Santos | HUNTER GAS PIPELINE

CHAPTER 1 - INTRODUCTION

Table of contents

Figure index

1. Introduction

This chapter introduces the proposed Narrabri Lateral Pipeline project, its key features, objectives and approval requirements. The chapter also provides an overview of the purpose and structure of the Environmental Impact Statement (EIS).

1.1 Background

The Australian Energy Market Operator's Integrated System Plan (AEMO, 2024a) provides a clear plan for essential infrastructure to meet future energy needs and identifies a critical role for gas in supporting energy system decarbonisation.

In the transition to net-zero, natural gas is expected to play a critical role, ensuring a reliable energy supply as Australia increases its reliance on renewable sources. Firming technology, like pumped hydro, batteries, and gas-powered generation, will smooth out the peaks and fill in the gaps from variable renewable energy. There is also continued demand for gas as a direct source of energy and feedstock for residential, commercial and industrial users (AEMO, 2024a).

Santos began exploring for natural gas in New South Wales (NSW) in 2008, predominantly in the areas around Gunnedah and the Upper Hunter. In November 2011, Santos acquired Narrabri-based Eastern Star Gas including the company's operations in and around the Pilliga forests. Santos' operations in NSW are focused on the development of the Narrabri Gas Project (approved in September 2020), which could supply up to half of NSW's natural gas needs.

Santos has committed that all gas from the Narrabri Gas Project will be made available to the east coast domestic gas market via the approved Hunter Gas Pipeline, which Santos acquired in August 2022. The proposed corridor for the underground Hunter Gas Pipeline passes close to the Narrabri Gas Project. Santos is seeking approval for the Narrabri Lateral Pipeline, which would connect the two projects, allowing the transmission of natural gas produced by the Narrabri Gas Project to the Hunter Gas Pipeline and the existing NSW natural gas transmission network near Newcastle.

Once fully operational, the Narrabri Lateral Pipeline, together with the Narrabri Gas Project and the Hunter Gas Pipeline, would play a critical role in providing energy security for NSW and help put downward pressure on gas and electricity prices for households, manufacturers and businesses.

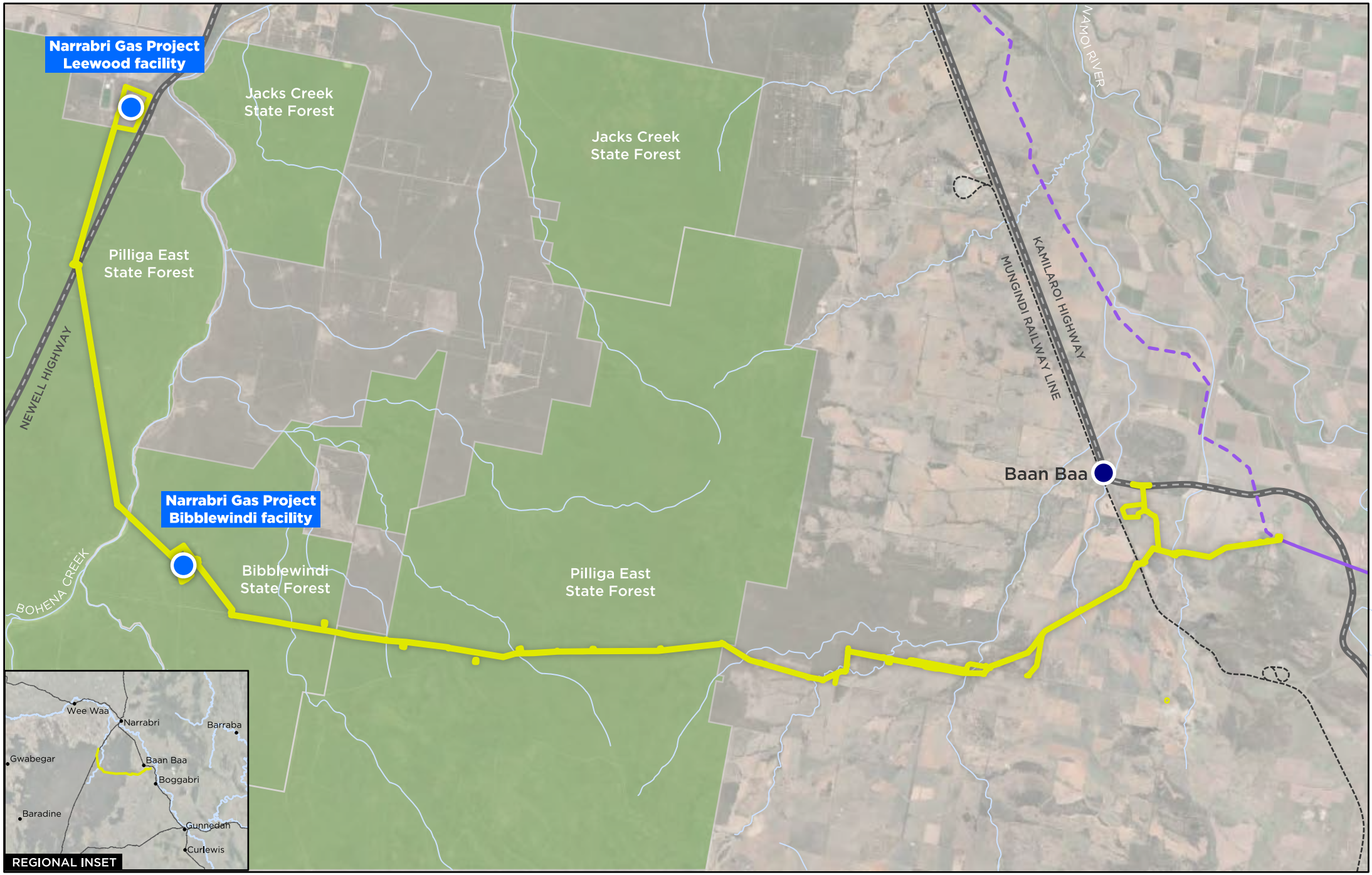
1.2 Project overview

Hunter Gas Pipeline Pty Ltd (wholly owned by Santos Limited) is proposing the Narrabri Lateral Pipeline (referred to as 'the project' for the purposes of this document) south of Narrabri, NSW. The project involves constructing, operating (including maintaining) and decommissioning an underground gas transmission pipeline about 55 kilometres in length and associated above ground infrastructure to connect the approved Narrabri Gas Project to the approved Hunter Gas Pipeline.

1.2.1 Location

The project is located in the Narrabri Shire local government area (the Narrabri LGA) in north-west NSW within the traditional Country of the Kamilaroi (Gomeroi) People. The project extends between the approved Narrabri Gas Project gas processing facility at Leewood (located about 20 kilometres south-west of Narrabri), traverses south-east via the Narrabri Gas Project Bibblewindi facility, and then east to the tie-in to the Hunter Gas Pipeline – Stage 2 (as described in section 2.1.2) (located about 5.5 kilometres south-east of Baan Baa).

The location of the project is shown on Figure 1.1. The regional context is described in section 2.2 and shown on Figure 2.2.



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Data source: Roads, Rail, watercourses – DCS2024; State Forest – Forestry 2024; Hunter gas pipeline – Santos 2023; Google Maps Sat: © OpenStreetMap (and) contributors, CC-BY-SA;World Imagery: Earthstar Geographics.

Legend

Project infrastructure: Project site

Stage 2 Hunter Gas Pipeline – Indicative pipeline route

Stage 3 Hunter Gas Pipeline – Indicative pipeline route

Gas facility

Town

Highway

Railway line

Watercourse

Figure 1.1 Project location

0 1 2 3 4

Kilometres

1.2.2 Key features

The project would be designed, constructed and operated in accordance with the Australian and New Zealand AS/NZS 2885 Pipelines – Gas and Liquid Petroleum series of standards (AS 2885) and the *Code of Environmental Practice – Onshore Pipelines* (Australian Pipelines and Gas Association (APGA), 2022) (the APGA Code of Environmental Practice).

The key operational features of the project include:

- an underground high pressure, steel gas transmission pipeline with a length of about 55 kilometres, a size of DN500 (equivalent to about 508 millimetres in diameter), and a nominal gas capacity (flow rate) of up to 200 terajoules per day
- a nominal permanent easement of 30 metres wide
- supporting above ground infrastructure, including:
  - two scraper stations, used for access to the pipeline for internal cleaning and inspection
  - a cathodic protection system, including cathodic protection units, anode beds and test points
  - pipeline marker signs
  - access tracks.

Further information on the project is provided in chapter 3 (Project description).

1.2.3 Timing

Construction is proposed to commence around the end of 2026 subject to obtaining all necessary approvals. Construction is expected to be undertaken in three phases:

- The main construction works are expected to take about four months – during this phase the pipeline and surface infrastructure would be installed, and the construction right of way and temporary workspaces would be reinstated.
- Hydrotesting would take about a month.
- Commissioning would take about four months.

There would be periods of time where no work would take place following the main construction works and prior to commissioning.

Operation is expected to commence around the end of 2028 and would continue until the Narrabri Gas Project ceases operation.

1.2.4 Related Santos projects

The project would connect the approved Narrabri Gas Project to the approved Hunter Gas Pipeline, enabling delivery of gas to the existing NSW domestic natural gas transmission network near Newcastle. An outline of these projects is provided in section 2.1.

1.3 Approval requirements

The project was declared critical State significant infrastructure by the NSW Minister for Planning and Public Spaces on 9 December 2022. As critical State significant infrastructure, the project is subject to approval by the Minister for Planning and Public Spaces under Part 5, Division 5.2 of the *Environmental Planning and Assessment Act 1979* (NSW) (EP&A Act).

The project was also declared a controlled action under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) on 7 February 2025 and also requires approval from the Australian Minister for the Environment and Water.

Further information about the approval and assessment requirements is provided in chapter 4 (Statutory context).

1.4 Project objectives

The objectives of the project are to:

- connect the Narrabri Gas Project to the Hunter Gas Pipeline and enable the delivery of natural gas to the NSW domestic natural gas transmission network to help meet NSW's energy security needs
- develop a project design that is safe, efficient and economically feasible for construction and operation, which complies with all relevant standards (including AS 2885), whilst accounting for social, land use, heritage, environmental, engineering, geotechnical and topographical constraints
- minimise the potential for environmental and community impacts during construction, operation and decommissioning as far as practicable.

1.5 The proponent

Santos is a global energy company with operations across Australia, Papua New Guinea, Timor-Leste and the United States. Santos provides reliable, affordable energy for progress and seeks to provide lower carbon energy over time.

Santos' goal is to be a global leader in the energy evolution to low-carbon fuels that help the world decarbonise and continue to provide the reliable, affordable energy the world needs for modern life and human progress.

Santos is an important Australian domestic gas supplier. Santos is committed to supplying critical fuels such as oil and gas, and abating emissions through carbon capture and storage, energy efficiency projects, use of renewables in its operations and high-quality offsets. Santos will also seek to develop low-carbon fuels as customer demand evolves.

Santos has been working in partnership with local communities for 70 years, providing jobs and business opportunities, safely developing natural gas resources and from there powering industries and households.

The proponent's details are as follows:

Proponent name:	Hunter Gas Pipeline Pty Ltd
Address:	Santos Centre, 60 Flinders Street, Adelaide SA 5000
ABN:	40 108 119 544
Website:	santos.com

1.6 Purpose and structure of this environmental impact statement

This EIS supports an application for approval of the project in accordance with Division 5.2 of the EP&A Act. It addresses the environmental assessment requirements of the Secretary of the Department of Planning, Housing and Infrastructure (DPHI).

In accordance with the Planning Secretary's environmental assessment requirements (the SEARs) (see Appendix A (SEARs compliance table)), the EIS also addresses the EIS form and content requirements of the Environmental Planning and Assessment Regulation 2021 (EP&A Regulation). The EIS has been prepared with regard to the *State Significant Infrastructure Guidelines* (DPHI, 2024a) (in particular the *State significant infrastructure guidelines – preparing an environmental impact statement* (Department of Planning, Industry and Environment (DPIE), 2022a)), and other relevant technical guidelines.

The main EIS is structured in three parts as follows:

Part A Introduction, context and project information – including:

- an introduction to the EIS (chapter 1)
- an overview of the strategic context and need for the project, the alternatives and options considered, and related projects (chapter 2)
- a description of the project's design features and indicative construction methodology (chapter 3)

- an overview of the statutory context and approval requirements (chapter 4)
- a summary of the community and stakeholder engagement that has occurred to date, key issues raised and how they have been considered, and engagement proposed during future stages of the project (chapter 5)

Part B Environmental assessment – including:

- an assessment of the potential impacts of the project, including information on the existing environment; potential construction, operation, decommissioning and cumulative impacts; and how impacts would be mitigated (chapters 6 to 19)

Part C Evaluation and conclusion – including:

- a description of the proposed approach to environmental mitigation and management (chapter 20)
- the project justification, evaluation and conclusion (chapter 21).

Other volumes provide supporting technical reports, which provide detailed assessments of the potential impacts of the project as they relate to the key environmental issues defined by the SEARs.