

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2017 - 2018

Division/Agency: Australian Competition and Consumer Commission
Question No: 52
Topic: Offshore gas
Reference: Written
Senator: Xenophon, Nick

Question:

In respect of offshore gas being brought onshore and processed:

1. What sharing of infrastructure (including LNG processing) is permissible under current legislation?
2. Does this differ for oil, and if so, how?
3. Noting a need to bring more Gas to the domestic market, are there any changes to the legislation around gas infrastructure being contemplated?

Answer:

1. Parties are able to share gas production and processing infrastructure subject to the provisions of the *Competition and Consumer Act 2010* (CCA).

While not strictly infrastructure sharing, gas pipelines are subject to a specific access regime under the National Gas Law. Processing facilities are not currently subject to third party access regulation.

2. Parties are able to share oil production and processing infrastructure subject to the provisions of the CCA.

Unlike gas pipelines, oil pipelines are not subject to a specific third party access regime.

Parties may be able to seek access to certain services under the third party access regime in Part IIIA of the CCA. Processing facilities are not currently subject to third party access regulation.

3. The National Gas (South Australia) (Pipelines Access-Arbitration) Amendment Bill 2017 has been passed by the Parliament of South Australia and is awaiting assent. This bill amends the National Gas Law to enable changes to the National Gas Rules to introduce information disclosure requirements and binding arbitration for pipelines that are currently not subject to access regulation.