



Mr Peter Duncan AM
Acting Chair
Independent Planning Commission

By email: peter.duncan@ipcn.nsw.gov.au

Narrabri Gas Project (SSD 6367)

Dear Mr Duncan

The Department has completed its assessment of the merits of the Narrabri Gas Project (SSD 6367). The application is referred to the Independent Planning Commission for determination as there were more than 50 unique public objections to the proposal.

The Minister for Planning and Public Spaces has also requested the Commission to hold a public hearing into the carrying out of the project and make a determination of the development application within 12 weeks of receiving the Department's assessment report, unless the Planning Secretary agrees otherwise.

Proposed Development

Santos proposes to develop the Narrabri Gas Project on around 1,000 hectares of a larger 95,000-hectare site in the Pilliga State Forest and on adjoining grazing land in north-western NSW about 25 kilometres to the south-west of Narrabri.

The project involves drilling up to 850 coal seam gas wells to produce up to 200 terajoules (TJ) of gas a day for the domestic gas market over a period of at least 20 years, which is enough to supply up to 50% of NSW's gas demand.

It is classified as a Strategic Energy Project and has a capital investment value of \$3.6 billion and would create 1,300 jobs during construction and 200 jobs during operations.

Engagement

The Department has consulted widely with the community, special interest groups and government agencies during the assessment of the project which included exhibition of the EIS from 21 February to 22 May 2017. During exhibition, the Department received nearly 23,000 submissions on the project, including 17 from government agencies, 133 from special interest groups, and 22,721 from the general public.

Over 70% of the submissions were form letters, however there were several submissions from special interest groups that included detailed reports from technical experts. Most of the submissions (98%) were against the project, although a breakdown of submissions from the local area shows a broader spectrum of views with nearly 37% of the submissions supporting the project.

Assessment

This assessment was informed by advice from Narrabri Shire Council, government agencies and independent experts, including a Water Expert Panel, and has concluded that the project:

- is critical for energy security and reliability in NSW as it would:
 - provide essential gas supplies to the domestic market to address forecast shortfalls from 2024;
 - facilitate the extension of the existing gas pipeline network to northern NSW, bringing it closer to the strategic gas supplies in both Queensland and the Northern Territory;
 - support the development of gas-fired power stations in NSW to provide dispatchable energy to the National Electricity Market (NEM) as it transitions away from a long-term reliance on coal-fired power stations to a greater reliance on renewable energy;
 - put downward pressure on gas prices; and
 - deliver significant economic benefits to NSW and the Narrabri region and stimulate the economic recovery from the effects of the COVID-19 pandemic, including:
 - creating jobs and attracting investment to the region;
 - providing up to \$14.5 million to Narrabri Shire Council for community projects and infrastructure;
 - setting up a Community Benefit Fund with up to \$120 million to share the benefits of the project with the local community; and
 - facilitating economic development in Narrabri, including the development of a new industrial estate;
- has been designed to minimise any impacts on the region's significant water resources, including the Great Artesian Basin, the biodiversity and heritage values of the Pilliga State Forest, and the health and safety of the local community;
- would comply with the relevant requirements and standards in government legislation, policies and guidelines; and
- would not result in any significant impacts on people or the environment; and that
- any residual impacts of the project can be reduced to an acceptable level by capping total water extraction to 37.5 gigalitres (GL) over the life of the project and requiring Santos to comply with strict standards, rehabilitate the site to a high standard and offset the biodiversity impacts of the project.

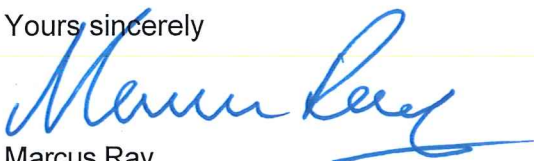
The Department has recommended a comprehensive suite of strict conditions, which have been developed in consultation with key government agencies and independent experts, to ensure this occurs.

Based on this assessment, the Department considers the project is in the public interest and is approvable subject to strict conditions.

I have attached a copy of the Department's assessment report and recommended conditions of consent for the Commission's consideration.

If you have any questions or wish to arrange a briefing, please contact Mike Young, Executive Director, Energy, Resources and Compliance on 8217 2091 or by email at mike.young@planning.nsw.gov.au

Yours sincerely



Marcus Ray
**Group Deputy Secretary
Planning and Assessment**

11/06/2020