

MAKING IT EASIER TO BUY AND SELL GAS – REDESIGNING THE WHOLESALE MARKETS



Trading to be concentrated at two hubs to support the development of transparent reference prices for gas – reflective of underlying demand and supply conditions



Northern hub to be based at the existing Wallumbilla gas supply hub and improved to allow access to a single trading point – increasing trading liquidity

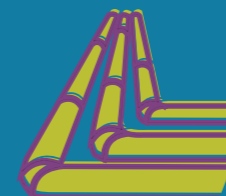


Changes to the Victorian Declared Wholesale Gas Market

The Southern Hub to consist of a virtual hub covering the Victorian transmission system



Transition to exchange-based trading, similar to that at Wallumbilla, to improve risk management



Introduction of an entry and exit system for pipeline capacity allocation to allow for clearer market-led investment signals



Once liquidity has developed at the Northern and Southern hubs and in pipeline capacity trading, the Adelaide, Sydney and Brisbane STTM hubs could be simplified to purely support transparent and competitive balancing, which would reduce costs

GETTING GAS TO AND FROM THE REDESIGNED WHOLESALE MARKETS

New mechanisms to access pipeline capacity

Measures to facilitate the efficient transportation of gas, and improve how transmission pipeline capacity is bought and sold, without impacting current signals for efficient investment.



New auctions for day-ahead contracted but un-nominated capacity with a regulated reserve price on all pipelines



Capacity trading platforms featuring standard products and information on all trades



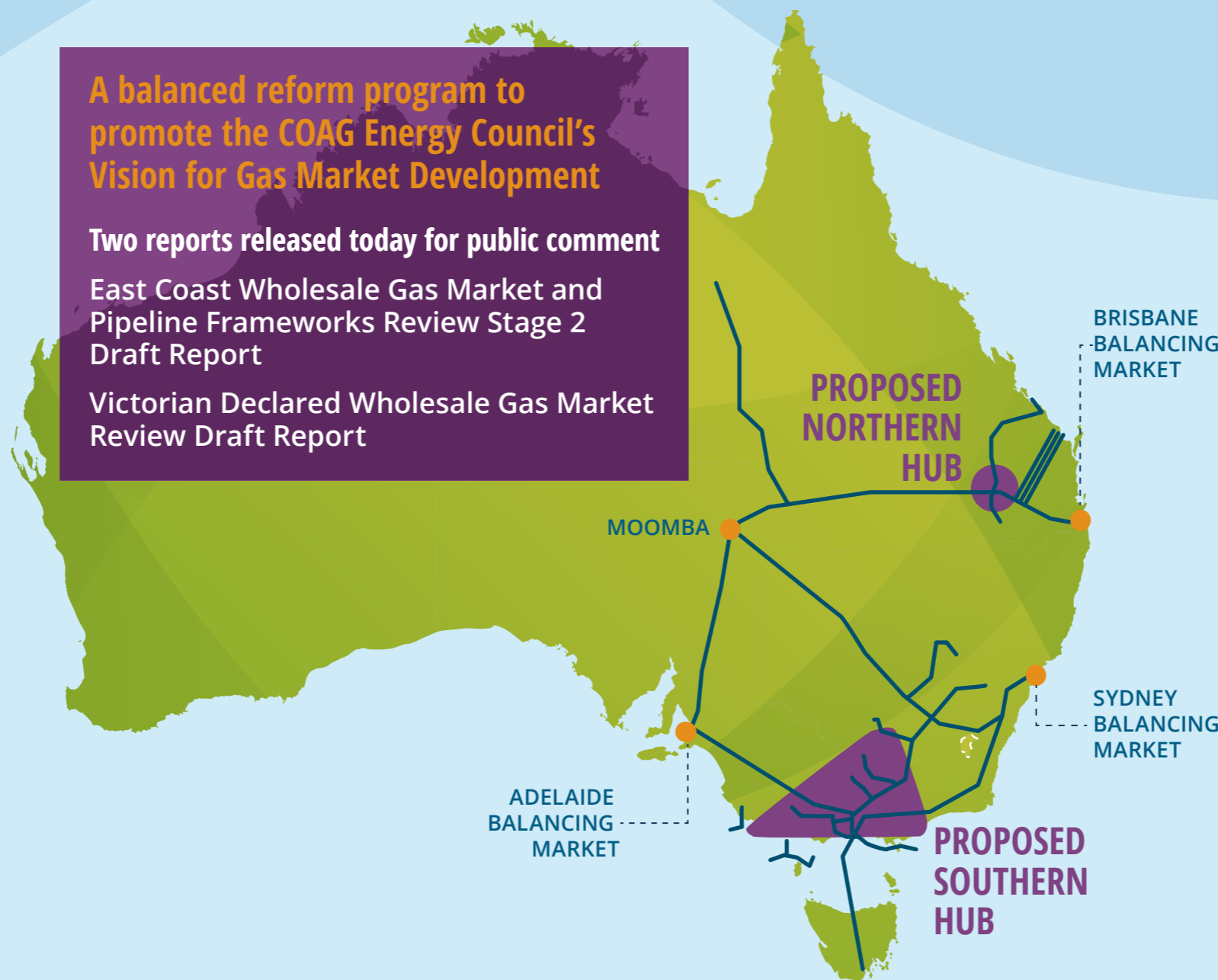
Publication of prices for capacity sold by pipeline owners

A balanced reform program to promote the COAG Energy Council's Vision for Gas Market Development

Two reports released today for public comment

East Coast Wholesale Gas Market and Pipeline Frameworks Review Stage 2 Draft Report

Victorian Declared Wholesale Gas Market Review Draft Report



INFORMATION TO MAKE BETTER TRADING DECISIONS

Greater information transparency

Establishing a one-stop shop for gas market data to improve transparency and the operation and monitoring of the market.



Expand the amount and frequency of data reported on the Bulletin Board to reflect the important role of information in setting price expectations and supporting gas and pipeline trading



Facilitate a stronger compliance framework to improve accuracy of data



Implement a review process to allow the Bulletin Board to remain relevant in a quickly changing market environment



Funding arrangements harmonised