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16 July 2014

Ms Alexandra O'Mara
Director of Assessment Policy Systems
and Stakeholder Engagement
NSW Department of Planning & Environment
GPO Box 39
SYDNEY NSW 2001

Dear Ms O'Mara,

***State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries)
Amendment 2014.***

The Australian Petroleum Production & Exploration Association (APPEA) is the national peak body representing the oil and gas exploration and production industry. APPEA's members account for around 98 per cent of Australia's oil and gas production. In NSW, APPEA actively supports our members in their pursuit of exploration and natural gas production specifically in the Gloucester, Gunnedah and Clarence Moreton Basins.

We welcome the opportunity to provide comment in relation to the proposed amendment to the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries). We submit that the proposed amendment clarifies the intent of the Government's existing policy, particularly around the planning rules for exploration. APPEA believes that for businesses operating in NSW this clarity will provide much needed confidence in the petroleum sector.

Natural gas from coal seams has the potential to become an important part of the energy supply mix in NSW, thereby reducing the State's reliance on interstate gas imports and bolstering its energy security. The Independent Pricing and Regulatory Tribunal (IPART) recently highlighted in its final determination that NSW regulated gas prices will increase by an average of 18 per cent, yet there are gas companies able and willing to invest in NSW to produce more gas and help put downward pressure on these rising prices.

APPEA believes that more gas into the NSW market has the potential to deliver significant economic benefits to the State and to the nation. This proposed amendment to the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) provides a policy setting that affords certainty for industry to explore and produce natural gas in NSW.

APPEA submits that efforts to clarify the existing policy and regulatory frameworks, while maintaining its integrity and robustness, should be welcomed. APPEA and our members are committed to ensuring that the industry provides more gas for consumers and business in NSW while operating within policy parameters safely, as it has done for over a decade.

Yours sincerely

Paul Fennelly
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