

**Submission  
No 12**

**INQUIRY INTO THE IMPLEMENTATION OF THE  
RECOMMENDATIONS CONTAINED IN THE NSW CHIEF  
SCIENTIST'S INDEPENDENT REVIEW OF COAL SEAM  
GAS ACTIVITIES IN NEW SOUTH WALES**

**Name:** Mr Christopher Zinn

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Christopher Zinn

25 October 2019

Dear committee,

**Inquiry into the implementation of the recommendations contained in the NSW Chief Scientist's Independent Review of Coal Seam Gas Activities in New South Wales**

The intent of my submission into this inquiry is to highlight the importance of consumer engagement with regards to coal seam gas (CSG) activities in New South Wales.

In 2014, the NSW Chief Scientist and Engineer, Mary O'Kane, outlined her recommendations for CSG activities in the state; the first of these recommendations suggests the Government make clear its intent to establish a world-class regime for extraction of CSG. This includes: 'mechanisms for working closely and continuously with the community, industry and research organisations on the issue.'

In my role as a consumer campaigner I believe that community consultation, as outlined as above, is fundamental to creating a balanced and representative dialogue about community expectations, which extends to consumer energy bills.

I have been working with the Australian Petroleum Production and Exploration Association, through the Brighter initiative, to better understand the implications of the country's energy mix and the role of natural gas as the country transitions to a renewable energy.

There is no party I have liaised with, to date, who denies that we are on the way to a renewable future. But there is a long way to go before we primarily use wind and solar to keep the lights on, and there is a substantial role for natural gas to play as the cleanest traditional fuel in actively reducing Australian carbon emissions.

I believe the Australian consumer has been denied the right to a balanced conversation about the energy mix, and the importance of gas now and in the future.

With the pressure of increasing electricity and gas bills, and while both debated in the media and politically, there is not a strong enough connection in the consumer mind as to where our energy comes from.

As such, there is an imperative for the everyday Australian, as consumers, to better understand the implications of CSG projects on pricing and supply.

According to Energy Networks Australia<sup>i</sup>, in NSW, 42% of homes are connected to gas. That is over 1.3 million homes that use gas as a source of energy to cook their meals, have hot showers and more broadly, keep their lights on. In fact, the same document shows the upward trend of gas connections in NSW over a ten-year period.

However, research conducted by the Brighter initiative has found that only 59% of NSW residents “agree that onshore gas development can help reduce energy prices for Australians and improve energy security.”

The public opinion with regards to onshore gas and CSG activities has been skewed negatively and opposition to new gas exploration programs inhibits the opportunity for gas bills to go down.

Take, for example, the Narrabri project. The approval of the project would inject more gas into the East Coast domestic market. Santos have stated that Narrabri could supply up to half the state’s demand<sup>ii</sup> and, if approved, will provide all extracted gas for domestic contracts.

As pointed out by the ACCC Chair Rod Sims, who was quoted in May, supply is the answer to lower gas prices: “The level of future domestic prices in the southern states will depend on the marginal source of supply in the southern states. Producing additional gas in the south is likely to result in much better pricing outcomes for domestic gas users than transporting gas from Queensland or importing it through an LNG import terminal.”<sup>iii</sup>

The mechanisms for working closely with the community, as the NSW Chief Scientist pointed to should be extended outside the immediate geographical communities. The term ‘community’ should also include the ‘consumer’ of natural gas. A lack of supply as a result of delayed or rejected onshore gas exploration projects in NSW will ultimately impact the consumer and throw our assumed comforts into chaos.

Regards,

Christopher Zinn

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<sup>i</sup> <https://www.energynetworks.com.au/resources/fact-sheets/reliable-and-clean-gas-for-australian-homes/>

<sup>ii</sup> <https://www.santos.com/media-centre/announcements/local-narrabri-gas-to-underpin-new-manufacturing-jobs-in-northwest-nsw/>

<sup>iii</sup> <https://www.accc.gov.au/speech/state-of-the-east-coast-gas-industry>