

Notice of decision – Queensland-Hunter Gas Pipeline Project (MP 06_0286 MOD 1)

Section 2.22 and clause 20 of Schedule 1 of the *Environmental Planning and Assessment Act 1979*

Application type	Critical State significant infrastructure modification request
Application number and project name	MP 06_0286 MOD 1 Queensland-Hunter Gas Pipeline Project
Proponent	Hunter Gas Pipeline Pty Ltd
Approving authority	Minister for Planning and Public Spaces

Decision

Under s.5.25 of the *Environmental Planning and Assessment Act 1979* (**the Act**), the Minister for Planning and Public Spaces has approved the request to modify the Critical State Significant Infrastructure (CSSI) approval for the Queensland-Hunter Gas Pipeline project.

A copy of the Department of Planning, Industry and Environment's Assessment report and instrument of modification is available [here](#).

Date of decision

17 October 2019

Reasons for decision

The following matters were taken into consideration in making this decision:

- the relevant matters required under the Act, including the objects of the Act;
- all information submitted to the Department during the assessment of the request;
- the considerations under Part 7 of the *Biodiversity Conservation Act 2016 (NSW)*;
- the findings and recommendations in the Department's Assessment Report; and
- the views of the community about the project (see Attachment 1).

The findings and recommendations set out in the Department's Assessment Report were accepted and adopted as the reasons for making this decision.

The key reasons for approving the modification are as follows:

- the project remains critical for the NSW energy, as it would:
 - increase energy security and reliability in NSW by diversifying the potential sources of gas supply available to NSW and improving its ability to respond to any disruptions in supply from traditional sources in South Australia and Victoria;
 - provide a critical link in the East Coast gas pipeline network, which would reduce NSW's current dependency on the Moomba-Sydney Gas Pipeline to receive gas from Queensland or the Northern Territory;
 - create greater competition between gas transmission companies, particularly the APA Group and Jemena;
 - improve the efficiency of the East Coast gas market by providing greater flexibility for moving gas around the transmission network, especially to parts of northern NSW where there is a distinct lack of pipeline capacity;
 - put downward pressure on gas prices in NSW;
 - facilitate the development of gas-fired dispatchable energy, which would support the growth of renewable energy generation and the transition to a low emissions economy; and
 - support regional development in NSW by attracting investment of around \$560 million, creating up to 600 jobs during construction and 25 jobs during operation, and supporting existing and future gas users.
- there have been no material changes to the impacts of the project since it was originally approved, and the existing conditions of approval provide a robust framework for ensuring the project would be carried out safely without causing any significant impacts on people or the environment;
- there has been considerable uncertainty in the East Coast gas and electricity markets over the last decade, which have been resolved, and there is no reason why Hunter Gas should not be able to commence the development of the pipeline within the next 5 years; and
- the significant benefits of the project would outweigh the minor impacts associated with the existing lapse date of the existing conditions of approval.

Attachment 1 – Consideration of Community Views

The Department exhibited the modification request from Thursday 8 November 2018 until Thursday 22 November 2018 and received 195 submissions. This includes 181 submission from the public that were all in the nature of objections, 7 from special interest groups and 7 from government agencies. The public submissions were primarily from residents living outside the local government areas where the approved pipeline would traverse (89% of total public submissions).

The key issues raised by the community and considered in the Department's Assessment Report and by the decision maker include justification, environmental and social impacts of the project.

Other issues are addressed in detailed in the Department's Assessment Report.

Issue	Consideration
<p><i>Justification</i></p> <ul style="list-style-type: none"> • Lapse date • Climate change and energy transitions • Economic benefits 	<p><i>Assessment</i></p> <ul style="list-style-type: none"> • The project was declared to be a critical infrastructure project by the Minister in 2008 and the critical status remains following the project's transition to an SSI project in July 2018. • Delays to the commencement of the project was due to uncertainties around sources of domestic gas supply market including delays in development of CSG markets in NSW. • If the project lapses, the benefits would not be realised including: <ul style="list-style-type: none"> – provision of an alternative gas supply route from Queensland to key industrial/ domestic users in Newcastle and into Sydney via the east coast gas network; and – economic benefits from the construction and operation of the pipeline. • The Department does not consider it would be reasonable, or in the broader public interest, to allow the project approval to lapse without providing additional time to develop the project. <p><i>Conditions</i></p> <p>Condition 1.4 of the project approval was amended to reflect the modified lapse date of 15 October 2024, unless the works subject of this approval are physically commenced on or before that time.</p>
<p><i>Environmental</i></p> <ul style="list-style-type: none"> • Currency of the approved project's EA • Landscape and Farmlands • Hazards 	<p><i>Assessment</i></p> <ul style="list-style-type: none"> • With the avoidance and mitigation measures in accordance with the applicable and contemporary NSW Government policies and standards (Schedule 2 of the project approval), the Department considers that the proposed modification can be undertaken with no significant risks to the environment and that any residual impacts would be managed through the project's approval conditions. • The Department notes that the project approval includes conditions on hazards and risk associated with the project (conditions 3.19 and 3.20). <p><i>Conditions</i></p> <p>Project approval's conditions related to these matters were amended, including watercourse crossings (condition 2.5 and 2.6) hazards and risk associated with the project (conditions 3.19 and 3.20), compliance notifications and reporting (conditions 4.1 to 4.5), and environmental monitoring and management (conditions 6.1 to 6.5).</p>
<p><i>Social</i></p>	<p><i>Assessment</i></p> <ul style="list-style-type: none"> • The project was originally approved by the Minister in 2009 as a CSSI and essential for NSW due to its economic, environmental or social considerations in accordance with the Act. • The modification application does not propose any physical changes to the approved project design. <p><i>Conditions</i></p> <p>Project approval's conditions on community information, consultation and involvement (conditions 5.1 and 5.2) were amended.</p>