

13 March, 2026

Dear Department of Climate Change, Energy, Environment & Water

Subject: SACOME response to recommendations of the Gas Market Review

The South Australian Chamber of Mines and Energy (SACOME) is the peak industry association representing South Australia's resource and energy sector. Our membership includes gas producers, pipeline operators and manufacturers that rely on gas as a critical operational input.

Gas-powered generation remains essential to maintaining South Australia's electricity system security, and gas prices continue to be a major driver of overall energy costs in the State. Ensuring a stable, affordable and reliable gas market is therefore central to the competitiveness of South Australian industry.

SACOME welcomes the opportunity to provide feedback to support the detailed design and implementation of the reforms arising from the Gas Market Review (GMR) Final Report. SACOME also supports the submission made by Australian Energy Producers (AEP) and the two organisations share many member companies.

Consistent with these submissions and the priorities of our members, SACOME highlights the following key principles for the design of a new domestic gas reservation scheme and associated reforms:

- A domestic gas reservation scheme must be linked to new gas supply and apply to future investments only, ensuring protection of existing contracts and the investment case for prior investments.
- Domestic producers should not be disadvantaged by the scheme which should be aligned to future gas demand.
- Long term policy certainty and stability is a centrally important outcome, as is ensuring that clarity on domestic supply requirements and compliance obligations is provided in advance of implementation and endorsed by all stakeholders.
- Adequate gas and energy supplies, and competitive energy prices are essential to maintain the viability of South Australian commercial and industrial gas users, which face high domestic operating costs and international competition.

- Developing measures supporting gas producers to invest in exploration and new domestic supply development, must be a key outcome of the review. SACOME is committed to working with the Australian Government on targeted measures to support these outcomes.
- The Australian Energy Market Operator's (AEMO) powers to manage electricity supply, adequacy and reliability remain essential. It is critical that AEMO's modelling accurately reflects South Australia's operating conditions. SACOME members have observed a growing divergence between AEMO's Integrated System Plan modelling and real-world operational experience, as outlined in SACOME's submission to AEMO's 2026 Draft Integrated System Plan.¹
- Where critical industrial users cannot feasibly shift away from gas in the short to medium-term, and where gas reservation or market-conduct reforms are insufficient to ensure adequate supply and competitive prices, targeted, temporary measures should be considered to cover short-term economic hardship where the industries are viable over the long term, consistent with the approach taken to preserve sovereign smelting capacity in Whyalla and Port Pirie.
- Stable policy settings that encourage private investment in pipelines and gas storage are vital, ensuring reserved gas can be transported and stored near demand centres. The South Australian Government's SA Gas Initiative demonstrates the value of targeted supply measures. Coordinated action across Federal and State jurisdictions is strongly supported.

SACOME appreciates the opportunity to contribute to this important reform process and looks forward to continued engagement as the detailed design progresses.

Sincerely

Catherine Mooney

Chief Executive Officer

South Australian Chamber of Mines & Energy

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https://www.sacome.org.au/uploads/1/1/3/2/113283509/sacome_aemo_2026_draft_isp_submission_final_13.02.26.pdf