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NSW gas crunch edges closer

Today's Strategic Regional Land Use Policy announced by the NSW Government does not do enough to proactively support development of the natural gas industry in NSW and does too little to address the state's growing gas needs, the Australian Petroleum Production & Exploration Association said.

APPEA Chief Executive David Byers said: "The NSW Government continues to send the message that it does not really welcome development of natural gas from coal seams in the state. All the advice provided by energy experts and industry leaders at the NSW Government instigated energy summit in Sydney last week appears to have had little effect.

"A policy anchored in blanket no-go zones to "protect" areas from an industry that has been producing natural gas safely in Australia for decades is not a policy based on sound science or experience. If the government wishes to protect the values of a given area it should specify the outcomes needed and require proponents to demonstrate they can achieve those outcomes based on appropriate practices and scientific data.

"The fact that NSW's primary source of local natural gas has safely operated in western Sydney for more than a decade appears to have been lost in the NSW debate. So has the fact that natural gas from coal seams has been successfully and safely developed in Queensland, in some of the state's most renowned agricultural areas like Roma, for almost 20 years.

Restraining NSW from development of a cleaner energy source that can be sourced locally, using safe technology and with little impact on farmland can have dire consequences for the state's 1.2 million gas users and curtail the opportunity to put downward pressure on energy prices.

"The Australian east coast gas market is undergoing significant transformation with demand set to triple once three large interstate export projects enter production from late next year.

"NSW only produces five per cent of its own gas supply – the rest comes from interstate despite the fact there are significant supplies that can be sourced locally.

"APPEA supports the need to balance competing land uses but argues the balance should be struck on evidence not populist concern. Development of this vital resource is not only crucial to cement the state's energy supply, to meet the demands of domestic and industry gas users, but to create jobs, revitalise regional communities and provide royalties for the improvement of public services and infrastructure.

"Increased regulation that doesn't appear to be based on scientific evidence can only serve to slow development, resulting in less gas to meet increasing demand and higher prices for users."

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Media Release

Mr Byers said APPEA will consider the policy in more detail, particularly mapping released by the NSW Government, in coming days.

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