



ENERGY SECURITY AND BENEFITS

Coal Seam Gas (CSG) is an energy source which is crucial to NSW's prosperity and low carbon future.

Access to affordable gas – through the development of State reserves – is essential if NSW is to achieve economic growth targets, address greenhouse gas emissions, and ensure a reliable and sustainable gas supply in to the future.

Secure supply

At present, 30 per cent of the eastern Australian supply network comes from coal seam gas. In NSW, there are over 1.1 million consumers who rely on gas for

their homes and businesses. However, approximately 95 per cent of the State's gas needs are imported from South Australia, Queensland and Victoria. Only five per cent of the domestic supply is met locally through AGL's Camden Gas Project, that has provided coal seam gas to the NSW network for more than 10 years.

On current forecasts, NSW could face a shortage of gas from as early as 2014/5 as existing contracts

begin to expire. NSW has proven vulnerable to shortfalls on four previous occasions. In 2004, 2007, 2008 and 2010 gas consumption was restricted in response to supply constraints due to infrastructure failures in other States.

In Queensland, more than 27,000 people are working in the state's gas industry, with an increase of almost 7,000 jobs in the first half of last year, and a further increase of 8,500 jobs reported in March 2013.

COAL SEAM GAS FACT SHEET 6

“ On current forecasts NSW could face a shortage of gas from as early as 2014. ”

In comparison, NSW's CSG industry grew from just 39 to 332 positions in the same period.

According to the Australian Petroleum & Production Exploration Association, Queensland industry operators have signed 3,500 landholder agreements and contributed more than \$100 million to community projects.

Regional Benefits

CSG has a proven role in reinvigorating regional communities by delivering infrastructure and investment, providing new jobs and strengthening and diversifying regional economies.



NSW needs a reliable and sustainable gas supply for the future.

The NSW Government will ensure that communities benefit directly from CSG production through the creation of regional community funds.

Given the resource is owned by the public, it is important that local communities benefit from the production of coal seam gas through royalties and investment in communities in which the industry operates.

The NSW Government has made it clear that funding priorities will be determined according to community needs, in consultation with the community.

The framework to determine how the fund will operate – including assessment of priority areas and the distribution of funds – is being developed and will be released for public consultation prior to finalisation.