

16 April 2021

Joshua Runciman
Australian Competition and Consumer Commission
ACCC LNG Netback Price Series Review Committee

(via email to: LNGnetbackreview@acc.gov.au)

LNG NETBACK PRICE SERIES REVIEW – SUBMISSION BY GLNG OPERATIONS PTY LTD

Dear Sir,

GLNG Operations Pty Ltd (**GLNG**) welcomes the opportunity to provide comment on the ACCC's LNG Netback Price Series Review.

The ACCC LNG Netback Series is of critical importance to GLNG and the other east coast LNG producers, as it is now directly referenced in the Heads of Agreement executed earlier this year, and as such plays a critical role in determining whether gas excess to long term contract requirements is produced or not.

GLNG has been supportive of the philosophy of the LNG netback series in attempting to determine a price that would cause an east coast LNG exporter *"to be indifferent between supplying gas to the domestic market or to LNG export markets"*. We believe it is of utmost importance that this philosophy be maintained, since if the ACCC LNG Netback series no longer represents the short-run value of LNG exports, there is a significant risk that the LNG Netback price will become disconnected from actual market pricing opportunities, and cause producers to not produce gas rather than selling at sub-market pricing levels.

Annexure A attached contains specific responses to the questions raised in the ACCC Issue Paper. However, in particular I would like to highlight our views on the Henry Hub index, and also the question on whether LNG Liquefaction costs should be included.

With regard to the Henry Hub index, we understand the index may appeal to gas user because the price is relatively low. However, it is important to understand that price level of Henry Hub is set by the supply and demand dynamics in markets surrounding the Henry Hub index point in Louisiana, USA. Abundant low-cost gas supply in Texas (substantially below the cost of supply of CSG in Queensland), including associated gas from shale oil production, is what keeps the Henry Hub price low. Secondly, while since the commencement of US LNG exports, the Henry Hub price has from time to time influenced the JKM price. However, the Henry Hub price itself does not represent a relevant reference

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GLNG is a Santos PETRONAS Total KOGAS venture.



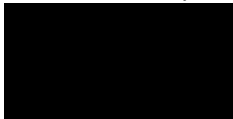
price for Australian LNG exports. As such, in our submission attached we recommend the continued use of the JKM marker for a proxy of Asian short-term LNG prices.

With regard to the question of how to account for LNG plant and liquefaction costs, gas marketing decisions are typically driven by short run marginal costs, meaning only incremental costs incurred due to that new sale are accounted for. Historical sunk capital expenditure is not relevant in that decision. With regard to LNG plant operating expenditure (excluding fuel gas as this is already accounted for in the ACCC LNG Netback), generally more than 99% of Plant operating expenditure is fixed. Thus, there is negligible incremental LNG plant or liquefaction cost for an additional LNG cargo to be liquefied.

In submitting this submission, GLNG would like to reiterate that the Australian oil and gas industry makes a significant contribution to the Australian economy. Australia's oil and gas industry provides reliable and competitively priced gas to the domestic market and exports to overseas buyers, contributing to the Australian economy and supporting the economic welfare of Australians. It is important that government and regulatory decisions support continued gas development and investment and not impede future economic growth.

GLNG would welcome the opportunity to provide further input into proposed reforms.

Yours sincerely



Stephen Harty
Chief Executive Officer
GLNG Operations Pty Ltd

ANNEXURE A

LNG NETBACK PRICE SERIES REVIEW **GLNG OPERATIONS PTY LTD RESPONSE**

THE LENGTH OF THE FORWARD LNG NETBACK PRICE SERIES

1. Whether there would be merit in the ACCC publishing a longer-term LNG netback price series

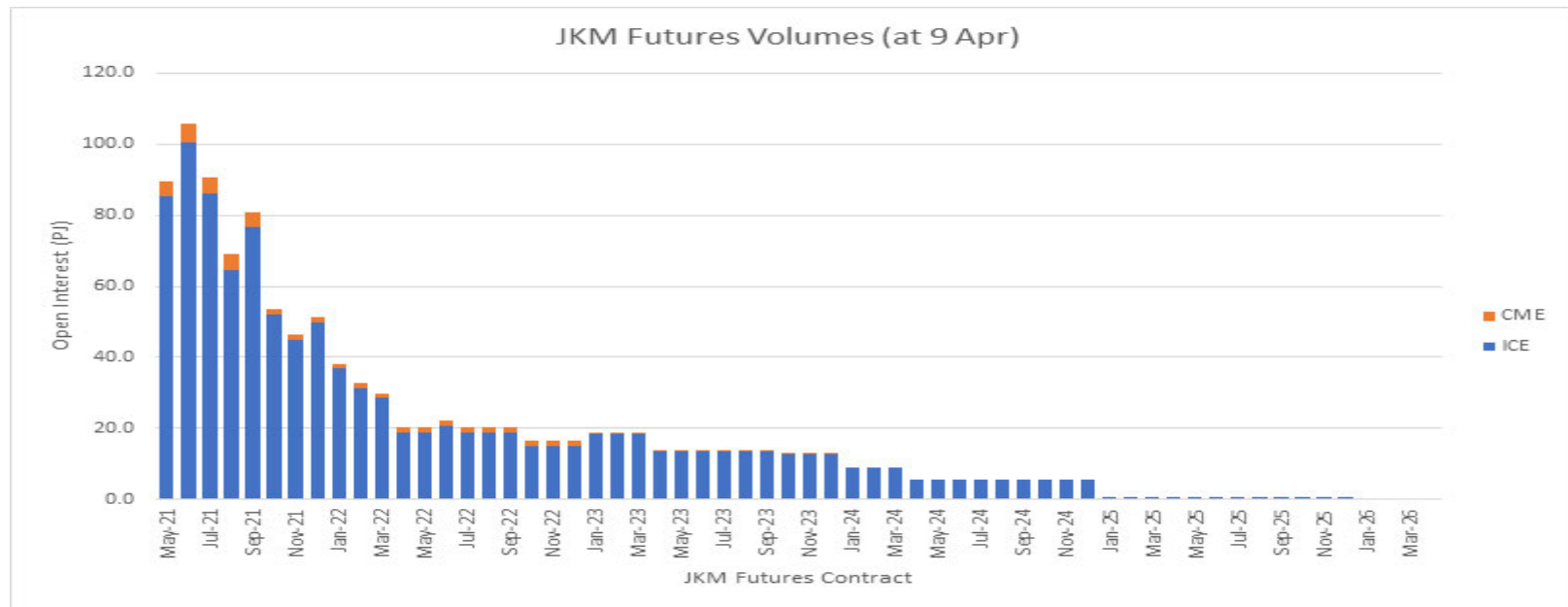
The current netback price series based on JKM is most appropriate as a short-term price guide. The traded liquidity of the JKM index is negligible beyond 2 years ahead. This view was confirmed by the ACCC which noted in 2018 that the netback series is most relevant for an offer or agreements to supply gas for a term of up to two years.

For longer term gas supply contracts (more than 2 years) a JKM based LNG Netback series is of limited relevance and while an LNG netback series more representative of a basket of new long term LNG contracts could be helpful, it may be difficult to develop and its merit may be limited and potentially misleading.

- An LNG netback series more representative of new long-term LNG contracts, would likely be based on incomplete data due to the bespoke and confidential nature of long-term LNG sales agreements and may be difficult to publish due to confidentiality insisted on by market analyst companies. The price agreed under long term LNG contracts will reflect the terms of that specific agreement, including risk allocation, the significant volumes and delivery obligations. The prices agreed for new long-term LNG supply will represent specific LNG market conditions at the point the commitment is made.
- Domestic gas market participants would need to consider broader information needs in making informed decisions on the appropriate gas purchase price and the bespoke terms that will be agreed under a long term gas sales agreement. Risk allocation, flexibility of offtake along with the cost of development of gas supplies and transmission pipelines underpinning the longer-term supply are likely to be critical elements and often bespoke. Sales volumes are likely to be significantly smaller and the risks, bespoke terms and development costs may not be covered by, and are not specifically accounted for in, an LNG netback price index either based on JKM or longer term agreements.

2. The most appropriate period, or periods, over which to publish forward LNG netback prices, based on market trends in LNG markets and the east coast gas market.

Publishing LNG netback prices should be limited to the period for which the relevant index is frequently traded. In the case of the JKM index, trading liquidity as shown in the following chart, is high in the first year, low in the second year, and drops off substantially after that. As such we would recommend to continue limiting the period of published LNG netback price based on JKM to 2 years. Further in the chart below, GLNG believes that the flat data in 2023 and 2024 reflects transactions made on the “calendar year 2023” and “calendar year 2024” JKM Contracts, and not the “monthly” JKM Contracts as in the case in 2021 and 2022. The implication of this is that liquidity transacted on calendar year contracts (which have a single price for the whole year) is not instructive for a monthly price set as intended by the ACCC for its netback series.



<p>3. Whether the ACCC should publish multiple forward LNG netback prices, based on different periods (to inform pricing for different GSA terms).</p>
<p>We would not support the publication of multiple forward LNG netback prices. Multiple forward netback prices would likely be confusing to the market, and risk that the netback prices published may not truly reflect the LNG export parity price at the time of commitment of the sale/purchase.</p> <p>As discussed above, for longer term gas supply contracts (more than 2 years) a JKM based netback may have limited value and an appropriate long term LNG netback series may be difficult to develop, however regardless, there will be further and broader information that needs to be considered by domestic gas market participants in making informed decisions on the gas purchase price and terms they can accept. The terms including risk allocation and flexibility of offtake along with the cost of development of gas supplies underpinning the longer-term contract are likely to be critical elements and often bespoke.</p>
<p>4. How important it is that the length of the forward LNG netback price series is consistent with the duration of domestic GSAs.</p>
<p>Any LNG netback series should only be considered as one reference point for what may ultimately be a bespoke domestic GSA as it is negotiated and finally agreed. Due to their bespoke nature Domestic GSAs will cover varied time periods and contain different terms. An LNG netback series can only represent the LNG pricing that was agreed at that point in time and each time is generated will reflect market conditions at that time. Provided the LNG netback prices are considered purely as an indicator of LNG pricing parity at that point in time for information to assist domestic participants in their discussions and not a specific price reference, the matching of duration is less critical.</p> <p>As noted above, the 2-year LNG netback series based on JKM will not necessarily be instructive for longer term GSA pricing levels.</p>
<p>5. Whether there are relevant market benchmarks for a longer forward LNG netback price series, or methods/approaches to deriving such market benchmarks.</p>
<p>As noted above (<i>Question 3</i>) for longer term gas supply contracts (more than 2 years) a JKM based netback may be one reference point (albeit less valid) however there will be further and broader information that needs to be considered by gas market participants</p>

in making informed decisions on the gas purchase price they can accept. The terms including risk allocation and flexibility of offtake along with the cost of development of gas supplies underpinning the longer-term contract are likely to be critical elements and often bespoke.

The use of a basket of recent long-term LNG sale/purchase contract pricing could be helpful but difficult to produce. Like gas sales contracts, long term LNG sales contracts are bespoke with pricing often specific to the negotiated outcome, its terms, the risk allocation and market dynamics and the time of commitment. It would be inappropriate to benchmark a single long-term contract, it would need to be a compilation of a significant number of long-term contracts executed in a similar period for delivery to the relevant Asian market.

There is also a significant problem with accessing information on long term LNG contracts, as they are usually strictly confidential with limited published datasets of potentially incomplete and misleading information available for reference. Generally, such datasets are only commercially available through companies specialising in LNG market analysis with highly restricted distribution and usage when purchased. Further:

- LNG Sales and Purchase Agreement (LNG SPA) pricing may underpin a significant project on a hedged basis and does not reflect demand. Buyers may take equity project positions.
- The long-term LNG contracts and prices applying to the three east coast LNG producers are confidential and commercially sensitive and should not be published. If such pricing became identifiable, this change would significantly undermine Australia's ability to compete globally for future investment in its gas industry – which is required to continue supporting the Australian economy and the government's plan for a gas led economic recovery.
- Further, long term LNG SPA pricing does not reflect the seasonality of pricing that is seen in the short-term LNG and short-term domestic markets.

6. Issues that should be considered in calculating a longer-term LNG netback price series.

In calculating any longer term LNG netback series, if possible, it will be important that the data set that underpins it is as broad as possible covering a basket of as many long term contracts as possible, preferably with some normalisation for terms, and be limited to contracts into the relevant market for Australian LNG producers being the Asian market. The cadence for generating and publishing any series would need to be considered as any long-term netback price will simply reflect the LNG market and project conditions at

the time it is published. A long-term LNG netback price series should, like the current JKM based netback endeavour to represent the LNG proponents' alternative disposition for that gas. In the case where the alternative disposition is LNG produced through an existing facility, which is likely the case on the east coast of Australia, then the methodology for calculation of any long term LNG netback series should be similar to the current JKM based method only deducting producer variable costs.

As discussed previously however long-term LNG contracts are bespoke as are long term gas supply agreements. Any long-term LNG price netback series could only be indicative and a single reference point. The key issues making normalisation and/or direct comparison complex include:

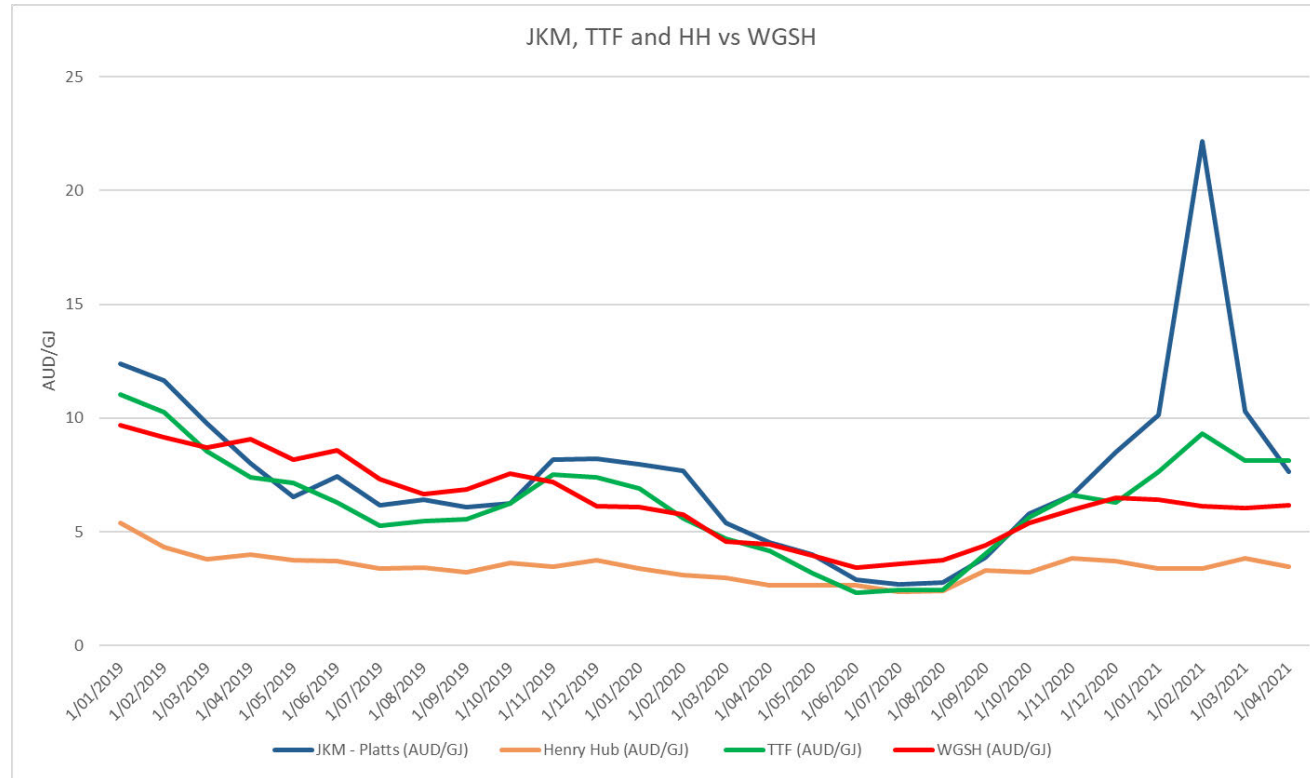
- Commencement and term of supply
- Volume commitment
- Risk allocation (eg delivery point, shortfall risk, permitted interruptions, Force Majeure)
- Flexibility of offtake (ie take-or-pay percentage, inter-year flexibility, intra-day flexibility)
- Cost of development and production of gas supplies
- Cost of transportation and delivery
- Credit position of the buyer underpinning the longer-term contract

LNG PRICE

7. The influence of international gas markets on pricing in the east coast gas market.

International gas markets cover three main geographical areas being Europe, North America and Asia and are individually complex and driven by different fundamental assumptions/drivers that influence their gas pricing. (Referred to in Question 8). The cost of shipping from the east coast of Australia to Asia is significantly lower than the shipping costs to Europe. Due to these substantially lower shipping costs, the most attractive and therefore most relevant market for LNG produced on the east coast of Australia is the Asian market. The Asian LNG spot market (ie JKM) is from time to time a competitor for excess gas and therefore can influence short term domestic gas prices. Whilst there is general correlation between JKM and Wallumbilla hub trading prices, the domestic

spot price does at times depart from a JKM linkage. This point is reinforced with the very high Asian prices seen at the start of 2021 that were not reflected on the East Coast markets as shown in the chart below.



It is important to note that middle eastern LNG and US LNG can be diverted between Asia and Europe ensuring some correlation between those market pricing. However, Henry Hub is a domestic market price in the US reflecting specific US market dynamics, scale of market and gas transport options, nature of the resources (liquids rich), low resource development costs with highly competitive services. Clearly the Henry Hub does not represent a market that could be accessed as an alternative disposition for gas

or LNG by the east coast LNG producers and has no direct influence on the east coast market. It should therefore not be used as a price marker or index here on the East Coast.

Indirectly however Henry Hub may have an influence on JKM where a significant volume of US sourced cargoes are supplied into the Asian market. JKM may therefore at times be indirectly influenced by Henry Hub pricing but it is JKM that is the alternative market for uncontracted LNG (and therefore gas) from the east coast LNG producers and therefore in the short term market it is JKM that may influence the domestic gas price. As discussed above JKM forms the appropriate basis for netback pricing.

In the longer term new gas resources, gas basins and transmission pipelines will need to be developed to service the east coast gas market. In addition, an LNG import terminal may be developed as forecasted by AEMO in the recent GSOO. Under these circumstances it is probable that either the development and transportation costs for the new resources or LNG import parity will become the key factors influencing the east coast market pricing rather than JKM based export parity.

8. The relevance of different international LNG and gas price markers for LNG pricing in key LNG export markets and the east coast gas market.

As mentioned above, the most relevant international LNG and gas price marker for the Australian east coast gas market is the Asian spot gas price (JKM). Other international gas market prices such as Henry Hub and European gas prices (TTF), have little relevance to the Australian east coast gas market. In relation to the Henry Hub price as a possible export parity price, the local commercial drivers in the United States influencing its gas prices are markedly different to the commercial drivers that influence Australian domestic gas prices.

A significant proportion of US gas volumes are produced as a by-product of liquids developments (including from shale deposits) which forms the substantial revenue source that most Australian resources do not receive. Further, the Henry Hub benefits from its local market conditions being the enormous depth and maturity of the US market, the significant gas supply and the large gas volumes traded across the hub. Development of resources is assisted by the scale of the market with large numbers of drilling rigs, equipment and personnel along with a very large established pipeline network driving significantly lower development costs. These factors are quite different to Australian local gas market. Australia's most recent large gas developments are from CSG where there are no associated liquids. Further most gas trading is done predominantly through bilateral contracts and not spot trading. Consequently, Henry Hub gas price driven by US local commercial drivers is of little relevance as a marker for Australian gas trading

prices. Further, any relevant representation of Henry Hub in the netback price is already provided for in the JKM based calculation where any spot cargo sales from the US into those Asian markets are already included in the JKM index.

9. Whether the relevance of different LNG and gas price markers is different for short-term versus long-term LNG netback prices.

The relevance of different LNG and gas price markers is different for short-term versus long-term LNG netback prices.

As noted above, for the JKM index, trading liquidity is high in the first year, low in the second year, and negligible after that and is more relevant to short-term sales. For longer term gas supply contracts (more than 2 years) a JKM based netback may be one reference point (albeit less valid) but will not necessarily be instructive for longer term GSA pricing levels. GLNG would support the ongoing use and methodology of the JKM based netback series restricted as it is to the 2 years.

For longer term gas supply contracts (more than 2 years) a JKM based LNG Netback series is of limited relevance and while an LNG netback series more representative of a basket of new long term LNG contracts could be helpful, as discussed above, it may be difficult to develop and its merit may be limited and potentially misleading.

As discussed above international gas price markers such as Henry Hub are per se not relevant as markers for the east coast market over any time horizon. However, where individual LNG sales into the Asian market on a spot or long term basis are being sourced from north American LNG production they may be influenced by Henry Hub pricing and these will already be reflected in either JKM or potentially a basket of long term SPA prices if one could to be developed (notwithstanding the difficulties and relevance discussed above.

10. Whether the relevance of different LNG and gas price markers, for the LNG netback price series, is likely to change over time.

Notwithstanding the limitations of the JKM index and its applicability discussed through this submission, GLNG's view is that the JKM index is the only relevant (and available) international gas price index.

11. Whether the ACCC should consider additional methodological approaches, such as averaging, to account for the impact of price volatility of price markers on calculated LNG netback prices

GLNG recommends maintaining the current ACCC LNG netback methodology. Averaging of JKM may solve the concern with volatility, however a historic average does not necessarily provide relevant insight to future pricing expectations.

12. Any other issues that should be considered when determining which LNG and gas reference price should be used for the ACCC LNG netback price series.

The LNG netback price should be a measure of export parity for short term uncontracted gas representing the netback price an LNG producer on the east coast of Australia would expect to receive for gas converted to LNG and exported.

As LNG producers on the East Coast export their base contract volumes gas to Asian markets and this is also the primary location where spot cargoes are sold, the JKM index is the most appropriate measure for the ACCC LNG netback series. However, using JKM also has its limitations – including price volatility and limited liquidity time horizon.

While a simple LNG netback price may be relatively easily calculated and form a reference point, its applicability to gas sales to domestic customers in the East Coast market may be limited. There are obvious and significant differences between the LNG spot market and East Coast gas market which make its applicability difficult. These differences include:

- Contract duration and contracted volumes - LNG spot market sales are usually for very large volumes delivered in a single cargo lot produced from very high gas supply rates over a couple of days, whereas local gas sales tend to be for smaller volumes over months or years.
- Contractual terms reflect the complexities of the sale - long term gas supply contracts often contain complex contractual terms. Non-price terms and conditions can also be quite different such as take-or-pay levels and daily swing allowances.
- Risk is managed differently depending on whether the sale is spot, long term, through a market facility or through bilateral agreement.
- Market players may have different price expectations depending on their own view of commodity forecasts and the urgency to remove gas from their business.
- Transportation costs — the price a local buyer is required to pay for gas at a location other than Wallumbilla may also reflect additional transportation costs incurred by the supplier.

- Hedging costs — these costs may be passed onto gas buyers if suppliers incur additional costs to hedge against currency or commodity price movements.

LNG FREIGHT COSTS

13. Available data sources for longer-term LNG freight rates (beyond a period of two years), and whether the appropriate data source would be different if different international LNG and gas price markers were used to calculate LNG netback prices.
Nothing further to add in this section
14. Whether northeast Asia should be considered the appropriate delivery location for the purposes of estimating LNG freight costs for LNG exported from Gladstone.
15. Any other issues that should be considered when sourcing longer-term LNG freight rates.

CONVERSION TO AUD

16. Whether the ACCC's current approach to converting FOB LNG prices to \$AUD/GJ is appropriate.
Using Reserve Bank published exchange rates is appropriate
17. Alternative approaches that should be considered by the ACCC.

18. Any other issues that should be considered when converting FOB LNG prices to \$AUD/GJ.

LNG PLANT COSTS

19. Whether the ACCC's current approach to deducting LNG plant and liquefaction costs is appropriate
When calculating the netback price, it is appropriate to only deduct variable plant operating costs – see Question 21
20. How LNG plant and liquefaction costs should be accounted for when calculating the LNG netback price series.
When calculating the netback price, it is appropriate to only deduct variable plant operating costs – see Question 21
21. Whether different approaches to LNG plant costs should be used for different reference price markers.
<p>The current methodology adopted by the ACCC is reasonable and appropriate. Historical LNG liquefaction capital costs and fixed LNG liquefaction operating costs should remain excluded from the netback price series calculation as those costs are not a factor for consideration by marketing participants when making marketing decisions.</p> <p>The netback price methodology provides for the deduction of LNG freight, and variable plant and pipeline transportation costs. The ACCC's current approach deducts estimates of the short-run marginal costs for each of these components consistent with the short-run decisions made by the LNG producer in deciding whether to sell their excess gas on the domestic market or internationally as a spot cargo. In making this decision, the LNG producer is determining its net revenue position (revenue less</p>

variable costs), as its capital and operating costs are fixed regardless of whether the gas is sold to the domestic market or overseas as a spot cargo; and therefore not taken into account in making the marketing decision.

A consequence of deducting an amount for capital/fixed costs, is a reduced netback price which is not reflective of the actual market situation. An artificially lowered netback price, while seeming attractive to domestic buyers will disincentivise producers from producing gas in excess of their contracted volumes. If such an approach is taken, this will have an impact on the amount of gas offered to the domestic market (as it will always be preferable to either sell the spot cargo or to turn down and simply not produce those volumes). This in turn may impact future investment decisions being made in relation to gas developments on the East Coast.

An artificially lowered netback price may also set expectations well below the likely development cost of new gas supply sources and have a detrimental effect on broader upstream investment necessary to secure supply to the domestic market both short and long term. Such an approach and consequences are contrary to the government’s approach to encourage investment in gas supply and infrastructure in Australia to promote a gas fired economic recovery and support the welfare of every Australian.

In reviewing the netback costs, the ACCC could account for the fact that LNG plant inlet gas pressure is well below that of the domestic market at Wallumbilla meaning that gas diverted from the LNG plant to the domestic market will require additional compression to be delivered into the domestic market at Wallumbilla. It could be appropriate for the ACCC to include compression costs that would be incurred by LNG producers to deliver that gas to the domestic market as an add on and add that back into the netback calculation.

22. Whether different approaches to LNG plant costs should be used for short-term and longer-term LNG netback prices

23. Any other issues that should be considered when accounting for LNG plant and liquefaction costs.

As noted above, historical LNG liquefaction capital costs and fixed LNG liquefaction operating costs should remain excluded from the netback price series calculation as those costs are not a factor for consideration by marketing participants when making

marketing decisions. If the netback price was to include deductions for these costs, then the final netback price series will be artificially low and not reflect a fair market price for ALL participants in Australian east coast gas.

It is also important to note that the gas industry Code of Conduct currently being drafted as part of the Federal Government's series of reforms for the gas industry is intended to reference the netback pricing series to an ACCC Netback Price. To the extent that the Code of Conduct will apply to gas producers, LNG Producers, gas retailers, and gas wholesalers located on the east coast of Australia, it would not be appropriate to have a netback price series that does not reflect a fair market price for gas and support new gas development.

An artificially lowered netback price is not likely to reflect the development cost of new gas supply sources and will have a detrimental effect on broader upstream investment necessary to secure supply to the domestic market both short and long term.

PIPELINE TRANSPORTATION COSTS

24. Whether the ACCC's current approach to deducting pipeline transportation costs is appropriate.

No further comments on this section

25. How pipeline transportation costs should be accounted for when calculating the LNG netback price series.

26. Whether different approaches to pipeline costs should be used for short-term versus longer-term LNG netback prices.

27. Any other issues that should be considered when accounting for pipeline transportation costs.

OTHER COMMENTS

28. Other comments for considerations

LNG netback price series should remain as intended – a guide only and not a price benchmark

As noted above, it would not be possible to have a netback price series that captures and reflects all potential market requirements and be directly comparable. Rather a netback price such as the price series published by the ACCC can only be considered useful information or a guide, and not a direct benchmark or price marker for domestic gas prices. When the ACCC began publishing the LNG netback price series in 2018, it was described as a measure to improve transparency of gas prices in the east coast gas market¹.

It reflects the price that a gas supplier would expect to receive from a domestic buyer to be indifferent between supplying gas to the domestic market or to LNG export markets (all other things equal). This is because it is a measure of the value foregone, or opportunity cost, of supplying gas to the domestic market compared to the alternative of exporting it as LNG².

This is also confirmed in the Heads of Agreement:

LNG netback prices based on Asian LNG spot prices play a role in influencing domestic gas prices in the East Coast Market (as referenced by the ACCC LNG Netback Price Series).³

¹ Page 8 ACCC Netback Price Series Review Issues Paper

² Page 8 ACCC Netback Price Review Issues Paper

³ Heads of Agreement entered into between the Commonwealth Government and three LNG Producers in late 2020

and by the ACCC on its website which notes that:

The prices shown are for information only and do not represent the ACCC:

- *setting a level of gas prices in the east coast gas market or any other market in Australia*
- *forecasting international or domestic gas prices*
- *forecasting any of the inputs used in the calculation of the LNG netback prices, or*
- *providing an endorsement of the price reporting agencies or the specific methods adopted by those agencies.*

Therefore, the LNG netback price series should remain as intended – a guide only and not a price benchmark.

Some Context

This submission must be considered in the current context being the significant contribution that the gas industry makes to the Australian economy. Australia's oil and gas industry provides reliable and competitively priced gas to the domestic market and exports to overseas buyers, contributing to the Australian economy and supporting the economic welfare of Australians. Therefore, it is necessary that government and regulatory decisions support continued gas development and investment and not impede future economic growth.

LNG export buyers are significant investors in Australian LNG projects and have entered into long term bilateral contracts to support their investment. It is critical for future investment in infrastructure and new gas fields to unlock gas supply that the interests of foundation investors are protected. Further making investment easier through removing moratoriums, streamlining regulation and approval processes, removing duplication between Commonwealth and State regulation and having affordable finance and insurance available will together with good policy and decision making encourage the development of gas basins across Australia.

It is also important that any measures developed must not only provide the gas industry with the necessary comfort that its current investments are safeguarded but also support that business cases for future investments in gas development will not be eroded over time by government intervention in the market.

The gas industry has undergone significant reforms since the Netback Price Series was introduced in 2018. Government and regulatory intervention have continued through the Pipeline Trading Capacity Reforms, Transparency RIS Consultation and

reforms, Gas Fired Recovery Consultation and the Gas Supply Guarantee Consultation (not an exhaustive list). Further, the East Coast LNG producers have committed to supplying gas to the Australian Domestic Gas Market under the Gas Supply Guarantee Guidelines, the HOA and through the ADGSM. These commitments are reflected in gas contract terms and in trading behaviours of market participants who are valuing less flexible gas supply contract terms due to the commitment made by gas suppliers, pipeline operators and LNG producers through these regulatory reforms.

Ongoing reforms and regulatory intervention (including decisions made as part of this review) can affect investor confidence. Such decisions can play an important role in determining whether the industry can realise its potential and remain globally competitive to attract future investment, which is required if the Australian economy is to continue to capture the economic benefits from future gas investment.