-powered electricity generation at a time when gas is increasingly setting the price of electricity.

This report is another reminder of why the states and territories, who are locking up gas with moratoriums, bans and regulatory restrictions, need to urgently rethink their position.

More gas supply and more gas suppliers will only enhance the security and affordability of our energy system.

Unless the states and territories lift their bans and treat gas exploration and extraction on a case-by-case basis, we will continue to face gas shortages and increasing insecurity across the NEM.

It is worth noting that the COAG Energy Council, which the Commonwealth chairs, has recently achieved major gas market reforms that will increase liquidity and transparency and lower transportation costs.

**s 22(1)(a)(ii)**

# s 22(1)(a)(ii)

s 22(1)(a)(ii) |

OFFICE OF THE PRIME MINISTER

Suite MG.8

Parliament House, CANBERRA ACT 2600

s 22(1)(a)(ii)

| W: [www.pm.gov.au](http://www.pm.gov.au)

**From:** s 47E(d)  
**To:** s 22(1)(a)(ii)  
**Cc:** s 47E(d) s 22(1)(a)(ii)  
**Subject:** MB17-000261: Meeting Brief: Gas Producers [SEC=UNCLASSIFIED]  
**Date:** Friday, 10 March 2017 5:53:59 PM  
**Attachments:** [MB17-000261\\_0 Gas Producers Meeting.pdf](#)

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UNCLASSIFIED

Dear s 22(1)(a)(ii),

The Prime Minister has received the **attached** brief regarding the *Meeting with Gas Producers*.

Kind regards,

s 22(1)(a)(ii)

s 22(1)(a)(ii) | Departmental Liaison Officer  
Office of the Prime Minister, the Hon Malcolm Turnbull MP  
Office of the Assistant Minister to the Prime Minister, Senator the Hon James McGrath  
Office of the Minister Assisting the Prime Minister for Cyber Security, the Hon Dan Tehan MP  
Office of the Minister Assisting the Prime Minister for Counter-Terrorism, the Hon Michael Keenan MP  
S1.52 Parliament House, Canberra ACT 2600

s 22(1)(a)(ii)		s 47E(d)
s 22(1)(a)(ii)		
s 47E(d)		

## DEPARTMENT OF THE PRIME MINISTER AND CABINET

PM&C  
Secretary  
s 22(1)(a)  
(ii)

To: Prime Minister

## MEETING BRIEF: GAS PRODUCERS

PMO  
Chief of Staff  
s 22(1)(a)(iii)

**Purpose:** Encourage gas producers to take action to address gas supply concerns.

**Timing and Venue:** 2.45pm, Wednesday 16 March 2017, [Venue TBA].

**Our Objectives:**

(Talking points at [Attachment A](#))

- Impress upon east coast gas companies the need for them to take action to address projected gas shortfalls to avoid government intervention.

**Their Objectives:**

(Biographies at [Attachment B](#))

- Understand what actions the Government is thinking about taking.
- They may also raise market reforms, review of the Petroleum Resource Rent Tax, the Finkel Review and state and territory moratoria (background at [Attachment C](#)).

**Key Points:**

- Gas prices in the east coast market have been rising, due to a combination of: ending of long term contracts, the connection with international markets through LNG exports, and higher production costs of new gas reserves.
- AEMO's annual Gas Statement of Opportunities forecasts a 20 per cent fall in gas production by 2021, and that power shortages in NSW, VIC and SA could occur from the summer of 2018-19.
  - The report warns the tight gas market will place upward pressure on gas prices, and price shock could lead to price-sensitive operations closing the commercial and industrial gas sector.

- **s 47C , s 47E(d)**

Gas reservation

- Calls to reserve gas for domestic use are increasing. It is not current Government policy to support gas reservation.
- The 2016 ACCC East Coast Gas Inquiry Report noted that supply issues would not be resolved by a reservation policy; in fact they could be worsened if a reservation policy was enacted which artificially depressed prices in the short term, and discouraged investment in new gas supply, reducing the likelihood of required supply diversity.

- **s 47C , s 47E(d)**

- The **Queensland Government** announced on 25 January 2017 it will allocate a small volume of potential gas supplies for Australian use from a pilot exploration project in the Surat Basin.
- **Western Australia** has a domestic gas reservation policy which requires exporters of LNG to make gas equivalent to 15 per cent of their LNG exports available in the domestic market. This policy was analysed by the Western Australian Economic Regulatory Authority (ERA) in 2014. The ERA recommended the policy be rescinded as soon as practicable, as it has resulted in a number of negative consequences.

Kelly Pearce  
Assistant Secretary  
Environment, Energy and Climate  
Change  
10 March 2017

Contact Officer: **s 22(1)(a)(ii)**  
**s 22(1)(a)(ii)**  
Consultation: Eco Div

NOTED:

Date:

**TALKING POINTS**

- Australia is facing an energy crisis. Everyone here needs to do their bit and come together to find the solution.
  - If industry doesn't act to address the problem, Government will have no choice but to step in.
- AEMO has warned of more blackouts, and rising gas prices are crippling Australian manufacturers and costing Australian jobs.
  - There is evidence average east coast short-term gas prices in the third quarter of 2016 were between 40 to 70 per cent higher than in the third quarter of 2015.
- My government is open to considering ideas that will improve gas supply.
- Questions:
  - What are you doing to increase gas supply?
  - How can you help my Government lift state moratoria?
  - What do you think about gas reservation?

COAG Energy Council Gas reforms

- Through the COAG Energy Council there are a range of reforms to the gas market underway. We are working to improve competition, transparency and operations.
  - Do these gas reforms go far enough? Are there other reforms the Government can consider to help lift supply?

Moratoria




- My Government stands ready to work with the states to find the best solutions to regulatory restrictions and moratoria that will improve gas supply.
  - I encourage you to continue to do what you can to encourage states to lift the bans.
- There are good examples in the industry of your companies working with the community and landholders to share the benefits of development.
  - This has the potential to build support for the industry. I encourage you to look for more opportunities to share the benefits with landholders.

Petroleum Resources Rent Tax (PRRT) Review




- The integrity of Australia's tax base is paramount. My Government is committed to ensuring Australia's taxes are working as intended and companies pay the right amount of tax.
- We also need to ensure that we do not discourage investment in exploration and development that is so vital to the industry and broader economy. The PRRT Review will help us find that balance.




## ATTACHMENT B

## BIOGRAPHIES OF ATTENDEES AND COMPANY BACKGROUND

 <p><b>Frank Calabria</b> <i>(Managing Director Origin Energy)</i></p> <p>Frank was appointed Managing Director and Chief Executive Officer of Origin in October 2016. He first joined the company as Chief Financial Officer in November 2001 and was appointed Chief Executive Officer Energy Markets in March 2009. In that latter role, Frank was responsible for the integrated business within Australia including retailing and trading of natural gas, electricity and LPG, power generation and the solar and emerging business.</p> <p>Frank is Chairman of the Australian Energy Council (AEC) and a director of the Australian Energy Market Operator (AEMO).</p>	<p>Origin supports giving the electricity market operator additional power so it can intervene directly in the energy market to bolster energy security. It also supports coordination between climate and energy policies.</p> <p>Origin is boosting the role of renewable energy in its generation portfolio, signing deals for as much as 500 megawatts of power, mostly from wind farms, which will begin coming on stream over the next few years.</p> <p>On 15 February 2017, Origin announced it had discovered a shale gas resource in the Beetaloo Basin (NT), with an estimated reserve equivalent to seven times the amount of gas produced by the eastern gas market in 2015. This estimate is based on very limited exploration. Significant exploration is required before the find can be proven commercially or technically feasible.</p>
 <p><b>Richard Owen</b> <i>(Chairman ExxonMobil Australia, APPEA Vice Chair)</i></p> <p>Richard has held the Chairman position at ExxonMobil since June 2013. He is a governor of the American Chamber of Commerce in Australia, a board member of the Australian Petroleum Production &amp; Exploration Association (APPEA) and a member of the Business Council of Australia.</p>	
 <p><b>Andrew Smith</b> <i>(Country Chair Shell Australia)</i></p> <p>Andrew was appointed Shell's Country Chair in Australia and Vice-President of the company's upstream businesses in Australia and New Zealand in July 2013. He graduated from the University of Melbourne with an honours degree in chemical engineering before joining Shell Australia in 1986 as an engineer at the company's Geelong Refinery.</p>	<p>Shell is of the strong view that the PRRT continues to work as originally intended.</p>



	<b>Kevin Gallagher</b> ( <i>Managing Director Santos</i> )	Santos lodged an Environmental Impact Statement for its Narrabri Gas Project with the NSW Government on 1 February 2017. If approved, reports suggest that this project could meet up to 50 per cent of NSW gas demand (200 TJ/day).
<p>Kevin joined Santos as Managing Director and Chief Executive Officer on 1 February 2016, bringing more than 25 years' experience in managing oil and gas operations in Australia, the USA and North and West Africa.</p> <p>A turnaround specialist with a track record in transforming underperforming operations, Kevin commenced his career as a drilling engineer with Mobil North Sea, before joining Woodside in 1998. During his 13 year tenure with Woodside, Kevin led the drilling organisation through rapid growth, delivering several Australian and international development projects and exploration campaigns.</p>		
	<b>Qian Mingyang</b> ( <i>CEO Arrow</i> )	
<p>Qian has extensive experience in the oil and gas industry internationally from more than 30 years with CNPC. He has a Bachelor of Engineering (Geophysical Exploration) from the China University of Petroleum, East China, and an Executive MBA from the University of Texas, at Arlington.</p> <p>Qian started with CNPC as a geophysicist and has held roles in projects, planning and general management in China, Iraq, Syria, and Sudan, including spells in joint ventures with BP and Shell. Before joining Arrow as CEO, Qian was Vice President PetroChina Iraq Ltd.</p>		
	<b>Wendy King</b> ( <i>President, Australia East, Conoco Phillips</i> )	
<p>Wendy began her career as a petroleum engineer with Conoco Inc. and has held various technical and leadership positions in the Exploration and Production business in the United States, United Kingdom and Africa.</p> <p>Prior to starting with Australia Pacific LNG in July 2011, Wendy fulfilled a variety of leadership roles for ConocoPhillips Alaska serving as the vice president, External Affairs and as manager, Alaska North Slope Gas Development. In 2011, Wendy was seconded to Australia Pacific LNG as vice president, Commercial. Wendy assumed her current role in 2017.</p>		

	<p><b>Ian Davies</b> (<i>Managing Director Senex Energy</i>)</p> <p>Ian was appointed as Managing Director in June 2010 and has led the company through significant transformation to an oil and gas explorer and producer. Ian joined Senex from QGC – a BG Group business, where he had been a key member of the senior management team after joining as Chief Financial Officer in 2007. Previously, Ian was an investment banker in Melbourne with Austock Corporate Finance and in London with Barclays Capital.</p>	<p>Senex provided a submission to the PRRT Review, echoing industry sentiment that the PRRT continues to work as originally intended.</p>
	<p><b>Petter Undem</b> (<i>Managing Director Total E&amp;P Australia</i>)</p> <p>Petter is Managing Director at Total E&amp;P Australia. A Norwegian national, Petter joined Total in Norway in 1987. Since then he has held engineering and management positions in Total companies in Norway, UK, France (Total headquarters), United Arab Emirates and Argentina. In the last 10 years Petter has been involved in business development projects related to exploration and production of gas, oil, oil sands and LNG globally.</p>	
	<p><b>Matthew Kay</b> (<i>CEO Beach Energy</i>)</p> <p>Matthew joined Beach in May 2016 as Chief Executive Officer. He most recently served as the Executive General Manager, Strategy and Commercial at Oil Search, a position he held for the last two years. In that role he was a member of the executive team and led the strategy, commercial, supply chain, economics, marketing, M&amp;A and legal functions. Prior to Oil Search, Matthew was the Vice President of Corporate Development at Woodside Petroleum Limited.</p>	

## Background

### Gas prices

- Historically, large gas users have typically had 10-25 year gas supply agreements with prices set at the cost of production plus a margin, in the order of \$2-\$4 per gigajoule (GJ) delivered (Eastern Australian Domestic Gas Market Study, 2014). Many of these agreements end by 2017 and large gas buyers are looking to secure new agreements.
- Average east coast short-term (STTM) gas prices in the third quarter of 2016 were between 40 per cent and 70 per cent higher than in the third quarter of 2015. Prices were up in all markets: in Brisbane (\$7.22/GJ compared with \$4.23/GJ in third quarter of 2015), Adelaide (\$9.57/\$5.67), Sydney (\$7.85/\$5.07) and Victoria (\$9.17/\$4.76, Declared Wholesale Gas Market).
- In Western Australia, Woodside's average realised domestic gas price in the third quarter of 2016 was \$5.11/GJ (6.2% higher compared with the third quarter of 2015). Average actual spot prices published by gas Trading Australia Pty Ltd were \$4.21/GJ, up 25.3 per cent (September quarter 2016 on September quarter 2015).

### AEMO 2017 Gas Statement of Opportunities (GSOO) Report

- AEMO's annual GSOO report, released 9 March, forecast a 20 per cent fall in gas production by 2021. It also warned that power shortages in NSW, VIC and SA could occur from the summer of 2018-19.
- The report suggested supply shortfalls could be alleviated by: redirecting a small portion of LNG exports; increasing production from existing fields; exploring and developing new fields; building the Northern Gas Pipeline (NGP) from the NT to south-eastern Australia; developing the proposed Narrabri Gas Project; and investing in alternative electricity generation (such as biofuels) and storage technologies.
  - AEMO's Chief Operating Officer Mike Cleary said gas reservation for the domestic market, among other measures, could mitigate supply shortfalls.
- The report also warned the tight gas market will place upward pressure on gas prices, impacting price-sensitive customers. Price shock could lead to operations closing in the commercial and industrial gas sector, which would reduce total load by around 9 per cent.

### Gas Market reforms

- The COAG Energy Council committed to a comprehensive Gas Market Reform Package in August 2016. The reform package comprises four priority areas and 15 reform measures.
  - The four priority areas are gas supply, market operation, gas transportation and market transparency.
  - The Energy Council committed to make implementing this package a major priority and created a dedicated Gas Market Reform Group, led by Dr Michael Vertigan AC.

### Petroleum Resource Rent Tax (PRRT)

- On 30 November 2016, the Government announced a review into the operation of the PRRT, crude oil excise and associated Commonwealth royalties (the Review).
- The Review, led by expert Michael Callaghan AM, will be finalised by April 2017.
- The Review was prompted by a 2016 ANAO audit on the Collection of North West Shelf Royalty Revenue. The ANAO reported that royalty calculation had not been adequately defined or kept up to date between the Commonwealth and WA, and that some of the \$5 billion in claims for royalty deductions against petroleum revenue were invalid.

- The Review will advise the Government on the extent to which Commonwealth oil and gas taxes and royalties are operating as intended. The Review will have regard to the need to provide an equitable return to the Australian community from the extraction and sale of Australia's oil and gas resources without discouraging investment in exploration and development.

#### Finkel Review and 2017 Review of Climate Change policies

- The COAG Energy Council in October 2016 commissioned Dr Alan Finkel AO to undertake an independent review to develop a national reform blueprint to maintain energy security and reliability in the National Electricity Market.
  - A preliminary report was released in December 2016 and a final is expected in mid-2017.
  - Public submissions closed on 3 March.
- The 2017 Review of Climate Change Policies was announced in December 2017. A discussion paper will be issued in the coming weeks, with public consultation to follow.

#### State and Territory moratoria

- **Victoria** recently passed legislation extending their moratorium on onshore conventional gas exploration and development to 30 June 2020, and permanently banned onshore, unconventional gas exploration and development.
  - s 47C , s 47E(d)
- A moratorium on unconventional gas, including fracking, has been in place in the **Northern Territory** since 14 September 2016 while an independent Scientific Inquiry into Hydraulic Fracturing (the Inquiry) is undertaken.
  - s 47C , s 47E(d)
- **New South Wales** does not have a moratorium but regulatory restrictions are preventing further investment in the state.
- **Tasmania** introduced a five year moratorium on hydraulic fracking, due to expire in March 2020.
- The Liberal Party in **South Australia** have committed to a 10-year moratorium on unconventional gas exploration in SA's southeast if they are elected in 2018.

**From:** s 22(1)(a)(ii)  
**To:** s 47E(d)  
**Cc:** s 47E(d) s 22(1)(a)(ii) ; s 22(1)(a)(ii) ; [Pearce, Kelly](#); s 22(1)(a)(ii)  
**Subject:** VIP Corro - Premier Andrews - National gas and electricity issues [DLM=For-Official-Use-Only]  
**Date:** Friday, 10 March 2017 7:03:36 PM  
**Attachments:** [VIP Corro - Premier Andrews - National gas and electricity issues.pdf](#)

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For Official Use Only

Dear MCU

For registration please.

Kind regards

s 22(1)(a)(ii)

s 22(1)(a)(ii) | Senior Departmental Liaison Officer and Director  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600

s 22(1)(a)(ii)  
e. s 47E(d) | s 22(1)(a)(ii)





The Hon Daniel Andrews MP

Premier of Victoria

1 Treasury Place  
Melbourne, Victoria 3002 Australia  
Telephone: +613 9651 5000

The Hon Malcolm Turnbull MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

M17/3127

Dear Prime Minister

I write to seek your urgent attention on the national gas and electricity supply issues before businesses close and jobs are lost.

Victorian businesses and families rely on secure and affordable energy supplies. Electricity and gas are essential services, but the national energy market is no longer capable of meeting the nation's needs.

As you are aware, our Government made the decision last year to extend the current moratorium on the exploration and development of onshore conventional gas until 30 June 2020. This extension is to provide sufficient time to conduct scientific, technical and environmental studies on the risks, benefits and impacts of onshore conventional gas. This was an important decision for ensuring we can deliver the best long term outcomes for Victorians.

The offshore gas resources in the Gippsland and Otway basins, which are not impacted by the moratorium, currently meet Victoria's gas demand and are also exported. Victorian offshore gas production is already undergoing significant expansion and our Government is considering options to facilitate further exploration and development of these resources.

The real problem is that the national gas market prioritises exports over domestic consumption, even in the event of a shortfall. It is unacceptable that Australian businesses and households are faced with a shortage of gas supply and the resultant significant price increases. Our Government will not support measures that jeopardise our reputation in trade markets, but without real leadership this crisis will only worsen.

We must investigate national gas market rule changes and other national policies that will put Australian consumers and manufacturers first. We must also investigate the potential for a national domestic gas reserve.

Over the longer term there will be more opportunities to bring on additional supply. However, if we don't prioritise Australia's needs now, increased supply will only lead to increased exports and higher prices.

We stand ready to work constructively with the Commonwealth and other states and territories. Simplistic efforts to deflect attention to Victoria's ban on gas fracking in our prime

farming communities do not serve Australia's interests. Australia produces sufficient gas to meet all of our business and household needs.

We consider gas market reform critical for minimising prices and ensuring gas security for all Australian consumers. To this end, we will continue to work with the Commonwealth Government and other jurisdictions to improve wholesale gas trading markets, pipeline access and market transparency.

I seek your agreement to place this issue as an item for discussion at a future COAG meeting.

Yours sincerely

**s 22(1)(a)(ii)**

**The Hon Daniel Andrews MP** **s 22(1)(a)(ii)**  
Premier

cc: The Hon Wade Noonan MP, Minister for Resources  
The Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change

**From:** s 47E(d)  
**To:** s 22(1)(a)(ii)  
**Cc:** s 47E(d) s 22(1)(a)(ii)  
**Subject:** SIGNED: MS17-000721: RIS Non-Compliance - Gas Market Reform [SEC=UNCLASSIFIED]  
**Date:** Tuesday, 14 March 2017 12:58:34 PM  
**Attachments:** [MS17-000721\\_SFB.PDF](#)

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UNCLASSIFIED

Dear s 22(1)(a)(ii),

Assistant Minister McGrath has signed the **attached** brief regarding the *RIS Non-Compliance - Gas Market Reform*.

Kind regards,

s 22(1)(a)(ii)

s 22(1)(a)(ii) | Departmental Liaison Officer  
Office of the Assistant Minister to the Prime Minister, Senator the Hon James McGrath  
Office of the Minister Assisting the Prime Minister for Cyber Security, the Hon Dan Tehan MP  
Office of the Minister Assisting the Prime Minister for Counter-Terrorism, the Hon Michael Keenan MP  
S1.52 Parliament House, Canberra ACT 2600

s 22(1)(a)(ii)	
s 22(1)(a)(ii)	s 47E(d)
s 47E(d)	



## DEPARTMENT OF THE PRIME MINISTER AND CABINET

PM&C  
Secretary  
s 22(1)(a)(ii)

To: Assistant Minister to the Prime Minister

## RIS NON-COMPLIANCE - GAS MARKET REFORM

**Recommendation** - that you:

1. Note that the Office of Best Practice Regulation (OBPR) will report that a decision by the Council of Australian Governments (COAG) Energy Council on gas market reform did not comply with the COAG best practice regulation requirements.

s 22(1)(a)(ii)

Noted

JAMES MCGRATH

Date:

13.3.17

Comments:

PMO  
s 22(1)(a)(ii)AMO  
s 22(1)(a)(ii)**Key Points:**

1. On 14 December 2016 the COAG Energy Council agreed to a compulsory arbitration framework for gas pipeline access.
2. A regulation impact statement (RIS) was not prepared to inform the COAG Energy Council's decision. As such, the decision does not comply with COAG's own best practice regulation requirements.
3. The OBPR will note the non-compliance of this decision on its online RIS register. The OBPR has written to the COAG Energy Council Secretariat to advise of this intention.
4. This is the first decision by a Ministerial Council or national standard-setting body that is non-compliant with the COAG RIS requirements this financial year, but the fifth since September 2013.

s 22(1)(a)(ii)

Deputy Executive Director  
Office of Best Practice Regulation  
7 March 2017

Policy Officer: s 22(1)(a)(ii)

Phone no:

Consultation: nil

**From:** s 47E(d)  
**To:** s 22(1)(a)(ii)  
**Cc:** s 47E(d) s 22(1)(a)(ii)  
**Subject:** s 47E(d) - s 34(2) [SEC=PROTECTED, DLM=Sensitive:Cabinet]  
**Date:** Wednesday, 15 March 2017 10:39:13 AM  
**Attachments:** s 47E(d) s 34(2)  
s 47E(d)

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~~PROTECTED Sensitive: Cabinet~~

Hi everyone

The attached s 47E(d)  
s 34(2)

Any issues with this s 47E(d) please let me know asap.

Thanks!

s 22(1)(a)(ii)  
Cabinet Liaison Officer  
Office of the Prime Minister (MG.10)  
Department of the Prime Minister and Cabinet  
s 22(1)(a)(ii)

s 47E(d)

**From:** [PMO - Media](#)  
**Subject:** Prime Minister - Media Release - Measures agreed for cheaper, more reliable gas [SEC=UNCLASSIFIED]  
**Date:** Wednesday, 15 March 2017 4:59:35 PM  
**Attachments:** [image001.jpg](#)

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UNCLASSIFIED



**THE HON. MALCOLM TURNBULL MP  
PRIME MINISTER**

**MEDIA RELEASE**

15 March 2017

**Measures Agreed for Cheaper, More Reliable Gas**

The Turnbull Government and the gas industry have today agreed on measures that will help deliver cheaper and more reliable energy to Australian households and increase gas supplies for businesses.

The gas industry is a key part of Australia's prosperity and has a social licence with the community. Households rely on affordable gas supplies to their homes and businesses need reliable energy to support thousands of jobs across the country.

To this end, a series of measures has been developed and all participants have agreed to ongoing work to deliver the benefits that Australians expect and energise the investment to make that happen.

**1) Peak Electricity Demand - Gas Supply Guarantee**

- Gas producers guarantee that gas will be available to meet peak demand periods in the National Electricity Market (such as during heat waves).
- Implementation arrangements will be developed with the market bodies and other industry participants. The Australian Energy Market Operator will be given a power to direct the market.
- This arrangement will be in place in time for next summer.

**2) New gas production**

- The gas producers have agreed to make more gas available to the domestic market as soon as possible, to keep downward pressure on prices.
- Producers will revise their domestic gas production forecasts, and AEMO will produce an updated supply outlook.
- Two of the LNG exporters gave a commitment to being net domestic gas contributors, as part of their social licence. The third has taken the matter on notice.

### **3) Market transparency**

- The Australian Competition and Consumer Commission and Dr Mike Vertigan will advise on options to quickly improve transparency in the gas market, to facilitate competition between producers and information for purchasers.
- The scope will include the full supply chain - producers, transporters, retailers.

### **4) State regulation**

- The meeting called on the state and territory governments to revisit restrictions on gas exploration and development.

### **5) Community support**

- Industry acknowledged the importance of community support.

### **6) Gas market reform**

- Gas market reforms arising from the recent ACCC gas review will be accelerated. These reforms will improve pipeline capacity trading and gas trading markets.
- Further reforms to improve the gas market will be urgently considered.

### **7) Implementation arrangements**

- The Government is establishing a Taskforce that will manage implementation of the above outcomes, and report to the Cabinet Energy Committee.
- The Taskforce will include key Departments (PM&C, Energy, Industry, Treasury) and agencies (Geoscience Australia) and energy market bodies (AEMO, ACCC/Australian Energy Regulator, Australian Energy Market Commission).
- The parties agreed to meet again in a month to review progress.
- Ministers Frydenberg, Sinodinos and Canavan will meet with gas pipeliners and customers over the next few weeks

The Government welcomes the commitment of the industry to accelerate the availability of gas resources. The Government is continuing to work on other policies to promote gas development and provide energy security through its Energy Committee of Cabinet.

### **Media contacts:**

Prime Minister's Press Office – 6277 7744