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**Via online portal: [www.planning.nsw.gov.au/onexhibition](http://www.planning.nsw.gov.au/onexhibition)**

21 July 2015

Dear Sir/Madam

***Re: State Environment Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 ('Mining SEPP')***

We refer to the Department's proposal to repeal clause 12AA of the Mining SEPP and confirm Jemena's support of the proposal.

Jemena owns and operates a diverse portfolio of energy and recycled water transportation assets across the east coast of Australia with more than \$9 billion worth of major essential service infrastructure including the 23,800 km Jemena Gas Network and the 797 km Eastern Gas Pipeline, delivering gas to more than 1.3 million homes, businesses and industrial customers in New South Wales.

Clause 12AA currently requires the consent authority to consider the relative significance of the resource and economic benefits of developing the resource, both to the State and the region (**Resource Factors**) as the principal consideration in a development application.

Jemena agrees that the Resource Factors should not be the principal consideration because to do so would ignore the impact of mining activities on the surrounding environment, including the potentially significant adverse impact of mining activity on essential service infrastructure, such as gas pipelines.

Mining activity could cause subsidence and adversely impact on the safe operation of Jemena's underground gas pipelines.

It is in the best interest of public safety that that the impact of mining activities be considered in the context of the existing infrastructure rather than the focus being primarily on Resource Factors.

Whilst the *Mine Subsidence Compensation Act NSW 1961 (NSW) (MSC Act)* provides a statutory regime for recovering the cost to repair improvements caused by mine subsidence activities, that regime does not provide an adequate framework for significant damage or preventative works required due to mining activities, in the context of essential services infrastructure.

For a significant part of Jemena's gas network in NSW, no recourse is available to Jemena under the MSC Act so that if damage was caused to a relevant part of Jemena's pipeline due to mining activities, the cost of repair would effectively be borne by NSW gas consumers by way of higher gas prices.

This is an inappropriate outcome for NSW gas consumers given that mining companies are making a profit from the mining activities and therefore, should be responsible for the risks created by the mining activities.

Jemena supports the repeal of clause 12AA given that the proposal:

- removes the strict focus on the Resource Factors and economic benefit as the 'principal' consideration of the consent authority;
- enables consideration by the consent authority of other significant issues relating to community safety and other stakeholder concerns regarding the interaction between mining activities and the built environment (eg. landowners);
- allows consideration of the impact on essential service providers and their infrastructure, which in Jemena's case includes the Wilton to Horsley Park Gas Pipeline (which forms part of the Jemena Gas Network), the Eastern Gas Pipeline and the Colongra lateral pipeline; and
- enables the possibility of a more appropriate allocation of risks to mining companies, rather than energy consumers.

If the Department wishes to discuss the above further, please do not hesitate to us on (02) 9867 7167.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'FH', with a small dot at the end of the signature.

Frazer Hill

**General Manager Networks Commercial**