Question on notice no. 24

Portfolio question number: SI-125

2024-25 Supplementary budget estimates

Economics Committee, Industry, Science and Resources Portfolio

Senator David Pocock: asked the Department of Industry, Science and Resources on 7 November 2024—

Senator DAVID POCOCK: On notice, please could I ask for the evidence that they don't export as much gas as we sell them.
Ms Urquhart: Senator, I might be able to shed some light on this. I think you're referring to the Institute for Energy Economics and Financial Analysis report released in 2024 where it was suggested that Japan, onselling LNG cargos, could be in competition with Australian LNG exporters. The reporting suggested that the volume of LNG Japan onsold to third-party countries was equal to or more than the amount of LNG Australia exported to Japan in the same financial years. The references in that report were to annual survey data produced by the Japanese government's metals and energy security organisation, and that organisation acknowledges that double counting may have occurred including in cases where multiple Japanese businesses were involved in the sales processes.
It's important to note that sales of LNG to Japan do not put east coast gas supply at risk. That is obviously in sharp focus for the government, given emerging shortfalls reflected in 2027-28. Gas and LNG are often traded, swapped, to balance seasonal demand. That could see Japan import more gas in winter months when demand is high and export gas in the summer months when demand drops or in the intervening period if there are ups and downs. I hope that's helpful, Senator.
Senator DAVID POCOCK: Sure, it's helpful, but I don't think anything you've said means that it isn't true.
Ms Quinn: We are happy to take it on notice. I have seen more detailed analysis that suggests that there was double counting.
Answer —
Please see attached answer.

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Science and Resources Portfolio
2024-2025 Supplementary Budget Estimates

AGENCY/DEPARTMENT: Department of Industry, Science and Resources

OUTCOME: Program 1.3: Supporting a strong resources sector

TOPIC: Japanese LNG trade data

REFERENCE: Spoken Question (Hansard Page 105) – Senator David Pocock

QUESTION DATE: 19 November 2024

QUESTION No.: SI-125

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ANSWER

The Japanese Government's Metals and Energy Security Organization (JOGMEC) 2024 survey *FY2024 Survey of LNG Handling Volumes by Japanese Companies* found that in the 2023 Japanese financial year (April 2023 – March 2024), Japanese companies on-sold 38.25 Mt of LNG sourced from all their supplier countries.

The JOGMEC survey captures multiple processes including sales and offtake agreements, term contracts and spot trades. 30 Japanese companies separately provided input into the survey. JOGMEC acknowledges that multiple companies might have reported trading the same shipment of LNG including cases where multiple Japanese businesses were involved in a single sales process. A single cargo may also be traded by a number of companies before it reaches Japan, and therefore be included in JOGMEC's total more than once.

Alternative reputable evidence such as Kpler shipping data suggests that the volume of LNG, from all sources, on-sold by Japanese companies to third party countries during the same period was 16.7 Mt. This is significantly lower than the 38.25 Mt published in the JOGMEC survey results.