

A few
words.



The Department of Planning and Environment

Housing Land Release

GPO Box 39

Sydney NSW 2001

18 November 2015

Email: community@planning.nsw.gov.au/greatermacarthur

Dear Sir/Madam

AGL Submission on the *Greater Macarthur Land Release Preliminary Strategy and proposed amendments to State Environmental Planning Policy (Sydney Growth Centres) 2006*.

AGL Energy Limited (AGL) welcomes the opportunity to provide a submission on the Greater Macarthur Land Release Preliminary Strategy (**Greater Macarthur Strategy**).

AGL is Australia's leading renewable energy company with the largest privately owned and operated renewable portfolio in the country. AGL operates across the supply chain with investments in energy retailing, coal-fired electricity generation, gas-fired electricity generation, renewable and upstream gas exploration and production projects.

AGL is also one of Australia's largest retailers of gas and electricity with more than three million customers in NSW, Victoria, South Australia and Queensland.

AGL is an experienced developer and operator of coal seam gas projects and is familiar with the challenges involved in developing natural coal seam gas projects within the technical, environmental and commercial constraints to which major projects are subject.

What is coal seam gas?

Coal seam gas is simply natural gas from coal seams.

In NSW, around 1.1 million homes and businesses use the natural gas produced in part by the coal seam gas industry for hot water, cooking and heating. Around 500 large NSW industries which employ approximately 400,000 people rely on natural gas to operate.

In addition, gas is a well recognised low carbon emission energy source which will help transition Australia from a coal dominated to a renewable energy future.

The gas industry can play a major role in providing an advantage to the State's gas reliant businesses and homes by keeping a downward pressure on gas prices.

What is the Camden Gas Project?

The Camden Gas Project in Sydney's south west has been supplying natural gas to NSW for nearly 15 years without significant impact or incident. The project has 144 wells within the Macarthur region which have co-existed with local farms, equine land uses and residential areas. Once constructed, AGL's activities operate with a low visual profile and a minimal surface footprint. From time to time, wells may require maintenance, which typically involves a rig being present at the well site for 1-3 weeks. Gas wells typically have a life of between 15-20 years, after which time they will be sealed with cement, capped below the ground and fully rehabilitated.

The Camden Gas Project operates under petroleum production leases (*Petroleum (Onshore) Act 1991*), development consents and project approvals (*Environmental Planning and Assessment Act 1979*) and an Environment Protection Licence (*Protection of the Environment (Operations) Act 1997*).

The Camden Gas Project employs approximately 30 people, the majority of whom are local. The Camden Gas Project has contributed over \$100 million to the local economy.

In financial year 2014/15 alone, the Camden Gas Project spent almost \$4 million on local contractors.

In undertaking the Camden Gas Project, there has been:

- no evidence of subsidence of land from AGL's activities;
- no negative impact to local property values;
- no harm to local beneficial aquifers or surface waters; and
- no evidence of risks to human health.

The Camden Gas Project represents a good example of how CSG developments can co-exist with mixed land uses. Overall, AGL's experience at the Camden Gas Project is that natural coal seam gas activities and associated infrastructure represent a low impact, efficient land use, that provide significant local and state benefits without long term impacts.

A reference to some relevant studies, reports and guidelines is provided below:

- NSW Government, Chief Scientist & Engineer, *Final Report of the Independent Review of Coal Seam Gas Activities in NSW*, September 2014.
- NSW Government, Department of Planning and Environment, *Locational Guidelines, Development in the Vicinity of Operating Coal Seam Methane Wells*, May 2004.
- NSW Government, Land and Property Information, *Study on the impact of the Coal Seam Gas industry on land values in NSW*, February 2014.
- NSW Government, *NSW Gas Plan*, November 2014.

Clause 13 of the *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 (Mining SEPP)* requires that a consent authority for an application for consent for development on land that is in the vicinity of a petroleum production facility, give consideration to compatibility of land uses, and whether the proposed activity is likely to have a significant impact on the recovery of petroleum.

The Camden Gas Project is an existing use and therefore part of the existing environment. It is therefore appropriate that the Camden Gas Project be taken into account when considering the identification of land to be released for residential development.

Other relevant factors are:

- The Greater Macarthur Release Area is covered by CSG exclusion zones under the Mining SEPP. Within CSG exclusion zones, the existing Camden Gas Project may continue to operate, however no new significant CSG activities may be developed.
- The Camden Gas Project has been successfully operating for nearly 15 years under 21 year petroleum leases. The project may be considered to be in the mature stage of its lifecycle.

Does the Greater Macarthur Release Area cover the Camden Gas Project?

Yes. The Greater Macarthur Release Strategy identifies that there are existing CSG wells from the Camden Gas Project within the Menangle Park and Mount Gilead Priority precinct (**Menangle Precinct**).

The Menangle Precinct overlaps Petroleum Production Lease 4. The following Camden Gas Project infrastructure is located within the Menangle Precinct:

- 27 well sites;
- The Rosalind Park Gas Plant Central Processing Facility (CPF); and
- Associated subsurface gas gathering lines and other infrastructure.

Importantly, well sites and the CPF site were identified in consultation with landholders, taking into account a range of factors including topography, landholder preferences, and also to ensure that future development potential would not be impeded. For example, most well sites in the Menangle Precinct are located near riparian areas, other services or within infrastructure corridors. The CPF was located adjacent to an existing quarry.

These locations were carefully selected to ensure that the Camden Gas Project could continue to supply gas to NSW for the life of the project, while not restricting the future development potential of our landholder's properties.

Can CSG wells coexist with changing land uses?

AGL's long held position is that gas activities and other land uses can co-exist with minimal conflict, and this has been its experience in Camden for many years.

For this reason, and taking into account the locations of its infrastructure, AGL does not consider that land within the vicinity of CSG wells should be excluded from future potential land releases.

However AGL acknowledges that increasing residential development must be carefully managed, and steps must be in place to minimise the risk of conflict between future residential land uses and existing gas wells. Therefore it is critical that, as part of any land release:

- The existence of the Camden Gas Project is explained, known about and its actual impacts (based on science and experience) are understood prior to the land release and residential subdivision;
- There is an open and transparent relationship between the developer, AGL and other stakeholders;
- Any potential impacts are understood and appropriate management/mitigation measures are in place.

Potential developers and purchasers must be made aware of the presence of the Camden Gas Project prior to the rezoning, development and purchase of properties, so as to minimise the risk of future complaints from residents about proximity to wells.

Impacts of residential subdivisions must also be properly communicated to the community, and managed. For example, AGL has previously experienced circumstances where complaints on noise and dust from construction traffic from a residential subdivision have been directed to AGL. Construction impacts need to be properly managed and communicated to local communities so that they are not attributed to AGL's activities.

Long Term Strategy

While AGL considers that CSG wells can coexist with other landuses, we acknowledge that the Camden Gas Project lifecycle is a relevant consideration as residential land use intensifies in the area.

AGL's primary objective is to continue to maximise supply of NSW gas for NSW customers for the remaining life of the Camden Gas Project. However we are consulting with our landholders to identify a pathway for the staged rehabilitation of well sites once they have reached the end of their operation life, so that in the long term, our landholders' properties are unencumbered for future development.

AGL is proud of our relationships with our landholders, and we have continually demonstrated a willingness to engage with the community and remains open to full and transparent consultation on our activities.

We would be happy to discuss this submission.

Yours sincerely,



Suzanne Westgate

Head of Land & Approvals