

6 December 2023

Australian Competition & Consumer Commission  
GPO Box 3131,  
Canberra ACT 2601

Attention: Melisande Waterford – General Manager Gas Markets

**Subject: Gas Market Code – Proposed Determinations**

Comet Ridge Limited appreciates the opportunity to provide input into the Gas Market Code proposed determinations on supplier record keeping, reporting and publishing obligations.

In respect to the implementation of the mandatory Gas Market Code, we have the following general comments and observations:

- There needs to be a balance between providing increased information to the market and increasing the administrative burden and cost for gas suppliers. Participants in the gas market clearly want as much information as possible to plan their operations in respect to gas supply. However, the provision of information comes at a significant administrative cost to gas suppliers and increases the cost of doing business, which ultimately needs to be recouped through increased gas sales. Therefore, when considering additional administrative actions by suppliers, including reporting and record keeping requirements, there needs to be a balance.
- The consequence of the ACCC, AEMO and AER (and potentially others from government) asking for large amounts of detailed gas market and technical information from small natural gas producers, means the requirement to add staff inside that small organisation to manage these requests, which adds overhead cost. This also means smaller producers, in order to better manage their administrative burden, will prefer to sell their natural gas to a small number of bigger customers rather than to sell to a large number of smaller gas consumers who buy small volumes of gas. An overarching effort is required from the government to align reporting requirements and processes between different departments and agencies. It is recognized that efforts have been made to streamline reporting requirements across the gas sector, and to remove administrative duplication. However, there is still a significant opportunity to improve the gas reporting landscape to reduce the unnecessary administrative burden on gas suppliers.

**Specific Comments relating to ACCC's Proposed Determination**

Record Keeping by a Supplier – Section 33

- Commencement of Section 33 record keeping requirements should commence on 1 April 2024 to provide time to get systems in place and to align with other government and internal reporting periods. As new systems and processes will be required to fully implement the determinations of the Code, it is fair and reasonable to expect the provision of a transition period, once the final determinations are made, in order to put the required system in place. Further, to minimise the administrative burden of the additional Code record keeping requirements, they should be aligned where possible with other pre-existing record keeping and reporting requirements, both those imposed by government under other gas market instruments as well as internal company processes and schedules. In practice, this means the record keeping requirements should align with the first of the month, quarterly calendar year schedule. Based on the above requirements,

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1 April 2024 would be the recommended commencement date for the record keeping provisions of Section 33, as 1 January would not allow sufficient time to get the necessary systems in place.

- Gas suppliers have their own record keeping systems and processes in place, that can produce the required information in the prescribed form in line with the required reporting schedule and upon reasonable request. Therefore, gas suppliers should be permitted to keep the required records in the format and system of their choosing as this will avoid a double handling of information and an increased administrative burden.
- The maintenance schedule for record keeping should reflect the value add of the information produced. For example, in the course of advancing an Initial Offer, new details may be resolved, or existing information updated on a daily, or even hourly basis. Given the balance between the value of information and the administrative resources required to keep records up to date, it is recommended that record keeping requirements should only be required to be accurate to within a month at any point in time, and that any request to produce the required records (outside of the prescribed reporting schedule) should involve a ten-day notice period to ensure records are up-to-date and can be produced in the required format
- The establishment of a form for record keeping under section 33 of the Code means that the form becomes an integral part of the record keeping and compliance process. Therefore, the form itself needs to be extensively reviewed and tested to ensure it is fit-for-purpose and free from errors before becoming the responsibility of gas suppliers to complete. This also supports the proposed 1 April commencement date to allow sufficient time for testing and revision before becoming active.

#### Information Relating to Available Gas – Sections 34 & 35

- Gas suppliers need to have the flexibility to align the volumes of gas availability with the variable nature of fields and facilities as well as business operations. Gas supply volumes are sometimes earmarked for the contract market and the short-term spot market. Allocating parcels of gas for these different commercial purposes allows gas suppliers to ensure their commitments align with the nature of their operations, including the need to accommodate the variability of production over time. When reporting uncontracted gas over a 24-month period, gas suppliers can make a good faith best estimate of what gas will be allocated to which market over this period, however suppliers must retain the right to reallocate gas between these markets at a future date, should the need arise and without risk of penalty. This may include revising down the volumes of uncontracted gas available for a given period, relative to previous notifications. Should gas suppliers not be given the flexibility to revise gas availability estimates, it risks leading to suppliers reporting conservative, minimum volumes to avoid the risk of future downward revision, rather than the best estimates for any given period.
- Regarding gas availability, a balance needs to be sought in respect to the value of increased granularity of reporting of future gas availability, with the increased administrative burden, potentially decreasing accuracy, and increased risk of disclosure of commercially sensitive information. Reporting of available gas on a greater than quarterly basis would see the value of reporting significantly outweighed by the increased administrative burden and decreasing accuracy of the volumes disclosed. Considering standard operational and contracting processes, the information reported for quarterly periods may not be any more informative or accurate than information reported for a 12-month period. Further, the greater the breakdown and detail of available gas reporting, the greater the risk that the information reported discloses commercially sensitive information. For some gas suppliers, disclosing even quarterly gas availability may give insights into sensitive operational and commercial information.

We trust the above comments will be useful input into the proposed Gas Code determinations and would welcome further communication in respect to this.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Dale Aaskow". The signature is written in a cursive, flowing style.

Dale Aaskow  
Chief Operating Officer