FACTSHEET

THE AUSTRALIAN GAS MARKET

ABOUT THE AUSTRALIAN GAS MARKET

AEMO operates the Retail and Wholesale Gas Markets across South-Eastern Aus tralia. This includes the Victorian Declared Wholesale Gas Market (DWGM), the Gas Short Term Trading Market (STTM) and the Wallumbilla Gas Supply Hub. AEMO also oversees the system operation and security of the Victorian Gas Declared Transmission System.

DWGM:

– Is a wholesale gas market established to enable competitive and dynamic trading on injections into and withdrawals from the Victorian Gas Declared Transmission System.

200.8 PJ
Total annual consumption in the Declared Transmission System in 2014/15 (including gas-powered generation).

1.7 PJ
Annual gas-powered generation (petajoules).

$899.5 million
Market value traded – energy purchase value.

47
Market registered participants.

STTM:

– Is a wholesale market system designed to facilitate Short Term Gas trading driven by daily prices.

– The STTM currently operates in New South Wales, Queensland and South Australia.

158 PJ
The combined total annual consumption for the STTM hubs of Sydney, Adelaide and Brisbane.

$557.8 million
Market value traded at ex-ante–energy purchase value.

39
Market registered participants.

THE WALLUMBILLA GAS SUPPLY HUB:

– Established by AEMO in March 2014, and is the first of its type in Australia.

– It supports the efficient trade and movement of gas between regions, enhancing gas trading transparency and setting a reference price for participants so they can manage their risk portfolio.

570
Number of trades.

3188 TJ
Annual gas-powered generation (petajoules).

$8.7 million
Market value traded – energy purchase value.

13
Market registered participants.

*Figures as of the 2014/15 financial year.

FURTHER INFORMATION

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THE NATURE OF GAS CONSUMPTION

Total gas consumption (including LNG exports) is expected to increase at an average annual rate of 23.0% in the short-term from 2014 to 2019. This compares to a 0.7% decline over the last four years, with this difference primarily driven by the ramp-up of LNG projects reaching 1,432 PJ by 2019.

Residential and commerical gas consumption refers to residential and small-to-medium-sized commerical users who consumer less than 10 terajoules of gas per year.

Annual gas consumption refers to gas consumed over a calendar year, and can mean residential and commerical consumption, industrial consumption, consumption by gas-powered generating units, or transmission and distribution losses. Gas used in liquified natural gas processing and exports is considered separately.

Domestic gas consumption includes residential, commercial and industrial gas. Overall, domestic gas consumption is expected to decline by 5.2% to 2019. *Gas consumption forecasts for residential and commercial gas, domestic industrial gas, and gas consumption by gas-powered generation are as follows:*

Residential and commercial gas consumption is expected to increase at an annual average rate of 1.1% between 2014-2019 across Australia's Eastern and South-eastern Australian gas markets.

Domestic industrial gas consumption is expected to decline by an annual average of 3.4%, driven by reduced operation and industrial closures.

Gas consumption by gas-powered generation is expected to decline at an average annual rate of 16.8%. This is linked with minimal growth in electricity consumption and rising gas prices.

THE IMPACT ON MAXIMUM DEMAND

The table below displays maximum demand figures for every Australian state since 2010 during both the summer and winter periods, as at December 2014. These figures have been obtained from AEMO's National Gas Forecasting Report 2014.

	QUEENSLAND Maximum demand (TJ/day)		NEW SOUTH WALES Maximum demand (TJ/day)		VICTORIA Maximum (TJ/day)		SOUTH AUSTRALIA Maximum demand (TJ/day)		TASMANIA Maximum demand (TJ/day)	
	Summer	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**	**Summer**	**Winter**
2010	634.9	642.2	389.1	605.6	497.5	1184.1	424.6	412.9	52.2	64.8
2011	650.3	614.1	455.5	570.7	567.8	1142.1	490.3	445.0	56.0	65.2
2012	648.0	627.4	379.8	571.9	516.8	1157.3	395.5	468.6	56.2	60.3
2013	603.7	581.9	415.4	579.7	495.3	1199.6	401.6	425.0	62.0	59.4
2014	–	–	–	–	659.0	1286.7	–	–	–	–
2015	–	–	–	–	–	–	–	–	–	–

*All figures obtained from AEMO's National Gas Forecasting Report 2014.

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