



12 March 2024

Our Reference: APLNG – COR – 1048663

Sam Campbell
Assistant Director – Gas Networks and Wholesale Intervention Compliance
Compliance and Enforcement Branch
Australian Energy Regulator
23 Marcus Clarke Street
Canberra ACT 2601

By E-mail: AERGasNetworksCompliance@aer.gov.au

Dear Mr Campbell

Australia Pacific LNG Pty Ltd (**APLNG**) welcomes the opportunity to contribute to the consultation process on the draft Annual Compliance Order (**draft ACO**) under section 48(1)(b) of the National Gas Law.

APLNG is an incorporated company and one of the largest producers of natural gas in eastern Australia, delivering a reliable energy source to customers in Australia and Asia. We are the largest net contributor of gas supply to Australia's domestic east coast gas market, having provided over 2,100 PJ of gas into the domestic market since the project was sanctioned.

APLNG's pipeline transmission network transports gas from fields to market via various delivery points, including its own downstream facility for LNG export and major industrial customers in Gladstone. APLNG does not currently provide third-party access to its owned and operated pipelines and holds Category 1 exemptions under Part 10 of the National Gas Rules (NGR). As such, 2024 will be the first year APLNG falls within the definition of a "provider" covered by the ACO.

Submission

Refer to Table 1 of this document for APLNG's submission on the draft ACO. In summary and for the reasons detailed in Table 1, APLNG recommends:

- the ACO reporting due date to fall later each year, for example, by 15 December;
- the AER considers allowing the option to submit data in password-protect electronic files and use of a secure portal for data transmission;
- the AER considers publishing additional guidance on the circumstances in which it might request audits and reviews.

commercial-in-confidence

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Should you have any questions or would like to discuss this submission further, please contact Clotilde Bélanger, Principal Regulatory Advisor, at [REDACTED] or Kieran Olsen, Commercial Compliance Manager, at [REDACTED].

Yours sincerely

[REDACTED]

Manda Goodwin
General Manager - Commercial
Australia Pacific LNG Pty Ltd

Table 1—APLNG submission on draft Annual Compliance Order

Section	AER content	APLNG submission
General Regulatory Information Order – Consultation Draft		
1.5.1	<p>Service Providers must provide to the AER the information and documentation specified in this Order by doing the following:</p> <ul style="list-style-type: none"> • provide the information and documentation covering the 12 month period ending 30 June of that year (Compliance Period) • provide the information and documentation by 5 pm AEDT on 31 October of that year, or where this day falls on a weekend or a public holiday, by 9 am AEDT on the next business day after 31 October. 	<p>August to October is a particularly heavy reporting period for gas pipeline services providers and gas producers such as APLNG. Regulatory reporting burden – through increased volume, scope and frequency of reporting requests to a multitude of government authorities and agencies – has reached unprecedented levels since the East Coast Gas Market Reforms announced by the Australian Government in 2022. Last year this period included:</p> <ul style="list-style-type: none"> • biannual ACCC data request • quarterly ACCC data request • annual BB Field reporting (AEMO and AER) • quarterly compliance reporting under Heads of Agreement (Minister for Resources and ACCC) • annual Gas Statement of Opportunities (AEMO). <p>Spreading the regulatory burden throughout the year would enable more manageable and efficient response activities to undertaken by the regulatory and compliance teams within APLNG and its operators and service providers and ensure that peak reporting burdens don't lead to suboptimal reporting outcomes.</p> <p>For scheme pipelines, a higher peak reporting burden may also result in higher tariffs due to increased staffing. This is inconsistent with the national gas objective of promoting the efficient operation natural gas services for the long-term interests of consumers of natural gas with respect to price.¹</p> <p>APLNG therefore considers that the due date for the Annual Compliance Order reporting should avoid the peak reporting period and ideally, to fall during the later months of each year—for example, by 15 December.</p> <p>This timeframe would also allow for the publication of Part 10 annual financial information by 30 November (rules 101A and 101D of the NGR) prior to the ACO reporting.</p>

¹ National Gas Law, section 23.

Section	AER content	APLNG submission
1.7.1 3.1.1 Appendix A	Appendix A is called 'Service Provider Information Order Template' in sections 1.7.1 and 3.1.1 The name of the file is 'DRAFT Annual Compliance Order Proposal - Template - 19 February 2024.xlsx'. At appendix A, it is called 'General Regulatory Information Order Template'.	APLNG suggests that the AER adopt consistent terminology for the annual general regulatory information order throughout its published material. This will provide gas pipeline service providers with clarity and help minimise risk of inadvertent reporting errors due to unnecessary confusion.
2.1.1	Prepare all information required under this Order in a manner and form that is in accordance with the requirements which: <ul style="list-style-type: none"> is in an electronic format if submitted as a standalone file, is not protected, and allows for precedents and dependants to be traced. 	The nature and scope of information that APLNG is required to submit in response to the ACO is likely to be confidential and/or carry commercial value which may be destroyed or diminished if the information were disclosed without authorisation. APLNG is concerned with the sharing of commercial and confidential information with the AER in electronic format that is not protected. As a practical measure to protect confidentiality and prevent unauthorised disclosure or access, APLNG would welcome the option to encrypt and password protect any files that it is required to submit electronically and to use a secure portal for data transmission.
5.1	When requested by the AER, audits and reviews required under this Order must be conducted	APLNG encourages the AER to publish guidance on the circumstances in which it might request audits and reviews.
DRAFT Annual Compliance Order Proposal – Template		
Row 16	General duties for the provision of pipeline services of covered pipeline scheme pipeline services by a Service Provider	APLNG understands this to be a typo and that the AER will correct the next version to reflect that the general duties now apply to all pipeline service providers (except where exempt).
Row 27 Question 4.2	Has the Service Provider funded the cost with making the interconnection?	APLNG understands the AER intended to write 'How has the Service Provider funded the cost with making the interconnection?'. APLNG encourages the AER to publish additional guidance on how it anticipates Service Providers would respond to this question.
Row 76 Question 17.2	Has the Service Provider established an internal protocol or policy guideline or procedure manual for	APLNG encourages the AER to clarify whether the AER expects service providers to develop a specific 'Rule 137 confidentiality policy', or if the AER would accept

Section	AER content	APLNG submission
	the handling of confidential information? If so, please provide the AER with the relevant policy document.	company confidentiality policies, protocols, guidelines and procedures to demonstrate that obligations under Rule 137 are met.