



Gas Inquiry 2017-2030

**Interim update on east coast
gas supply-demand outlook
for quarter 3 of 2024**

March 2024



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Australian Competition and Consumer Commission

Land of the Ngunnawal people

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Forecast Quarter 3 2024 – Key Points



6 PJ surplus gas if all uncontracted gas is exported

The current outlook is for an overall east coast surplus of 6 PJ in quarter 3 2024, even if all uncontracted gas is exported.



510 PJ of forecast gas supply

This is 7 PJ higher than forecast supply in our December 2023 report.



156 PJ of forecast domestic demand

Forecast domestic demand in quarter 3 has decreased by 7 PJ from the previous forecast, with updated data from AEMO's 2024 GS00. Domestic demand remains the highest in this quarter of the year due to winter heating.



310 PJ of forecast LNG export demand

This is a 13 PJ increase in forecast exports under long-term LNG contracts compared to our December 2023 report.



8 PJ of net uncontracted gas held by LNG producers

This is a 14 PJ decrease in net uncontracted gas (after anticipated spot sales) compared to our December 2023 report. LNG producers have now sold an additional 7 PJ to the domestic market, and also contracted an additional 13 PJ for export.



Regional breakdown

The southern states have forecast a 25 PJ shortfall over the quarter. Queensland is forecast to have a surplus supply of 30 PJ, even if all uncontracted LNG gas is exported.



Sufficient pipeline capacity

There is sufficient pipeline and storage capacity to ensure southern states can have sufficient supply to meet demand.

Introduction

This is the March 2024 interim report of the Australian Competition and Consumer Commission's (ACCC) inquiry to improve transparency and monitor gas supply in Australia (the Inquiry).

The report provides information on whether there is forecast to be sufficient gas supply to meet demand on the east coast in quarter 3 2024. This report updates forecasts contained in our December 2023 report¹, and includes breakdowns of the outlook for Queensland, the southern states² and for the Queensland Liquefied Natural Gas (LNG) producers. This information provides transparency to the market on short-term gas supply and can be used to inform stakeholder decision-making, including on the Australian Domestic Gas Security Mechanism or other matters.

The market outlook considers the following:

- **total forecast supply of gas on the east coast**, including net withdrawals from storage and expected gas flows from the Northern Territory into Queensland
- **total forecast demand**, including domestic demand and the quantities of gas required by the Liquefied Natural Gas (LNG) producers to meet their long-term LNG Sale and Purchase Agreement (SPA) commitments and LNG spot sales.

Continuing from our previous interim reports, this report also:

- provides information on pipeline and storage capacity in the east coast gas market
- compares the forecasts for quarter 3 2023, published in the ACCC's June 2023 report, with actuals from the Australian Energy Market Operator's (AEMO) Gas Bulletin Board.³

The Gas Market Code

The latter half of 2023 saw the implementation of the Gas Market Code (the Code).⁴ The Code commenced on 11 July 2023 and, following a two-month transition period, came into effect in full on 11 September 2023.

The Code is intended to facilitate a well-functioning domestic wholesale gas market with adequate gas supply at reasonable prices and on reasonable terms for both suppliers and buyers. The Code specifies pricing requirements and a framework for exemptions which, together, are intended to incentivise producers to commit more gas to the east coast domestic market at reasonable prices.

¹ ACCC, *Gas inquiry December 2023 interim report*, Gas Inquiry 2017–2030, December 2023.

² 'Southern states' refers to New South Wales, the Australian Capital Territory, South Australia, Victoria, and Tasmania.

³ AEMO, Gas Bulletin Board, [Actual flow and Storage \(all data\)](#) as at 6 February 2024.

⁴ The Code applies to regulated gas producers and any affiliates that have a current supply agreement with the regulated gas producer or intend to enter into such agreements. Certain exemptions to the pricing provisions apply in certain circumstances. A deemed exemption from the Code is also available to retailers that meet the criteria set out in s 53 of the Code.

The Code came into full effect from 11 September 2023. Since that date, developments on its implementation include the following:

- The emergency price cap of \$12/GJ ended in December 2023. This was replaced by the reasonable price provisions under the Code, which retains a \$12/GJ cap for regulated gas not subject to an exemption.
- Four Conditional Ministerial Exemptions have been granted to date under Part 8 of the Gas Market Code - to APLNG and Senex, (November 2023)⁵, and Esso and Woodside (January 2024).⁶
- In December 2023, the ACCC made 4 determinations relating to suppliers' record-keeping, publishing, and reporting obligations under the *Competition and Consumer (Gas Market Code) Regulations 2023*. The determinations will commence on 1 April 2024 to allow suppliers time to adapt to their new obligations.
- In January 2024, the ACCC issued its first information-gathering notices under s 53ZT of the CCA, which requires suppliers to provide to the ACCC certain records they are required to keep under the Code. These notices were issued to around 55 suppliers. To support compliance with the Code, the ACCC has published a reporting guide on its website.
- In February 2024, the ACCC published the names of around 50 suppliers of natural gas who have met the criteria for the deemed small supplier exemption under s 55 of the Gas Market Code for the 2022 and 2023 calendar years.

A review of the Code, scheduled for 2025, will be an opportunity to systematically examine the Code's impact on the operation of the east coast gas market.

Sources and interpretation of data

The ACCC's supply and demand forecast is based on data obtained from east coast gas producers and AEMO.

Supply data reflects east coast gas producers' forecasts of production from 2P (probable) developed and undeveloped reserves, net withdrawals from storage, and flows from the Northern Territory. This is based on information obtained directly from producers in response to compulsory information gathering notices issued in January 2024.

Demand data is based on:

- LNG producers' forecasts of gas that will be exported under long-term LNG Sale and Purchase Agreements (SPAs) with international buyers. We include volumes of LNG SPA demand based on 'expected commitments' under take-or-pay requirements in long-term LNG supply contracts, which typically reflect minimum annual contracted quantities required under these long-term contracts.
- LNG producers' forecasts of gas that will be exported as spot or additional LNG cargoes. These are anticipated, not committed, figures.
- LNG producers' uncontracted gas, with further information on this figure provided by LNG producers' forecasts of gas that they anticipate exporting as LNG spot cargoes or additional LNG sales, in addition to their expected sales under SPAs.

⁵ For further information please see: [Joint media release: Gas code secures supply for domestic market](#) as at 27 November 2023.

⁶ For further information please see: [Joint media release: Gas market code secures supply for domestic market](#) as at 22 January 2024.

- Forecasts of domestic gas demand obtained from AEMO, which are contained in its March 2024 Gas Statement of Opportunities (GSOO) report.

Further information on AEMO's GSOO demand scenarios is provided in box 1.

The role of LNG producers on the east coast market

The east coast LNG producers (APLNG, GLNG and QGC)⁷ sell their gas to international LNG buyers but are also a major source of supply in the east coast market. We report the difference between their incomings (their gas production and contracted purchases from other domestic producers) and outgoings (their contracted sales to the domestic market and to international LNG buyers) as their uncontracted gas. These uncontracted quantities of gas represent yet-to-be contracted demand that could be:

- sold to the domestic market, including through flexibility arrangements within existing contracts with domestic customers
- sold as spot or additional LNG cargoes on the international market
- sold as additional volumes to long-term LNG SPA customers, including through customers' ability to call on additional volumes above minimum take-or-pay volumes
- placed or sold into gas storage facilities
- sold to other producers, including as part of swap arrangements.⁸

In this report, we also refer to net uncontracted gas. This is the uncontracted gas left over after anticipated spot or additional LNG cargoes.

The volumes of gas potentially sold as spot or additional LNG cargoes are subject to Heads of Agreement⁹ requirements. These require that uncontracted gas is first offered with reasonable notice on competitive market terms to the Australian domestic market before being offered to the international market as LNG spot cargoes.

AEMO's demand scenarios

AEMO produces 20-year forecasts for domestic demand annually for their Gas Statement of Opportunities (GSOO)¹⁰. Forecasts are broken down by the source of demand: residential and commercial, industrial, and for gas-powered generation (GPG). The GSOO provides analyses of yearly as well as peak-day demand and breaks this down into quarterly demand projection for the ACCC, which is the basis for the domestic demand forecast in this report.

The ACCC uses the central scenario proffered by the GSOO, ("Step Change"), which projects demand for gas assuming a moderate degree of electrification, policy interventions leading to reductions in demand for gas and a relative shift by gas users to renewables/alternative

⁷ Throughout this report, any reference to the LNG producers refers only to these three LNG producers in Queensland.

⁸ In this report, when we refer to uncontracted gas, we refer to an aggregated quantity calculated using the sum of inputs and outputs for each of the LNG producers. However, the amount of uncontracted gas individual producers may consider themselves to have varies for each of the LNG producers and may vary from our calculations for them individually. The amounts may vary due to, for example, customer flexibility or buffers to account for contingencies.

⁹ For more information on the Heads of Agreement between the Australian Government and East Coast LNG Exporters, please see DCCCEW, [Heads of Agreement The Australian East Coast Domestic Gas Supply Commitment](#), accessed on 15 February 2024.

¹⁰ For more information on AEMO's Gas Statement of Opportunities please see [Gas Statement of Opportunities](#).

methods of energy. The Step Change scenario was considered the most likely from market participants surveyed for the 2024 draft Integrated System Plan.

Box 1: AEMO’s 2024 GS00 demand scenarios

AEMO’s 2024 GS00 includes the following three demand scenarios:

- Green Energy Exports
- Step Change
- Progressive Change.

Error! Reference source not found. summarises these scenarios and their impacts on short term demand.

Table 1: Scenarios for the 2024 GS00 and how they impact the short term

Scenario	Scenario features ¹¹	Impact on short term demand
Green Energy Export	Very rapid decarbonisation to support Australia’s contribution to limiting global temperature rise to 1.5°C, including strong electrification and a strong green energy export economy.	Higher economic growth internationally (and locally) increases global demand for natural gas. Long-term, this demand is shifted to renewables, including hydrogen.
Step Change	Energy transition paced to support Australia’s contribution to limiting global temperature rise to less than 2°C, and compatible with 1.5°C outcomes depending on actions taken across other sectors. Consumer energy resources provide a strong contribution to the transition.	Moderate outlook for economic, population, and gas connections, resulting in a central scenario.
Progressive Change	More challenging conditions. The pace of transition reflects Australia’s current policies and global commitments to decarbonise.	Slower economic growth results in lower demand, particularly for industrial users, with greatest consideration for closure risk.

Note:¹² the impacts on short term demand are illustrative only to give the reader an understanding of what is driving differences in each scenario, it is not exhaustive of all factors or assumptions driving changes for the 2024 supply-demand outlook.

¹¹ For more information please see AEMO’s [2023 Inputs, Assumptions and Scenarios Report](#) which they use to forecast for the GS00, ES00 and ISP, July 2023, accessed on 15 February 2024.

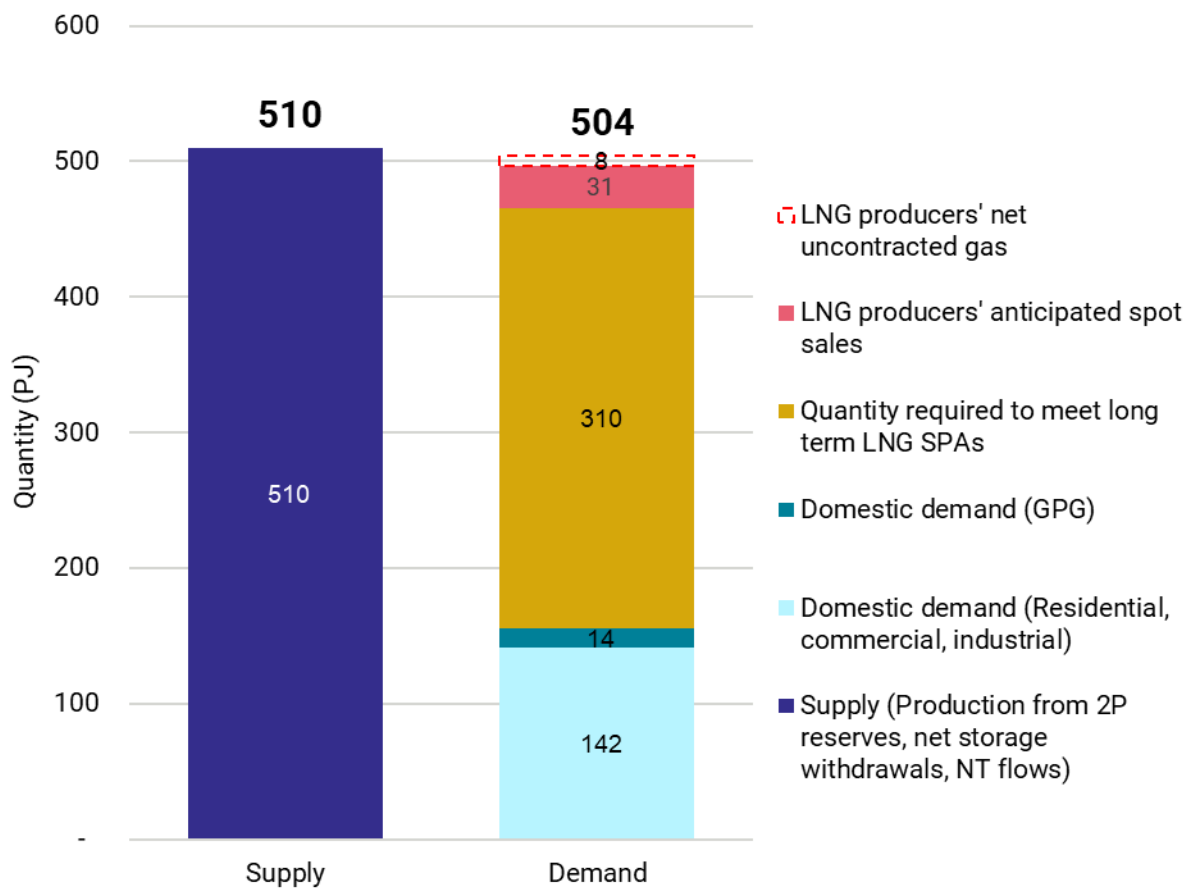
¹² AEMO, [2023 Inputs, Assumptions and Scenarios Report](#), July 2023.

East coast supply-demand outlook for quarter 3 2024

Sufficient gas is forecast for quarter 3 2024

The forecast supply-demand outlook for the upcoming winter and autumn months of July, August, and September 2024 (quarter 3) is a surplus of 6 PJ in the market even if the LNG producers export all of their uncontracted gas (Chart 1). If the LNG producers only export according to their long-term contractual commitments and currently anticipated LNG spot or additional sales, it is projected that there will be 14 PJ of gas available to the east coast market during the quarter.

Chart 1: Quarterly supply demand outlook for quarter 3 2024 (PJ)



Source: ACCC analysis of data obtained from gas producers in January 2024 and of the domestic demand forecast (Step Change scenario) from AEMO, Gas Statement of Opportunities (GSOO), March 2024.

Note: Totals may not sum due to rounding.

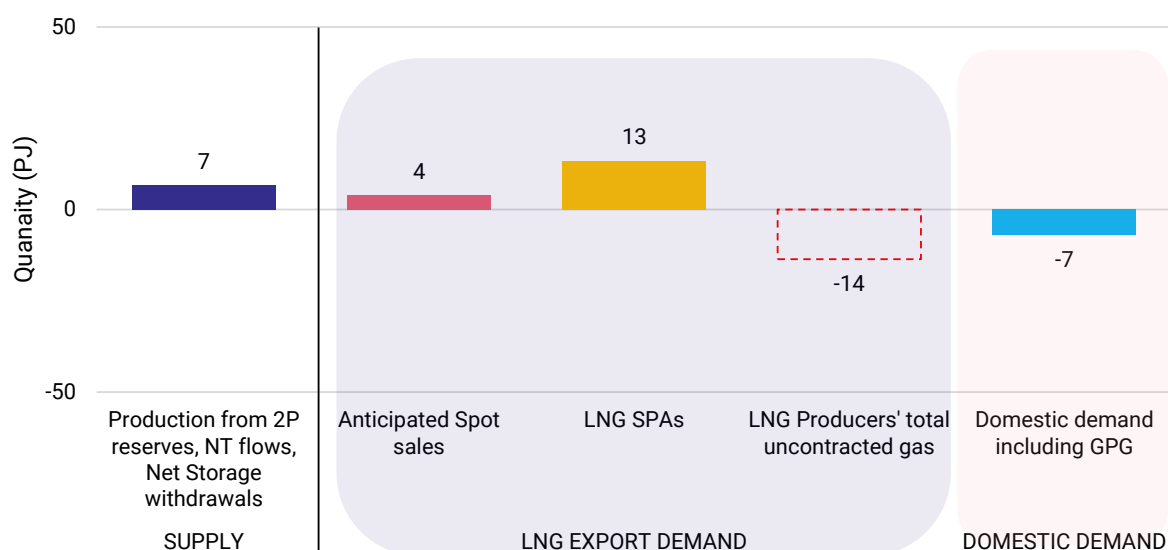
Differences between forecasts in our December 2023 and current forecasts for quarter 3 2024

Our December 2023 interim report estimated that there would be a shortfall of 5 PJ for quarter 3 2024 if all uncontracted gas were exported, in comparison to the most recent forecast of a 6 PJ surplus under these conditions.¹³

The improvement in the outlook is due to both an increase in forecast supply (of 7 PJ) and decrease in forecast demand (of 4 PJ). Higher supply is anticipated from 2P production, Northern Territory flows and storage. The decrease in forecast demand primarily arises from AEMO’s revision to its forecasts for domestic demand, which is partially offset by an overall increase in forecast LNG export demand (Chart 2).

There is an overall reduction of approximately 35 PJ in the demand forecast for 2024 compared to the demand forecast in GSOO 2023. Quarter 3 2024 remains the highest-demand quarter for 2024, with maximum forecast demand of 156 PJ. This is 4.5% lower than the expected demand reported previously for Q3 2024 and 11.4% lower than actual demand for Q3 2023.

Chart 2: Reasons for change in 2024 supply-demand outlook



Source: ACCC analysis of data obtained from gas producers in January 2024 and of the domestic demand forecast (Step Change scenario) from AEMO, Gas Statement of Opportunities (GSOO), March 2024.

Note: Totals may not sum due to rounding.

Factors that may affect the east coast market outlook

The most recent data suggest that there will be sufficient gas to meet demand in the east coast market for quarter 3 of 2024. However, this outlook is subject to some material uncertainties which could increase or decrease forecast supply or demand. As discussed below, this includes the variability of weather affecting gas powered generation, uncertainties in supply, and additional or fewer LNG exports.

¹³ ACCC, *Gas inquiry December 2023 interim report*, Gas Inquiry 2017–2030, December 2023 p 20.

Forecast domestic demand may be affected by weather and other events

AEMO's forecast of a 7 PJ (11.3%) decrease in domestic demand in 2024 relative to its previous forecast is significantly reliant on a 13 PJ decrease in forecast consumption for gas-powered generation. This decrease is primarily driven by additional renewable energy capacity in the National Electricity Market (NEM). As observed in previous years, GPG demand is heavily reliant on this capacity becoming available as anticipated and may also be affected by:

- unexpected fluctuations in electricity supply, such as that caused by coal outages or storms, which lead to higher demand for GPG
- seasonal weather variations, which can create greater demand for GPG to fill gaps in electricity supply.

An example of recent extreme weather conditions affecting the NEM is the recent significant power system event that took place in Victoria in February 2024.¹⁴ This saw significant outages of coal power stations and transmission lines on the state's electricity system.¹⁵ The coal plant outages led to increased use of GPG in Victoria.

Supply to the east coast market

Forecast gas supply to the east market has increased by 7 PJ compared to December 2023 projections. Total supply for quarter 3 2024 is projected to be higher than actual supply for this quarter in 2023 (Appendix A).

Actual gas supply may fall short of the volumes forecast by producers due to production issues and delays in regulatory approvals required to finalise investment in newly-developed fields.

A material down-side risk relates supply from the Northern Territory. Suppliers in the Northern Territory have forecast, consistent with previous years, that they will supply 3.6 PJ of gas to the east coast in quarter 3 2024. However, supply to Queensland in recent years has been affected by production problems at the Blacktip field off the coast of Northern Territory and disruptions to supply in the Northern Territory have also led Power and Water Corporation to source gas from the Darwin LNG exporters.¹⁶

In February 2024, Jemena reported a proposal to upgrade the Northern Gas Pipeline to become bi-directional and allow gas to flow from Queensland to Northern Territory.¹⁷ This work is expected to be completed by the end of May 2024.

This pipeline upgrade will allow Power and Water Corporation to import gas from the east coast market as soon as quarter 3 2024. If Northern Territory production issues continue in 2024 this will likely disrupt gas flows from the Northern Territory and may also lead to gas imported from Queensland. Both situations will reduce the forecast supply on the east coast and increase the likelihood of shortfalls in quarter 3 2024.

¹⁴ AEMO, [Power system event in Victoria](#), accessed on 19 February 2024.

¹⁵ Angela Macdonald-Smith, [Blackouts stoke Victoria power grid fears](#), Financial Review, 13 February 2024, accessed on 13 February 2024; Jarrod Whittaker and Natasha Schapova, [Half a million Victorian customers without power as Loy Yang A shuts down and storms damage infrastructure](#), ABC News, 13 February 2024, accessed on 19 February 2024.

¹⁶ Steve Vivian, [Gas supply interruption triggers widespread power outage from Darwin to Katherine](#), ABC News, 6 February 2024, accessed on 19 February 2024.

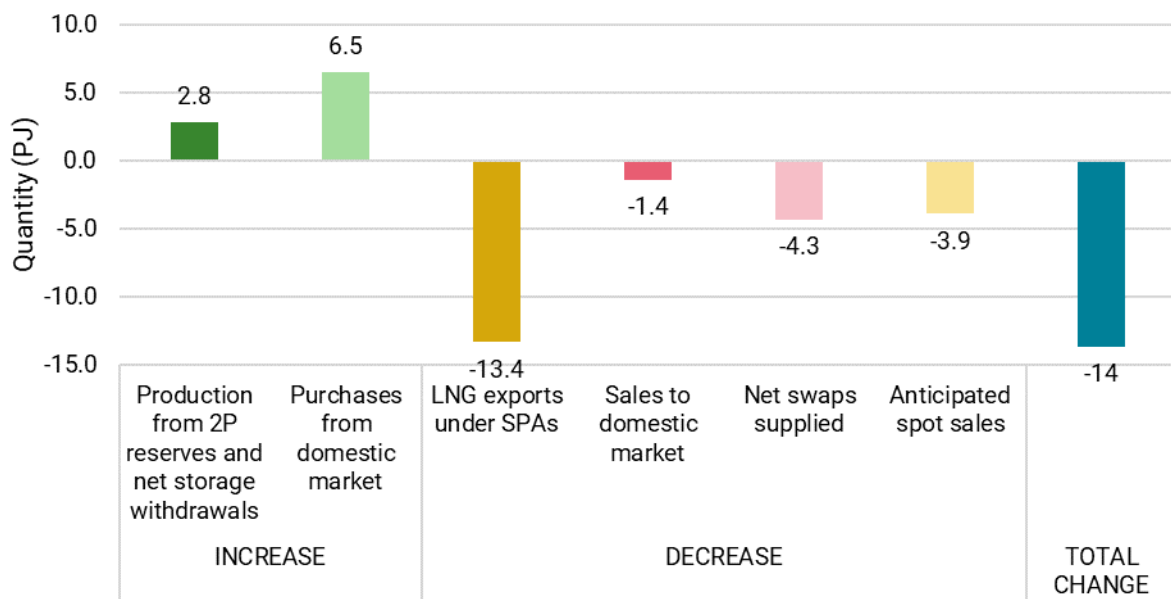
¹⁷ AEMO, Gas Bulletin Board [Facility developments projects](#) as at 26 February 2024.

Additional LNG exports and domestic sales

LNG producers have forecast higher LNG exports and additional domestic sales in quarter 3 of 2024. This results in significantly lower volumes (14 PJ) of uncontracted gas.

A large amount of previously uncontracted gas is now reported by the LNG producers as being contracted LNG exports (13.4 PJ), as well as anticipated LNG spot cargoes and additional LNG sales (3.9 PJ). However, LNG producers have also committed an additional 5.7 PJ of gas to the domestic market through firm sales and gas swaps and committed 2.8 PJ to additional production (Chart 3).

Chart 3: Factors changing LNG producer uncontracted gas in quarter 3 2024



Source: ACCC analysis of data obtained from gas producers in January 2024.

Note: Totals may not sum due to rounding.

Gas required to meet LNG export contracts is the largest source of demand on the east coast. The quantity of gas supplied under these contracts may increase relative to forecasts due to flexibility provisions in contracts and confirmation of LNG cargo delivery schedules and may also decrease due to unexpected LNG plant maintenance, which affects production.

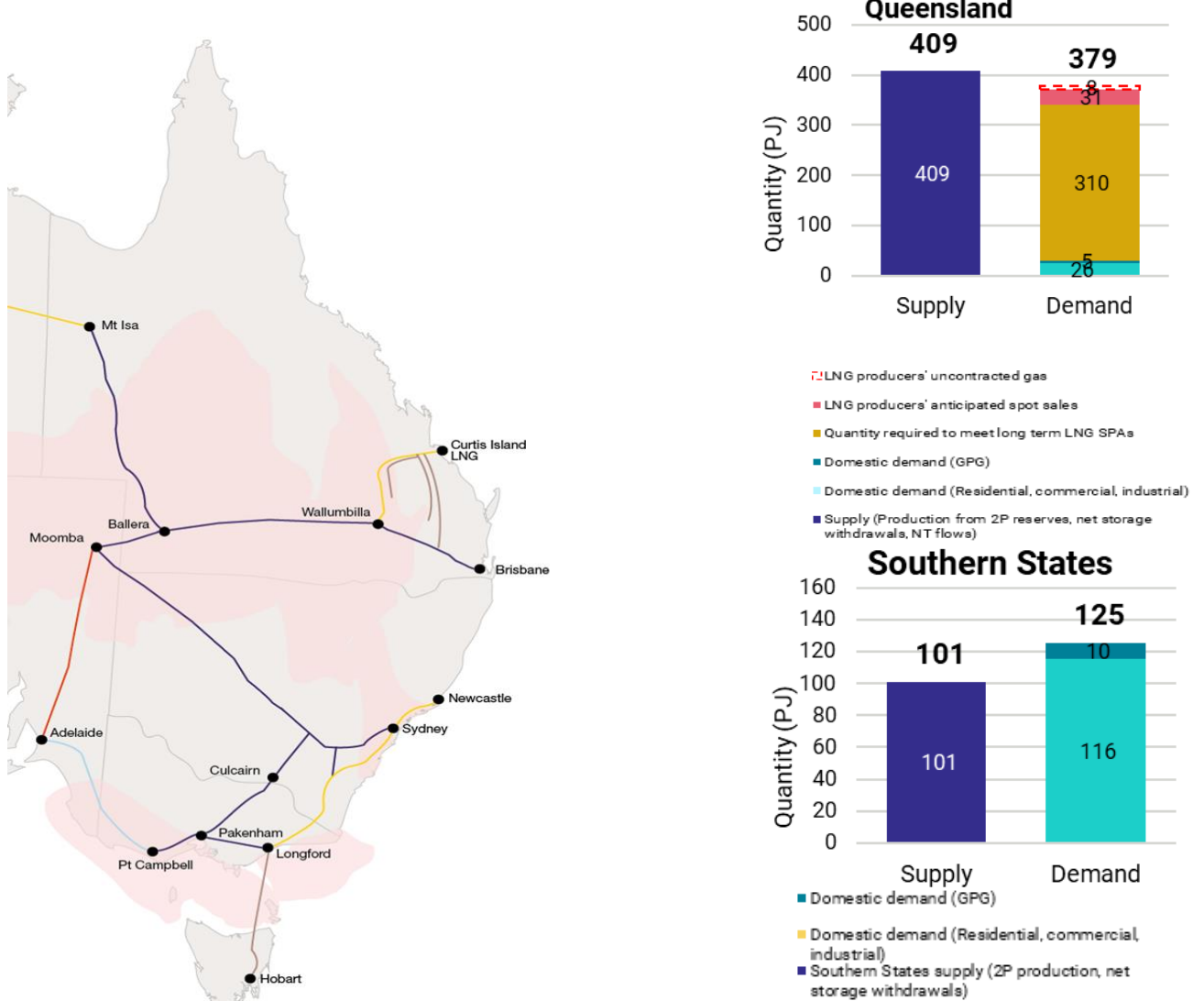
The forecast increases in export volumes materially influence the likelihood of there being a delivered gas surplus on the east coast market. This gas is now unlikely to be available for the domestic market in the event of higher than forecast domestic demand or supply issues (such as lower than expected Northern Territory flows).

Southern states will require additional gas

The southern states are expected to need an additional 25 PJ of supply to avoid a shortfall in quarter 3 2024. This will need to be withdrawn from storage or be transported from Queensland or the Northern Territory to the southern states (chart 4). Forecast demand for gas typically exceeds supply in this quarter due to winter demand.

Queensland is expected to have a surplus of 30 PJ of gas even if all the LNG producers' uncontracted gas is exported. If only anticipated spot sales are exported, Queensland is anticipated to have a surplus of 38 PJ.

Chart 4: Regional supply outlooks for quarter 3 2024 (PJ)



Source: ACCC analysis of data obtained from gas producers in January 2024 and of the domestic demand forecast (Step Change scenario) AEMO, GSOO, March 2024.

Note: Totals may not sum due to rounding.

The use of gas pipelines to avert shortfalls

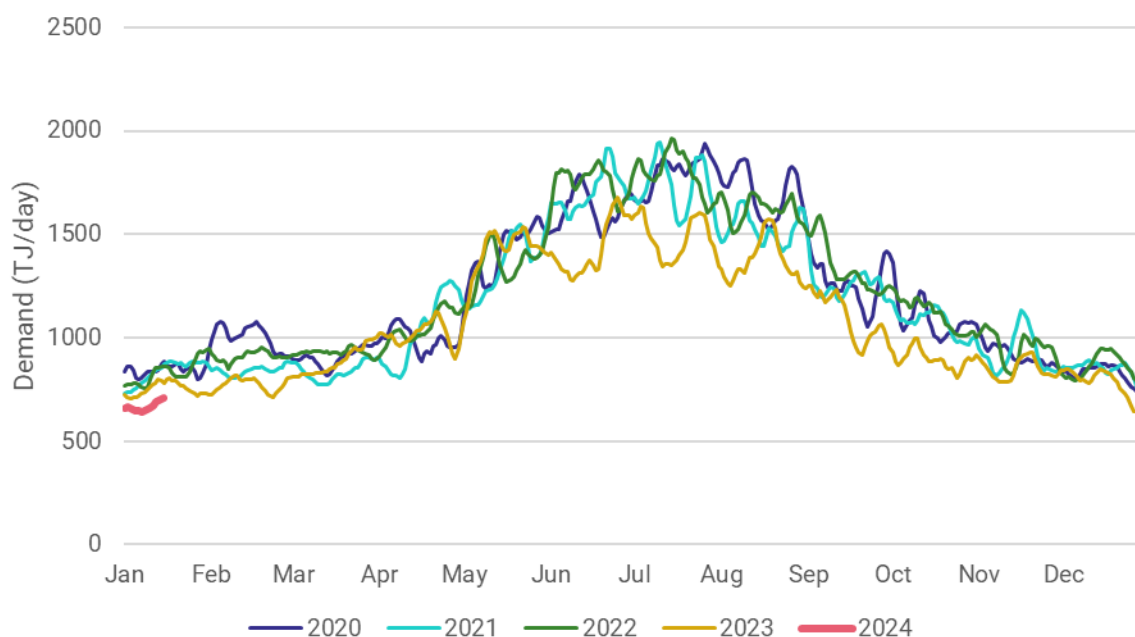
Two major pipelines enable gas flow from Queensland and Northern Territory gas fields to the southern states – the Moomba to Sydney Pipeline (MSP) and the South-west Queensland Pipeline (SWQP).

Throughout quarter 3 2024, the SWQP is expected to be able to transport sufficient gas south to meet the forecast shortfall. Across the quarter, the SWQP can transport 41.7 PJ of gas south.¹⁸ This is enough to meet the southern states' shortfall for quarter 3 2024. Iona underground storage will also play an important role in meeting the shortfall, reduce reliance on the SWQP and help meet peak daily demand.

Gas from storage is more likely to be needed on specific peak days, such as when cold weather drives up southern demand for both electricity and gas alongside commercial and industrial consumption.¹⁹

Chart 5 illustrates typical monthly trends seen in the southern states over the past 5 years. This shows that demand in the southern states increases and peaks during the colder months over May to September, due to increased demand for gas heating. The milder weather in 2023 is also evident from the lower levels of demand in that year.

Chart 5: Year-on-year southern state demand



Source: AEMO, Gas Bulletin Board [Gas flows and capacity outlooks](#) as at 15 January 2024.

Historically, gas through the SWQP and MSP flows south from Queensland in the cooler months. These pipelines also allow gas to flow from gas fields in the southern states to Queensland during warmer periods of low domestic demand.

These outcomes are shown in Chart 6 and chart 7, which demonstrate the historical gas flows (actuals) on these major pipelines between 2020 and 2024. While we do not forecast pipeline flows in this report, we anticipate net flows through the MSP and SWQP in quarter 3

¹⁸ The SWQP nameplate capacity from 1 May to 30 September is 453 TJ/day.

¹⁹ AEMO, [Gas Statement of Opportunities](#), 16 March 2023, p 70.

2024 to follow a similar pattern to that seen in 2023. This includes large southerly gas flows, required given the potential gas shortfalls through this quarter (see above regional outlook, chart 2), and towards the end of the quarter there may be some flow of gas north into Queensland.

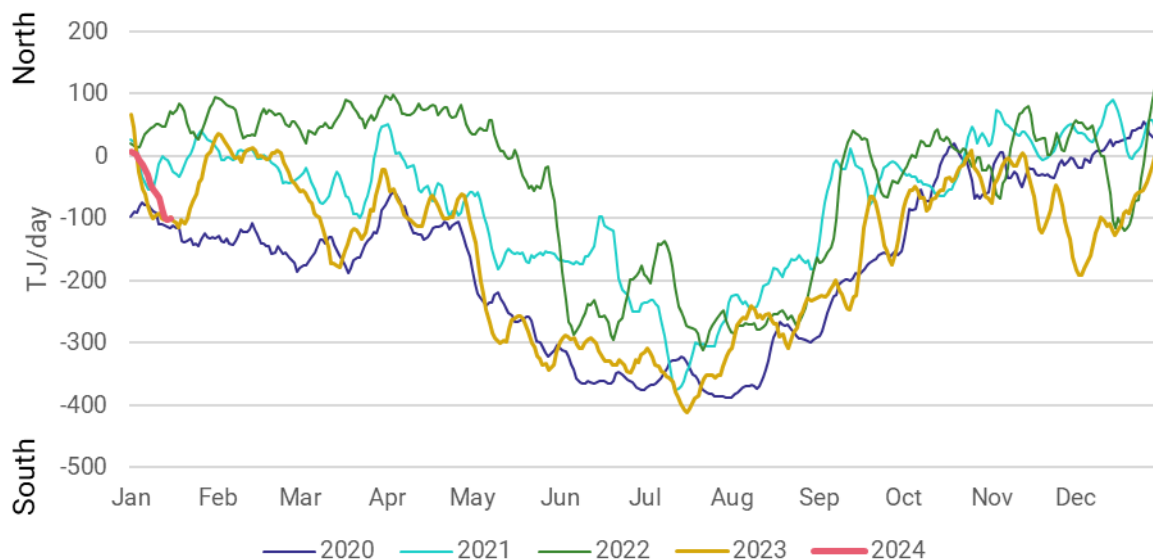
Chart 6: Year-on-year flows on the Southwest Queensland Pipeline (SWQP)



Source: AEMO, Gas Bulletin Board [Gas flows and capacity outlooks](#) as at 15 January 2024.

Note: The 7-day rolling average net flows are calculated using AEMO's Gas Bulletin Board. Net flow = Supply – Demand + Transferred In – Transfer Out.

Chart 7: Year-on-year flows on the Moomba to Sydney (MSP)



Source: AEMO, Gas Bulletin Board [Gas flows and capacity outlooks](#) as at 15 January 2024.

Note: The 7-day rolling average net flows are calculated using AEMO's Gas Bulletin Board. Net flow = Supply – Demand + Transferred In – Transfer Out.

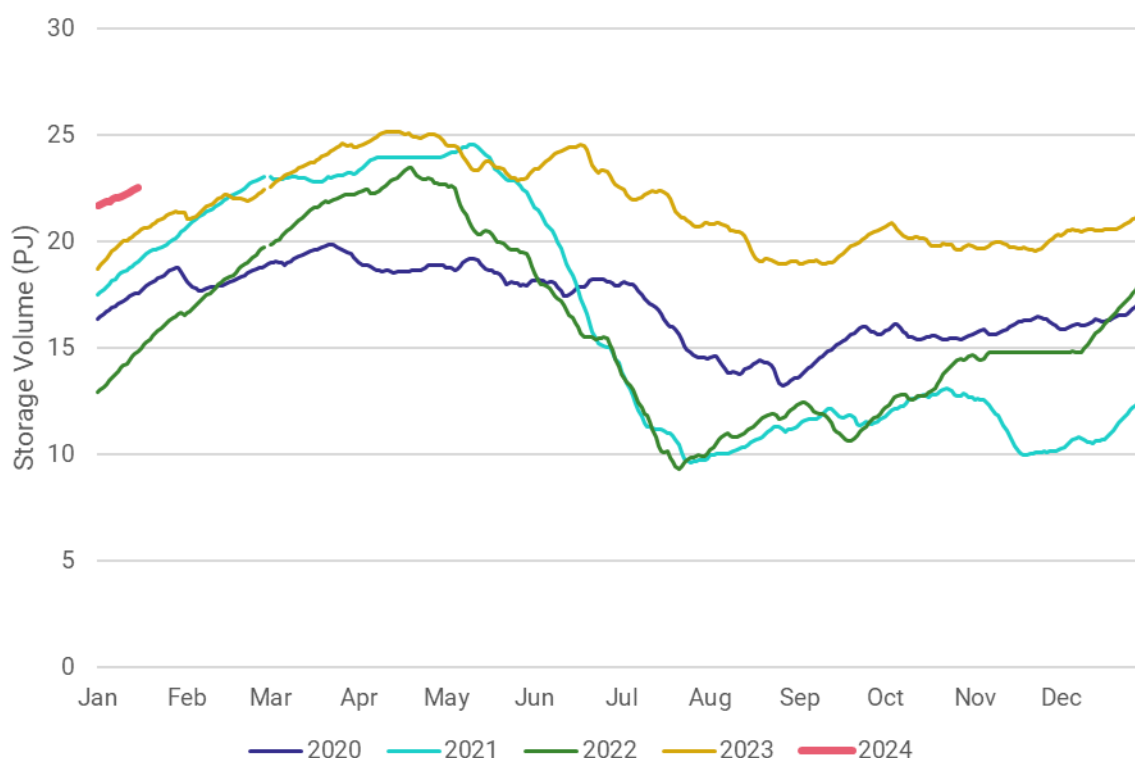
Use of gas from storage

Storage facilities are key gas market infrastructure that can be used for daily and seasonal balancing of gas supply and demand. In the southern states especially, storage facilities such as the Iona underground storage facility are important sources of supply.

Historically, Iona underground storage is filled between November and May, and is then discharged over the winter months to meet daily peak demand. We expect quarter 3 2024 to follow a similar pattern, with stored gas being used to meet southern state demand.

Currently, Iona has the highest volume of gas storage at this time of year compared to previous years, reaching 22.5 PJ on 15 January 2024.

Chart 8: Year-on-year Iona underground storage levels



Source: AEMO, Gas Bulletin Board [Gas flows and capacity outlooks](#) as at 15 January 2024.

Iona underground storage was used very differently in 2023, remaining higher over the cooler months than seen in previous years. This means southern state demand was met more through pipeline flows.

In future years, the combination of Iona storage and upgraded southerly gas flows from the MSP and SWQP, as mentioned in the December 2023 report, may be needed to address peak demand in the southern states.

LNG producers' outlook

Supply-demand

This section provides information about the east coast LNG producers' supply and demand, including gas that has not yet been committed.

Table 2 shows the forecast aggregated supply-demand breakdown for the LNG producers in quarter 3 2024 and changes since our December 2023 report.²⁰ Supply has increased by 10 PJ, while demand has increased by 20 PJ. Anticipated spot sales have also increased by 4 PJ. Overall, there is a decrease in the forecast uncontracted gas and net uncontracted gas for quarter 3 2024.

Table 2: LNG producers' forecast supply and contracted sales in quarter 3 2024 (PJ)

LNG forecast	Q3 2024	Change in Q3 2024 forecast
Supply		
Production from 2P reserves + net storage withdrawals	355	+3
3rd party purchases from suppliers other than LNG projects	54	+7
LNG producers' gas swap received	18	+1
Total supply available to LNG producers	427	
Demand		
Domestic demand		
Contracted east coast market demand	48	+1
Export demand		
Quantity required to meet LNG SPAs	310	+13
LNG producers' gas swaps supplied	31	+6
Total contracted LNG demand	389	
Uncontracted gas supply		
LNG producers' uncontracted gas	39	-10
LNG producers' anticipated LNG spot and additional sales (out of their uncontracted gas)	31	+4
LNG producers' net uncontracted gas	8	-14

Source: ACCC analysis of data obtained from LNG producers in February 2024.

Note: Totals may not add up due to rounding. The quantity required to meet the contractual obligations under long-term SPAs include the feed gas required to produce LNG (such as fuel).

²⁰ Reflects information underlying the forecast for quarter 3 2024 in ACCC, Gas inquiry December 2023 interim report, Gas Inquiry 2017–2030, ACCC, June 2023, p 28.

Capacity outlook

LNG producers can use their uncontracted gas to produce spot and additional LNG cargoes up to the capacity limits of their LNG facilities. Spare capacity to export additional cargoes beyond SPA volumes can be estimated using the information provided in Table 2 (LNG producers' impact on the supply-demand balance in 2024) and Gas Bulletin Board (GBB) Medium Term Capacity Outlook data.²¹

Estimating spare capacity is useful to establish whether LNG producers may be able to export their uncontracted gas or whether it is likely to be retained for the domestic market. For instance, if LNG producers had little estimated spare capacity after exporting SPA volumes and anticipated spot sales, it would be highly unlikely that any uncontracted gas could be exported. On the other hand, LNG producers with spare capacity may be incentivised to export uncontracted gas if LNG prices are higher than domestic prices.

Combined, all LNG producers have an estimated maximum capacity for the quarter to produce 371 PJ of LNG. Subtracting the total volume of forecast LNG production from the total LNG production capacity for quarter 3 2024 results in estimates of spare capacity as shown in Table 3. This table summarises the spare capacity and utilisation under each of the following scenarios:

- all uncontracted gas is exported.
- only anticipated spot sales and SPA volumes are exported
- only SPA volumes are exported.

Table 3: Estimated LNG plant spare capacity and utilisation in quarter 3 2024

Scenario	Spare capacity (PJ)	Utilisation (%)
All uncontracted gas is exported	23	94%
Anticipated spot sales plus SPA exported	31	92%
Only SPA volumes exported	62	83%

Source: ACCC analysis of data obtained in February 2024 from producers. This estimate is based on ACCC analysis of Gas Bulletin Board data provided under AEMO's medium term capacity outlook and nameplate capacity outlook data sheets. AEMO, [Gas flows and capacity outlooks](#), accessed on 2 February 2024.

These are high-level estimates only, based on analysis of public information reported to the AEMO's GBB. LNG trains may undergo unanticipated maintenance that may result in less available capacity. Likewise, SPA volumes may increase or decrease closer to the date, which may result in lower or higher spare capacity than estimated. All these factors may result in there being less or more spare capacity than expected.

²¹ This estimate is based on ACCC analysis of GBB data provided under AEMO's medium term capacity outlook and nameplate capacity outlook data sheets. AEMO, [Gas flows and capacity outlooks](#) as at 2 February 2024.

Appendix A: Actuals compared to forecast for quarter 3 2023

Table 4 compares the forecast supply demand outlook for quarter 3 2023, as published in the March 2023 interim report,²² with actuals over the same period, obtained from AEMO's GBB.²³

Table 4: Comparison of forecast vs actuals for Q3 2023

	Q3 2023 forecast	Q3 2023 actuals	Q3 2023 difference (actual - forecast)	Q3 2024 forecast
Supply				
Supply total	521	487	-35	510
Demand				
Quantity to meet LNG SPAs*	324	341	+17	310
LNG producers' Uncontracted gas	33	-	-33	39
Net storage injections	-	-1	-	Included in supply total above
Queensland demand ex LNG	35	30	-5	31
Southern states	140	119	-21	125
Demand total	532	489	-43	505
Outlook				
Surplus/shortfall	-11	-3**	+8	6

Source: ACCC analysis of data obtained from producers in January 2023 and AEMO Gas Bulletin Board [Actual flow and Storage \(all data\)](#) as at 6 February 2024.

Note: Totals may not sum due to rounding. *There are some small closed systems in proximity to the east coast gas market that are not tracked by the GBB, but that are included in ACCC forecasts, necessarily increasing difference totals by small amounts. **Actual supply and demand not balancing can be attributed to pipeline linepack, where gas compression can result in injected gas being greater than withdrawn gas.

Actual supply and demand were both lower than expected. This was driven by

- lower domestic demand in the southern states and Queensland
- LNG producers not exporting all of their forecast uncontracted gas.

Quarter 3 generally exhibits the highest levels of domestic gas demand due to demand for space heating during the winter months. However, in 2023 warmer than average

²² ACCC, [Gas Inquiry 2017 - 2030 interim report](#), March 2023, p 10.

²³ AEMO, Gas Bulletin Board, [Actual flow and Storage \(all data\)](#) as at 6 February 2024.

temperatures reduced underlying demand, and in combination with increased distributed solar generation output, led to several records, including the lowest gas demand ever in a quarter 3. Combined domestic demand in Queensland and the southern states was 25.9 PJ lower than forecast.

LNG producers exported the full quantity of gas forecast to meet their long-term contracts and anticipated spot sales, as well as an additional 17.5 PJ. However, they did not export all their uncontracted gas, resulting in actual LNG demand being 15.8 PJ less than forecast.

Actual supply was lower than forecast from all regions, including Victoria, South Australia, Queensland and the Northern Territory. Declining and inconsistent production from legacy fields, delays to production from 2P undeveloped resources, planned and unplanned maintenance and business rationalisation decisions are the most likely contributing factors to the observed differences between actual and forecast supply.