

**Submission
No 29**

DOWNSTREAM GAS SUPPLY AND AVAILABILITY IN NSW

Name: Mr & Mrs RC & AA Cummins
Date Received: 18/06/2013

R C & A A Cummins

11th June 2013

The Committee Manager
State and Regional Development Committee
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Sir,

REFERENCE: Downstream gas supply and availability in NSW (Inquiry)

In a recent article in our local paper, The Crookwell Gazette, (copy attached), information in regards to your inquiry was detailed and residents were encouraged to make a submission.

You will also note that Upper Lachlan Shire Council will join with Harden Shire Council in an effort to have the natural gas pipeline extended into their communities.

Unfortunately, the General Manager of Upper Lachlan Shire Council, Mr. John Bell, has a pessimistic view on the likelihood of Crookwell being connected to such a basic infrastructure need as natural gas, but we hope that the General Manager's view of requiring large manufacturing industries in town before natural gas can be reticulated to residents will not be the basis for the outcome of this inquiry.

Crookwell township has a population of approximately 3,5000 residents, with a total population of over 7,000 within the Upper Lachlan Shire Council local government area. Crookwell is the largest town in the Upper Lachlan Shire area. It has an ageing population with the fastest growing demographic being the over 60 year's age group. Crookwell is located in the Southern Tablelands on the top of the Great Dividing Range and has a mean winter temperature of 0.6C degrees minimum and 10.3C degrees maximum.

As such, Crookwell is in need of a reliable energy source for heating at a price that is competitive with that typically available elsewhere in New South Wales.

The energy costs that are currently available in Crookwell are:-

1. Electricity standard rate - 11.5 Megajoules per dollar
2. LPG - 22.5 Megajoules per dollar

While in Goulburn (40kms to the east of Crookwell), Natural gas is available at a cost of 38 Megajoules per dollar.

Wood heating is also a popular choice in Crookwell, especially in the many older homes that exist in the town area. At a cost of between \$500 - \$700 per household for a winter season it is not a cheap form of heating. Additionally, wood heating is beset by variable and low burning efficiency with a major adverse impact on the carbon footprint. Many councils in NSW are now banning the use of wood fired heaters because of the undesirable particulate emissions.

We request that in view of the above and because of the proximity of the Goulburn natural gas main and the existing natural gas main 30km south of Crookwell towards the township of Gunning, that you give positive consideration to the supply of natural gas to the township of Crookwell.

Yours faithfully


RC and AA Cummins

Inquiry into downstream gas supply and availability in NSW

THE Legislative Assembly State and Regional Development Committee is inviting written submissions to its inquiry into downstream gas supply and availability in NSW.

This is a great opportunity for Crookwell and Gunning residents to write a submission to the government highlighting why Crookwell and Gunning will benefit by natural gas being connected to these areas.

The Committee is interested to hear from individuals and organisations about consumer access to gas connection and supply, and about possible measures to encourage the extension of existing distribution networks, particularly in regional areas that do not currently have access to reticulated (natural) gas.

This inquiry concerns the connection of consumers to gas supply and is not an inquiry into coal seam gas or coal seam gas exploration.

In your submissions you could highlight the economic benefit, the cost effective savings of natural gas to bottled gas and cost difference of natural gas as opposed to wood or electric heating.

At a recent Inquiry into downstream gas supply and availability in NSW a resolution was passed on April 2, 2013, Minutes No. 17, Item 5

That the Committee inquire into and report on downstream gas supply and availability in NSW, and in particular:

(a) The adequacy of transmission

pipeline systems and distribution networks for future downstream gas needs and supply challenges;

(b) Barriers to the expansion of downstream gas supply and distribution networks;

(c) The effectiveness of competition in the downstream gas market and consumer pricing implications;

(d) The effectiveness of existing protections for consumers and measures to facilitate access to gas connection and supply; and

(e) Possible measures to encourage gas network operators to extend existing distribution networks, including financial incentives of licence obligations, particularly in regional centres that do not have access to reticulated gas.

As residents of Crookwell and Gunning and with the natural gas pipeline close to these areas you are encouraged to write a submission to show the government these areas are genuinely in need of natural gas supply. You can save an enormous amount of money connecting to natural gas for heating and cooking and the benefits to the economic building and development of these areas could boom!

The closing date for submissions is Friday June 21, 2013. For further details, including the full terms of reference, go to the Committee's website: www.parliament.nsw.gov.au/stateandregionaldevelopment or phone Rohan Tyler on 9230 3001.

New move for gas supply

Upper Lachlan Council will join with Harden Shire in an effort to have the natural gas pipeline extended into their communities.

And coincidental to this is a current State Parliament inquiry into downstream gas supply and availability.

Part of this inquiry will be possible measures to encourage gas network operators to extend networks, including financial incentives to licence obligations, particularly in regional centres which do not have access to reticulated gas.

In a letter received at last Council meeting, Harden Mayor Cr. Chris Manchester, sought support in making extension of gas supply to the two Shires as part of the campaign for the September Federal elections.

He wrote: "I acknowledge and fully support the need for a feasibility study to be undertaken. However, this in my opinion should be funded by the Federal Government and then for both

State and Federal Governments to consider supporting a business model that is necessary to bring natural gas to our communities."

General Manager Mr. John Bell commented that in the past Council had been told Crookwell would have to have a Coca Cola type industry to justify the cost of connection to the pipeline, nearest point of which is near Gunning.

"Even with everyone in town connected it would not be sufficient," Mr. Bell said.

Cr. Paul Culhane: "We might not meet the criteria, but if Governments are keen to push it into rural areas they may be prepared to subsidise it."

On the motion of Crs. John Searl and Culhane Council decided to support "in principle" the need for a feasibility study to be funded by the Federal Government for an extension of natural gas to its area.