



IPC'S PHASED APPROVAL OF \$3.6-BILLION NARRABRI GAS PROJECT COMES WITH STRICT CONDITIONS

30 September 2020

The state's Independent Planning Commission has imposed stringent conditions on its 'phased' approval of a multibillion-dollar coal seam gas field in north-western NSW.

Santos NSW (Eastern) Pty Ltd (the Applicant) sought development consent for up to 850 gas wells and associated infrastructure across the 95,000ha project area, encompassing the Pilliga State Forest and privately-owned farmland, southwest of Narrabri.

The Applicant has claimed its \$3.6-billion Narrabri Gas Project will create up to 1300 construction and 200 operational jobs, while shoring up supply for the east coast domestic gas market. It has the potential to produce up to 200 terajoules a day for at least 20 years, which is up to half of the state's gas demand.

The Department of Planning, Industry & Environment finalised its whole-of-government assessment of the Project in June this year. It came to the Commission for determination after almost 23,000 public objections were received during exhibition.

Commissioners Stephen O'Connor (Panel Chair), John Hann and Professor Snow Barlow were appointed to consider the state significant development application. The Commissioners met with the Applicant, the Department and its Water Expert Panel, Narrabri Shire Council and other key government agencies, and inspected the site and surrounding areas.

They also held a seven-day electronic public hearing – as directed by the NSW Minister for Planning and Public Spaces – to listen to the community's views on the Project.

Issues raised at the public hearing and in more than 11,000 written submissions to the Commission included groundwater impacts; climate change impacts from greenhouse gas emissions; biodiversity impacts; impacts on agriculture; bushfire impacts; employment impacts; health impacts; impacts on Aboriginal cultural heritage; and management of waste (including salt).

After a thorough examination of all the evidence lasting more than 15 weeks, the Commission has today (30 September 2020) determined that consent should be granted to the Project, subject to 134 conditions.

"Following its detailed deliberations, the Commission concludes the Project is in the public interest and that any negative impacts can be effectively mitigated with strict conditions." the Commission's Statement of Reasons for Decision reads.

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“The Commission has granted a phased approval that is subject to stringent conditions, which means that the Applicant must meet specific requirements before the Project can progress to the next phase of development... The Commission notes that the approval does not include consent for the proposed gas fired power station at Leewood, the Westport workers accommodation or non-safety flaring infrastructure.”

The four phases of development are: 1) appraisal; 2) construction; 3) production; 4) rehabilitation.

The Commission specifically addressed in its Statement of Reasons key issues of community concern, including:

Groundwater

“The Commission is satisfied that the potential groundwater impacts of the Project, as assessed with the assistance of the independent Water Expert Panel, can be effectively managed under the conditions of consent. The Applicant’s groundwater impact modelling was considered fit for purpose for this approval. The Commission imposed conditions requiring further information to improve the groundwater impact modelling before the Project proceeds to Phase 2 to reduce the level of uncertainty with respect to potential groundwater impacts. The Commission also requires the Applicant to update and improve their groundwater impact modelling to be generally in accordance with the features of a Class 3 confidence level model, the features of which must be based on advice from the Water Technical Advisory Group regarding appropriate, development- specific modelling objectives and criteria. The imposed conditions do not permit the Applicant to establish the production field (Phase 2) if the revised groundwater model predicts an exceedance of the water management performance measures identified in the consent.”

Greenhouse Gas Emissions

“The Commission acknowledges the lower greenhouse gas emissions of coal seam gas compared to coal. In response to concerns that the emissions advantage of coal seam gas may be jeopardised by an underestimation of fugitive emissions, the Commission has imposed a condition to require exceedances of the Applicant’s predicted Scope 1 and 2 greenhouse gas emissions to be fully offset. The Applicant will also be required to consult with an expert advisory group in measuring, minimising and reporting these emissions.”

Biodiversity

“The Commission is satisfied that the biodiversity impacts of the Project have been measured and assessed in line with the relevant guidelines, the biodiversity offsets have been calculated in accordance with the NSW Biodiversity Offsets Policy for Major Projects and the imposed conditions provide for appropriate management, mitigation and monitoring of the potential biodiversity impact risks of the Project. The Commission has also introduced new conditions to strengthen protective measures and require consultation with biodiversity experts in the preparation of management and field development plans to mitigate impacts on listed flora and fauna and Ecologically Endangered Communities.”

Waste Management

“The Commission considered the main waste streams from the Project - being drill cuttings, drilling fluids and 840,000 tonnes of crystallised salt – and is satisfied waste from the Project will be disposed of in accordance with the NSW Waste Hierarchy, with landfill disposal being the last resort. The Commission has also imposed further conditions to minimise the on-site storage of waste and to require arrangements for beneficial reuse or landfill disposal at an appropriately EPA-licensed facility to be in place prior to Phase 1. The enforceability of these conditions has been confirmed by the EPA, as lead regulator.”

Aboriginal Cultural Heritage

“The Commission is satisfied that the Aboriginal Cultural Heritage Assessment and consultation has been undertaken in accordance with the relevant guidelines; however, in light of concerns raised in the submission process, it is of the view that the consultation requirements for proponents could be improved. Conditions are in place to require the establishment of an Aboriginal Cultural Heritage

Advisory Group and Aboriginal Cultural Heritage Management Plan and ensure the Applicant has proper regard to areas and items of Aboriginal cultural significance.”

Bushfire risk

“The Commission is satisfied that bushfire risks from the Project are manageable and has imposed conditions that reduce fire ignition risks by requiring a safety flare stack height of 50m, and other measures that manage methane gas and facility hazards. The Commission has not granted approval for the pilot well flares and is satisfied that the risk of an increase in bushfire events from climate change can be adequately managed through the Recommended Conditions, including well shut-in and automatic fail-safe requirements.”

Economic Impacts

“The Commission considered the likely economic impacts of the Project and is satisfied that on balance the Project will provide a net economic benefit for the local community, region and State through increased investment and economic activity. This includes diversification of local industry through the provision of a local gas supply, employment opportunities, royalties and revenue and investment in local infrastructure and community projects through the Community Benefit Fund and the Planning Agreement with Narrabri Shire Council. The Commission is also satisfied that the Project has the potential to improve gas security for Australia’s east coast domestic market.”

Social and health impacts

“The Commission is satisfied that the Project is unlikely to be the source of significant physical health impacts in the local community. The Commission is satisfied the imposed conditions identify opportunities to secure and enhance local community services and facilities and provide a mechanism for the ongoing analysis of potential social risks. The Commission supports the requirement of a Social Impact Management Plan prepared in consultation with Narrabri Council and the local community.”

“The Commission has accepted the Recommended Conditions of consent from the Department and imposed additional conditions which will increase the transparency of the Project’s operations, improve groundwater modelling and data, increase expert involvement in the management and mitigation of impacts, offset specific impacts of the Project and strengthen protective measures for affected stakeholders and the environment,” the Commission concluded.

The Commission’s Statement of Reasons for Decision is available here:

<https://www.ipcn.nsw.gov.au/projects/2020/03/narrabri-gas-project>

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