



Review of upstream competition and timelines of supply: Issues Paper

Attachment 1: Response template due 15 October 2021

Stakeholder name: Tokyo Gas QCLNG Pty Ltd

Tokyo Gas QCLNG Pty Ltd is one of the participants in the Queensland Curtis LNG Project. We provide our feedback on the questions of No.10 to 12 and No. 19 to 21.

	Questions	Feedback
Box 4.1: Questions on JV arrangements		
10.	Are there any aspects of JV arrangements not identified in section 4.1 that may adversely affect upstream competition and/or the timeliness of supply? If so, please explain what they are and how they may affect upstream competition and/or the timeliness of supply.	As a smaller producer in the upstream JV, we are satisfied with the existing upstream JV arrangements in terms of the financial burden and the technology sharing. In general, the upstream JV arrangements contribute to the continuous and reliable development and operation of the upstream gas wells and facilities, resulting the timeliness of gas supply has been achieved.
11.	Are there any measures that could be put in place to address the potentially negative aspects of JVs identified in section 4.1 or in your response to question 10?	
12.	Are there provisions in the contractual arrangements that underpin JVs that can adversely affect competition and/or the timeliness of supply? If so, how could this be addressed? Is there, for example, a best practice JV arrangement that would prevent this occurring?	



	Questions	Feedback
Box 4.3: Questions on joint and separate marketing		
19.	<p>Are there any aspects of joint marketing by unincorporated JVs not identified in section 4.3 that may adversely affect upstream competition and/or the timeliness of supply? If so, please explain (with examples if possible):</p> <ul style="list-style-type: none">• what they are• how they may effect upstream competition and/or the timeliness of supply• any measures that may be able to address them.	<p>As an upstream JV participant, we are aware that gas has been marketed jointly to the Walloons Coal Seam Gas Company Pty Ltd which is a gas sales company to the domestic gas market. When We were considering participating in the QCLNG project, the upstream arrangements were already in place, and therefore no decisions were made by us in relation thereto. Joint marketing is, in certain way, efficient for small producers regarding cost reduction and timeliness of supply by mitigating the financial and operational burden for gas sales operations.</p>
20.	<p>What are the factors that may make establishing balancing arrangements difficult in one case, and easier in another? How has this changed over time? Please provide examples if possible.</p>	
21.	<p>In what circumstances do you consider allowing producers to jointly market gas would be beneficial? Please provide examples of current producers that are jointly marketing their gas and what you consider the likely impact would be on competition or the timeliness of supply if they were to separately market.</p>	