



22 May 2017

Department of Planning and Environment
GPO Box 39, Sydney NSW 2001

Via: website upload

NSW Business Chamber Limited
140 Arthur Street
North Sydney NSW 2060
Postal address
Locked Bag 938
North Sydney NSW 2059
DX 10541 North Sydney
t 13 26 96
f 1300 655 277
e businessshotline@nswbc.com.au

Dear Sir/Madam,

RE: EIS EXHIBITION FOR NARRABRI GAS PROJECT

The NSW Business Chamber supports the development of the Narrabri Gas Project based on the findings of the Environmental Impact Statement (EIS). The NSW Business Chamber is one of Australia's largest business support groups, with a direct membership of more than 20,000 businesses, providing services to over 30,000 businesses each year. Tracing its heritage back to the Sydney Chamber of Commerce established in 1825, the NSW Business Chamber works with thousands of businesses ranging in size from owner operators to large corporations, and spanning all industry sectors from product-based manufacturers to service provider enterprises.

Increasing NSW's gas security

The Narrabri Gas Project is a state-significant project which will deliver substantial benefits to the state of NSW, primarily through increasing the state's access to locally-produced gas. NSW currently imports 95% of its current gas demand from interstate; the remainder is sourced from the Camden coal seam gas (CSG) project in South West Sydney which is scheduled to cease production by 2023. The Narrabri gas project is expected to deliver up to 50% of NSW's gas demand which would provide NSW with greater certainty about long term gas security.

Greater certainty about gas is required for businesses and households across NSW from both a direct gas user perspective, as well through the more indirect effects on the National Electricity Market where gas is used as a source of power generation. The Australian Energy Market Operator's *Gas Statement of Opportunities for Eastern and South-Eastern Australia* has projected that there may be insufficient gas to supply the electricity market in NSW from summer 2018-2019. In addition, AGL, one of Australia's biggest retailers, stated that they may see shortages from this winter.

Already, businesses are seeing the impacts of such a tight gas market. The commencement of a gas export market on the east coast was expected to place some upward pressure on domestic gas prices however, experience thus far has seen significant increases in gas prices. NSW Business Chamber members are reporting up to a 50% increase in gas bills since last year alone and are expecting further increases, amounting to hundreds of thousands of dollars in additional gas costs each year. Many of these businesses are trade-exposed and these costs are not possible to pass on. A tight gas market also means that these businesses, medium-large users of gas that spend at least hundreds of thousands of dollars on gas each year, often only receive 1-2 offers from gas retailers, leaving them with little negotiating power adding further to costs.

Some of these businesses have indicated that the prospect of sustained energy price increases and concerns about energy security will affect future expansion plans and decisions about continuing Australian operations. These businesses include regionally-based businesses, medium-large employers, and key components of economically important supply chains. As a result, a tight gas market has the potential to adversely affect NSW workers, regional centres, and the broader NSW economy.

There is no one single solution to east coast Australia's current gas crisis. A range of measures are required to address looming gas shortages across NSW. Developing the Narrabri Gas Project must form part of NSW's solution to increasing the availability of gas to households, businesses and for baseload power generation.

State and Local Economic Benefits

In addition to increasing the state's gas security, the Narrabri Gas Project is expected to deliver a net positive economic impact for Narrabri and NSW through adding \$11.9 billion in real economic output, an additional \$6 billion in income, create around 1,300 jobs during the construction phase, and sustain approximately 200 jobs during the operational phase of the project.

Feedback provided from local businesses in the Narrabri region shows a current and expected improvement in business opportunities resulting from the Project. The Narrabri Chamber of Commerce also notes it has received serious interest from gas-using businesses about locating in the region should the project proceed which would provide further economic and employment opportunities for the region.

A social licence to operate

Santos, as project proponents of the Narrabri Gas Project, have a responsibility to work with the broader community in building support for the Project.

The NSW Business Chamber has supported the development of CSG projects in NSW subject to the development and adherence to a robust regulatory regime which incorporates the recommendations of the NSW Chief Scientist's *Independent Review of Coal Seam Gas Activities in New South Wales*. The EIS finds that the design, management and the mitigation strategies of the Narrabri Gas Project adequately manage potential impacts.

The Narrabri Chamber of Commerce also reports there has been strong engagement between Santos and local businesses. Santos has also provided a strong level of support to local community organisations.

The NSW Business Chamber also notes that Santos is signatory to the [Agreed Principles of Land Access](#) in conjunction with farmers' associations. The EIS states that gas wells will only be developed on private property where there is a landholder agreement in place.

Thank you for the opportunity to comment on the Narrabri Gas Project EIS. For more information please contact Larissa Cassidy on 02 9458 7359 or at Larissa.Cassidy@nswbc.com.au.

Yours sincerely

A handwritten signature in black ink that reads "Paul Orton".

Paul Orton
Director – Policy and Advocacy