

The Norwood Resource
PO Box 235
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21 August 2020

NSW Independent Planning Commission
<https://www.ipcn.nsw.gov.au/have-your-say>

Re: Narrabri Gas Project

The Norwood Resource Incorporated (TNR) welcomes the opportunity to comment on the Narrabri Gas Project (NGP).

The following is in response to the IPC's request for further comment upon the new material received by the IPC in relation to information from The NSW Department of Planning, Industry and Environment as well as further information received from Santos (including its attachments).

We note that in the response (14 August 2020) to the IPC from Mr Kitto (Executive Director Special Projects) NSW Department of Planning, Industry and Environment wherein he states on page 6 ...

"There is nothing in Australia's commitment under the Paris Agreement or the NSW climate change policy and associated action plan that would support claims for stopping or prohibiting the approval of any further fossil fuel projects or the ongoing use of fossil fuels in NSW over the next 20-30 years or the lifetime of the Narrabri Gas Project.

Instead, both Commonwealth and State policies are seeking to facilitate an orderly transition to a lower emissions economy in a sustainable way through the implementation of various programs and plans, including the Integrated System Plan 2020.

The Integrated System Plan notes that Australia is currently amid one of the world's fastest energy transitions during a period of "great complexity and uncertainty" and identifies a range of future scenarios for the future development of the East Coast energy market.

These scenarios essentially involve:

- the gradual closure of most existing coal-fired power stations over the next 20 years;
- ongoing use of gas (particularly for heavy industry but also potentially for providing dispatchable energy); and
- the development of an augmented electricity grid dominated by distributed energy resources (rooftop solar), variable renewable energy (wind and solar) and dispatchable energy (pumped hydro, batteries and gas).

So, in the Department's view the Narrabri Gas Project is consistent with all government policy on climate change and the aim of ensuring an orderly transition to a lower emissions economy, just as it is consistent with the policy of the NSW government to facilitate the development of a safe and sustainable gas industry in NSW."

We endorse Mr Kitto's position in relation to the continuing exploration, development and use of natural gas in the State of NSW. Indeed, this is echoed in Richard Lancaster's opinion attached to the Santos response to submissions (11 August 2020).

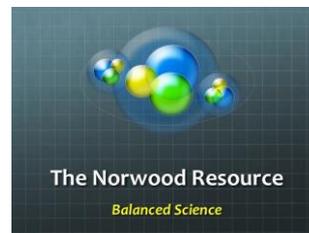
Further, in relation to the potential economic impacts, both locally and on a State wide basis, we also agree with the updated assessment from ACIL Allens, in that the potential employment opportunities for locals will be fantastic, for current workers seeking employment, but also to the children of Narrabri, whereby they will have a much wider and varied choice of employment options as they enter

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the employment environment.

ACIL Allens updated report also supports our contention that there is (with the entry of Narrabri sourced gas) strong potential to put real downward pressure on gas prices in Sydney, Newcastle and Wollongong areas, which are the major user areas of natural gas in NSW.

We reiterate to the IPC, without this project, there is no prospect of downward pressure on prices, whereas with the NGP proceeding there is a high prospect (as detailed by ACIL Allens) there will be price reductions in the major metropolitan centres compared to not having the project.

This project provides gas users in NSW with choice, which is one of the fundamental principles of a competitive energy market. Just on this point, we make the following sub points

- The more gas and the more gas supply options, the more chance customers will have the power of choice for their gas supplier, more suppliers, the more chance of competition, and the more chance of prices being lower, which could flow through to putting downward pressure on the average NSW households cost of living.
- Less gas sources reduces any chance of lower gas prices in the market and lessens any possibility of downward pressure on the cost of living for the average NSW household.
- Regardless of the argument about the allocation of gas between the domestic market and the export market the fact remains there is not enough gas to meet the overall demand.
- To a large extent, the availability of gas to the east coast over the last 10 years or so has been impacted by the implementation of gas mining bans, moratoria and an adverse reaction by successive Governments not to proceed with gas exploration / development proposals, and now we have a shortage of gas supply on the east coast.

Gas ex Narrabri is **not** dependent upon subsidies whereas renewable projects are. Further, the **NGP will pay Royalties to the State, whereas renewables do not pay any Royalties to the State** (perhaps they should?). The projected gas Royalties of approx. \$1.2b is significant contribution toward the NSW Govt to spend on renewables if they so determine this is a good investment

Santos is an Australian company with around 60 years operating experience, operating safely and sustainably as evidenced by its activities in the Cooper Basin (SA & Qld) where Santos's operations happily coexist with local beef stations which have achieved and retain organic certification for their beef, which demonstrates the agricultural and gas industry can mutually coexist.

Yours sincerely



Bruce Holland
Secretary
The Norwood Resource