

National Competition Council

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Media Statement

National Competition Council recommends a 15 year no-coverage determination for a proposed Queensland gas pipeline

The National Competition Council has recommended to the Commonwealth Minister for Resources, Energy and Tourism, Hon. Martin Ferguson, that he make a 15 year no-coverage determination for QCLNG Pipeline Pty Ltd's proposed "QCLNG Pipeline" in Queensland. The pipeline will transport coal seam gas from the Surat Basin to Gladstone.

A 15 year no-coverage determination exempts a pipeline from coverage (access regulation) under the National Gas Law for 15 years from the date of the pipeline's commissioning.

The application by QCLNG Pipeline Pty Ltd, a subsidiary of BG Group / QGC Limited, is the first under the National Gas Law's arrangements for greenfields pipelines intended to promote regulatory certainty for new pipeline projects and encourage efficient investment in new pipeline infrastructure.

The Minister will now decide whether or not to grant the no-coverage determination. Under the National Gas Law, he is required to use his best endeavours to do so within 30 business days from receiving the Council's recommendation. The Council will publish the Minister's determination on its website once it is made.

QCLNG Pipeline Pty Ltd applied to the Council on 19 January 2010. The Council conducted a public consultation process on the application, receiving written submissions and meeting industry participants. Following consideration of the application and submissions made, the Council published a draft recommendation for further public comment on 23 March 2010.

As part of its recommendation, the Council decided the QCLNG Pipeline should be classified as a gas transmission pipeline. As a result of this classification decision, the Hon. Martin Ferguson is the relevant minister under the National Gas Law to decide the application.

The Council's recommendation is available on its website at www.ncc.gov.au.

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