

Port Kembla Gas Terminal

Environmental Impact Assessment

SUBMISSION | December 2018



About the Chamber

The NSW Business Chamber (the Chamber) is one of Australia's largest business support groups, with a direct membership of more than 20,000 businesses.

The Chamber works with businesses spanning all industry sectors including small, medium and large enterprises. Operating throughout a network in metropolitan and regional NSW, the Chamber represents the needs of business at a local, state and federal level.

Introduction

Gas is both a critical source of energy and an essential input for production for many NSW businesses, particularly manufacturers. Gas is widely used in electricity generation. Gas-fired generation is reliable and can be quickly started and stopped, it can be used for both baseload and peaking power. It can also be used to fill gaps in renewable power generation when wind or sunshine are not available.

It is also important for fuelling many industrial operations, including glass and steel foundries, and aluminium and nickel smelters.

With more than 300,000 employed in gas reliant industries, failure to secure a steady flow of gas to meet our needs will be felt not just by businesses but by NSW workers.

Rising gas prices, restrictions on gas exploration and concerns regarding potential gas shortages, are a triple threat to NSW economy. Gas is an indispensable feed stock for manufacturers and an essential energy source for industry, as well as for millions of households.

NSW imports around 97 per cent of the total volume of natural gas it uses from other states and territories. The Chamber has been consistent in its calls on the importance of increasing supply as a means of providing greater energy security and the potential to put downward pressure on prices.

The proposal by Australian Industrial Energy (AIE) to develop a gas import terminal at Port Kembla is supported as a means of providing an additional source of gas for NSW.

The failure to secure affordable and reliable gas in NSW will place the future of many businesses and thousands of jobs at risk.

For more information contact:

Luke Aitken

Senior Manager, Policy

NSW Business Chamber

Tel: 9458 7582

Email: luke.aitken@nswbc.com.au

Comments on the Proposal

For the reasons outlined above, if delivered, the proposal for the Port Kembla LNG Import Terminal will have a wider economic significance far beyond Port Kembla. It is therefore appropriate the proposal is considered under the State Significant Infrastructure (SSI) framework.

The significance of the project is further demonstrated by its projected capital investment value of \$223.8 million. While this too will benefit NSW as a whole, as was noted in the submission of the Illawarra Business Chamber (a Division of the NSW Business Chamber) AIE's proposal to make this investment at Port Kembla presents "*a vote of confidence from a large international consortium...in the Illawarra*".

Documentation provided by the proponent of this indicates a capacity to supply 100 petajoules of gas per year, meeting more than 70% of the State's gas needs (on a shipping schedule of every two to three weeks).

In addition, the storage capacity of the Floating Storage and Regasification Unit (FSRU) equates to about 4 petajoules of gas, or around 10 to 12 days of natural gas storage for the whole of NSW in the event there is a disruption to interstate supply.

With Port Kembla already operating 24 hours per day 7 days a week and supporting a range of industrial activity including coal export, cargo, logistics and bulk goods the project and associated investment appears compatible with current and future use of the site.

The project is expected to generate on average around 4 additional vessel movements per month. These additional movements are low in proportion to the vessel movements anticipated from existing operations at the port (1,680 to 2,380 vessel movements per year).

The project will be predominantly located within land zoned for dedicated port and industrial uses. Berth and wharf facilities and the FSRU would be situated at Berth 101 (currently part of the Port Kembla Coal Terminal). A gas pipeline would extend around the outside of port operations from Berth 101 to a tie-in point at Cringila.

Considering the significant economic benefit that this project can deliver for NSW, its location within an established area of heavily industrial land and its relative impact on existing port operations, the Chamber strongly endorses its progress through this stage of assessment.