

**Submission
No 52**

DOWNSTREAM GAS SUPPLY AND AVAILABILITY IN NSW

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Downstream gas supply and availability in NSW (Inquiry)

Dear Committee members

I have looked at downstream gas supply and availability in NSW by asking where does the gas come from, what are its benefits and should domestic feeder lines be extended further into areas currently without reticulated gas.

South Australia, Western Australia, Northern Territory and Queensland are all exporters of gas. The northern states now have or are finalising massive coastal plants for the liquefying of natural gas (LNG) for export by shipping.

Natural gas can also be compressed (CNG) as a substitute for petrol, diesel and propane (LPG). Conversion of more of our motor vehicles to either CNG or LPG should reduce petroleum imports presumably improving the balance of payments.

So gas is available as a resource, in vast quantities within the boundaries of Australia and yet there are many towns in regional NSW not yet connected.

How can this situation be addressed?

Possibly with an accord between the states to guarantee supply to a growing domestic market and a push to extend mains and domestic feeder lines.

The gas line owners and installing companies who gain a return on flow tariffs are becoming very choosy about where to extend the network. This is leaving many towns of an average size starting to suffer the economic consequences of extraordinary price hikes in electricity and delivered LPG as well as dwindling firewood reserves.

Crookwell, the main town of the Upper Lachlan Shire, with a hospital and high school, is over 900 metres above sea level and homes and businesses require heating from April through to October and sometimes more.

There are 1200 residences and business premises possibly using four times as much energy for heating per annum as a home in Sydney. The point here is pipeline owners and installers have apparently made statements that a town is not worth connecting which has less than 10 000 residents.

Given the industrial size of energy use for heating in Crookwell the approximately 2500 residents here may actually match this fairly arbitrary sounding criterion.

Hundreds of millions of dollars are and have been spent on wind farm projects within the Shire. Some of this green energy money could be allocated to extend the gas line to Crookwell, cutting down on our reliance on heavily polluting firewood. It's ironic that a main gas line to Goulburn passes only about 15km from Crookwell, very near the latest \$360million wind farm development.

Economic outlook and health and welfare of the residents of a town like Crookwell is probably now dependant on connection to reticulated gas.

I would urge the Committee to find that ensuring an adequate supply for growing domestic demand and an expansion of the reticulated gas framework are priorities for the State.

Kind regards,

Matthew Ford.