

Guidance Note

Natural Gas Services Bulletin Board reform (enhanced information reporting)

Issued: September 2018

New rules in relation to the Natural Gas Services Bulletin Board (Gas Bulletin Board) commence from 30 September 2018. The new rules will enhance the breadth and accuracy of information presented on the Bulletin Board.

The Australian Energy Regulator (AER) will work cooperatively with gas market participants to help them understand their Bulletin Board reporting obligations. This guidance note sets out the AER's compliance expectations and our approach to promoting and enforcing compliance with the new rules.

Gas Bulletin Board and the Gas Law and Rules

Chapter 7 of the Gas Law and Part 18 of the Gas Rules set out participants' responsibilities regarding the Gas Bulletin Board. Obligations apply to gas facility operators in all Australian states and territories, except Western Australia.¹ These obligations aim to facilitate greater transparency in gas production and pipeline flows to assist gas trading and promote investment.

The AER is responsible for monitoring, investigating and enforcing compliance with Gas Bulletin Board obligations. We are committed to ensuring that the Gas Bulletin Board is a reliable and accurate information resource for all users.

New Information Standard rule

Under the new Gas Rule changes, clause 165(2) sets an information standard for the provision of data to AEMO. To meet the standard, participants must display:

the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a BB facility in Australia of that type acting with all due skill, diligence, prudence and foresight and in compliance with all applicable legislation (including these rules), authorisations and industry codes of practice.

¹ The arrangements apply in Northern Territory following the commissioning of the Northern Gas Pipeline expected in late 2018.

Civil penalty provisions

Clause 165(1) provides that a civil penalty may be imposed on participants when reporting is not provided to AEMO in accordance with the Information Standard.²

Additionally a number of Gas Rules relating to registration of participants and Gas Bulletin Board facilities now have civil penalty implications.³

Approach to compliance & enforcement

As set out in the AER Compliance and Enforcement—Statement of Approach,⁴ the AER considers a culture of compliance to be critical to the achievement of the national energy objectives and to build consumer confidence in energy markets. The prevention of contraventions of obligations under the Gas Law and the Gas Rules is preferable to the AER taking enforcement action after a breach has occurred.

² Part 2 of the National Gas (South Australia) (Civil Penalties) Variation Regulations 2017; Section 223 of the Gas Law is a civil penalty provision that also requires participants to provide information and data to AEMO in accordance with the Gas Rules.

³ Part 2 National Gas (South Australia) (Civil Penalties) Variation Regulations 2017.

⁴ Available at: [AER Compliance and Enforcement Statement of Approach, April 2014](#).

Compliance with Information Standard

The AER will assess whether participants have acted in accordance with the new Information Standard. In doing so, we will have regard to our 'Good Gas Industry Practice' framework.

The Good Gas Industry Practice framework was developed by the AER and has four components—Governance, Expertise, Implementation and Performance (GEIP)—that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a Bulletin Board facility in Australia.

- **Governance**—participants' internal arrangements covering reporting lines and supporting systems; and the overall compliance culture, including levels of involvement and commitment of senior managers and committees.
- **Expertise**—the human resources dedicated to technical compliance, including the allocation of responsibilities; underlying knowledge systems; and the nature and extent of the technical understanding of applicable obligations.
- **Implementation**—the practical means by which participants drive and promote compliance through internal procedures and processes, encompassing staff training, technical testing, internal reviews and audits, and reporting of compliance matters.
- **Performance**—the overall compliance status of a participant in regard to the effectiveness of compliance programs and arrangements, including ongoing evaluation and updating of programs, and arrangements to reflect lessons learnt.

Expectations

The AER expect participants to be pro-active and take responsibility for their Gas Bulletin Board obligations. The Good Gas Industry Practice framework should serve as a guide for participants to ensure they have appropriate practices and processes in place.

Internal compliance programs offer an effective means for participants to ensure their reporting obligations are met. The presence of effective internal reporting systems and controls are relevant factors that we consider when conducting our monitoring and investigative functions.

Below are examples of measures participants can consider to ensure they are well placed to comply with Gas Bulletin Board obligations:

- establishing effective reporting lines to ensure responsibility is allocated appropriately and compliance issues requiring remedy are escalated to an appropriate management level in a timely manner
- implementing checklists to require communication between relevant teams with Gas Bulletin Board obligations

- introducing a routine planning document to facilitate timely updates to capacity data
- developing guidance material on all Gas Bulletin Board obligations, including the new obligations, to ensure relevant staff knowledge is up to date
- developing training programs to familiarise new and relevant staff members with applicable Gas Bulletin Board reporting obligations
- establishing an ongoing Gas Bulletin Board performance reporting process
- establishing proactive communications with AEMO and the AER in relation to any identified or anticipated issues that affect compliance with Gas Bulletin Board reporting obligations
- reviewing Gas Bulletin Board compliance as part of the Bulletin Board participant's broader internal compliance reviews/audits
- updating contact personnel on the Gas Bulletin Board.

Enforcement action

The AER Statement of Approach sets out our general approach and tool kit for enforcement of the Electricity and Gas Rules.⁵

We have discretion in deciding whether to take enforcement action and the nature of that action. We assess each case on its merits. In determining an appropriate enforcement response, we consider all relevant circumstances set out at paragraph 4.2 of the AER Statement of Approach.

Given that information published on the Gas Bulletin Board is submitted by participants, it is imperative that participants take accountability for the quality and accuracy of that information. We recommend that participants report errors to AEMO and the AER when they occur.

The AER expects that participants will embrace the new information standard and ensure accurate information is submitted. We acknowledge that new participants may need time to develop and refine systems to meet their reporting obligations. The AER will consider this factor when determining appropriate enforcement action.

If you require further information regarding this guidance note, you can contact the AER at AERGasMarkets@aer.gov.au.

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⁵ [AER Compliance and Enforcement Statement of Approach, April 2014](#).