

Our Ref: 30855902

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30 October 2025

Dear Gas pipeline service provider holding a Category 1 exemption under Part 10 of the National Gas Rules (NGR)

Re: Annual Compliance Order Class Exemption

I am writing to advise of the AER's decision to grant a class exemption from the [Annual Compliance Order](#) (ACO).¹

As you are aware, the ACO is a general regulatory information order made under section 48(1)(b) of the National Gas Law (NGL). Its purpose is to enable the AER to perform its compliance monitoring and reporting functions and powers under sections 27(1)(a), 63A and 63B of the NGL, contribute to the achievement of the national gas objective and support relevant investigations.

AER decision

In line with our commitment to the Treasurer to identify regulatory reform opportunities to bolster productivity growth, the AER has decided to grant a class exemption to certain gas pipeline service providers.

Pursuant to section 58 of the NGL, the AER **wholly exempts** from complying with the ACO: gas pipeline service providers in respect of those pipelines for which the service provider holds a Category 1 exemption under Part 10 of the NGR (Class Exemption).²

The Class Exemption applies wholly in relation to the ACO such that the service provider is exempt from providing a response to the ACO for the relevant pipeline. The Class Exemption will cease to apply should the relevant pipeline no longer be eligible for a Category 1 exemption under Part 10 of the NGR, or the ACO is amended. For the avoidance of doubt, if a service provider owns or operates more than one pipeline, the Class Exemption only applies to those pipelines regarding which it holds a Category 1 exemption under Part 10 of the NGR.

As set out in rule 102(7) of the NGR service providers must notify the AER without delay if circumstances change such that the pipeline no longer qualifies for the Category 1 exemption under Part 10 of the NGR.

¹ Published on 7 June 2024.

² Rule 12 of Schedule 6 of the NGR describes how a holder of an exemption under Part 23 (which has now been repealed) will be taken to be granted an exemption under Part 10 of the NGR. Rule 102 of the NGR provides for relevant exemptions including Category 1 exemptions.

The Class Exemption is subject to the following condition:

- the service provider must notify the AER in writing within 15 business days of becoming aware of any breaches by the service provider of any of the 'ACO Obligations'³ in relation to the pipeline which is the subject of this exemption, using the [ACO response template](#).

Failure to comply with this condition will result in the Class Exemption ceasing to apply in relation to the relevant pipeline, and compliance with the ACO will be required.

Compliance and review matters

As noted in section 3.7 of the [AER Compliance Procedures and Guidelines for gas pipelines](#), the AER has broad discretion to amend and repeal exemptions that it grants under section 58 of the NGL at any time and on its own initiative.

A minimum of 40 days' notice will be given to service providers that the AER is considering amending or repealing the Class Exemption.

We remind service providers of the AER's [Guidance note](#) on making a self-report to the AER when a market participant suspects any non-compliant conduct has occurred. It is ultimately up to a participant to have appropriate systems in place to identify potential issues of non-compliance.

The AER has a range of compliance and enforcement options available to us to encourage compliance with national energy laws, and to respond to and address potential non-compliance. How we respond will depend on the circumstances in which the conduct has arisen, regarding the compliance and enforcement factors set out in the [AER Compliance and Enforcement Policy](#).

Next steps

Please acknowledge receipt of this letter from the AER and your understanding of the conditions of the Class Exemption by 31 October 2025. Service providers are required to provide a response to the ACO for the 2024-25 period and subsequent years if they do not meet the condition of the Class Exemption.

If you have identified any breaches of ACO Obligations during the 2024-25 period, you must notify the AER in writing within 15 business days from the date of this letter. We request service providers use the ACO response template for reporting any such breaches.

If you would like to discuss this letter, please contact [REDACTED] on [REDACTED] or at [REDACTED].

Yours sincerely

[REDACTED]

Justin Oliver
Deputy Chair
Australian Energy Regulator

³ In this exemption, 'ACO Obligations' means each of the legal obligations under the NGL and the NGR that are listed in the ACO response template, in the 'Obligations' tab under the heading 'Legislation – Section / Rule'.