

From: [Power, Neville](#)
To: [Munro, Kushla](#)
Cc: [Power, Neville](#)
Subject: FW: Narrabri Public Hearing Process [SEC=OFFICIAL]
Date: Thursday, 30 April 2020 6:35:48 PM
Attachments: [200530-Release-Santos-welcomes-new-public-hearing-process.pdf](#)

OFFICIAL

Hi Kushla - fyi

s22 [REDACTED] | Executive Officer to Neville Power
Chairman | National COVID-19 Coordination Commission
Department of the Prime Minister and Cabinet
m s22 [REDACTED] s22 [REDACTED]

s22

s22



From: Munro, Kushla
Sent: Monday, 25 May 2020 1:46 PM
To: Taylor, Garth
Subject: FW: Domestic gas/Liveris task force [SEC=OFFICIAL]

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s22



- Santos has allocated 100% of Narrabri gas to the domestic market, but the P50 cost of supply is \$6.40 ex-field. s45 s45 and s47
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- Santos would support sensible policies that:

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- Provide low-cost financing for investment in “missing pipeline links” on an open access, regulated basis (eg Wallumbilla-Narrabri-Newcastle, s22) to deliver lower transport costs from gas supply sources to southern markets. (This could be through Government or private investment with NBN Co and NAIF being examples of each.)

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s47F



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s22

From: "Phillips, Heike" <Heike.Phillips2@pmc.gov.au>

Date: 28 April 2020 at 12:12:00 pm AEST

To: "Power, Neville" <Neville.Power@pmc.gov.au>, s22

s22

Subject: For approval please - response to s22 [SEC=OFFICIAL]

OFFICIAL

Good morning Nev

We have received a media enquiry from s22 :

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2. I note he has said he wants to promote a specific project, namely a fertiliser plant at Narrabri. Why this project, given it has not even lodged a planning consent and would take years to get up?

s22

4. Given Perdaman's track record in getting its projects up and running, why is he so sure that this one deserves the support of the Covid coordination committee.

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Examples of media coverage

Wide-scale subsidies ‘not on the cards’ but COVID-19 Commission backs gas infrastructure



National COVID-19 Coordination Commission chair Neville Power at the Senate Inquiry into COVID-19 at Parliament House in Canberra, Thursday, June 4, 2020. Picture: AAP

• **PERRY WILLIAMS**

SENIOR BUSINESS WRITER

[@perrybwilliams](#)

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- 52 MINUTES AGO JUNE 4, 2020
 - NO COMMENTS

National COVID-19 Coordination Commission chair Nev Power said a leaked report pushing for the government to subsidise cheap gas to turbocharge manufacturing did not reflect the views of the Commission, but it remains open to public ownership of new pipelines.

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A NCCC manufacturing taskforce chaired by former Dow boss Andrew Liveris recommended the federal government guarantee gas volumes, open new fields and build pipelines to halve the price of the fossil fuel to a \$4 a gigajoule target.

“The leaked report doesn’t reflect the views of the Commission,” Mr Power told the Senate’s COVID-19 Committee.

“It was an interim report and I can’t recall whether we’d seen it at all or whether it was in very early draft or presentation when we saw it.”

A final report has now been submitted to the government and while wide-scale subsidies are not being considered, the Commission does support government backing for gas infrastructure such as pipelines.

“The Commission is not recommending any subsidised delivery of gas or any other energy system. But we have talked about the provision of infrastructure to reduce the cost of transportation and deliver lower cost.”

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The NCCC was also quizzed over its support for Santos’ \$3.6bn controversial Narrabri coal seam gas project in NSW which is awaiting approvals from state planning authorities.

“I think it was included in the report. I can’t remember the details around that. It was one of a number of projects mentioned in the report,” Mr Power said.

“The predominant focus was on infrastructure to reduce the cost of transportation as opposed to supply, but there was a wide range of sources that were canvassed in that. That included infrastructure which could have dual purpose for providing transportation of gas into the network generally and specific projects.”

The draft proposals recommending \$4 gas have sparked a battle between users and producers who remain at odds over the feasibility of delivering supplies at much cheaper rates than currently in the market.

Backlash

The backlash on the feasibility of cheaper gas prices on Australia’s east coast from producers including Shell, Origin Energy and Santos had been noted by the NCCC.

“It’d be fair to say there are a number of gas companies that don’t believe it’s a good thing and probably would not benefit from it and they’ve been quite strident in saying that the sorts of gas prices we’re setting as targets are not achievable,” Mr Power told the Senate’s COVID-19 Committee.

“I think if nothing else we’ve created a very robust debate across the industry with the objective of trying to identify opportunities to reduce the gas price and benefit everybody in the short term and also provide the foundation to expand and develop manufacturing industries that rely on gas as a raw material.”

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The NCCC said it was important to set strong “stretch targets” for more affordable gas.

“The benefits of lower gas prices to me are very broad. There are some people that probably see that as unachievable but I believe we should be setting strong stretch targets that are going to benefit the Australian households and businesses broadly.”

PERRY WILLIAMS



SENIOR BUSINESS WRITER

Perry Williams joined The Australian in 2018. Previously he was Asia energy reporter for Bloomberg News and prior to that held senior roles at the Australian Financial Review including resources editor and dep... [Read more](#)

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NCCC

National COVID-19
Coordination Commission

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Resources Sector and the Path To Recovery

Event Brief

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Recent media has suggested that the National COVID-19 Coordination Commission is actively considering three options to assist in Australia's economic recovery namely:

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- *increasing gas production in Eastern states (e.g. prioritise development of onshore gas reserves in New South Wales' Narrabri region and those in Victoria); and*

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COVID-19's impact on the Australian gas sector

In line with the global oil and gas market response to COVID-19, Australian gas producers have announced the following reductions in capital expenditure:

- Santos is cutting capital expenditure by almost 40 per cent

**RECOVERY IN THE RESOURCES SECTOR
MINUTES**

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Discussion about gas, NSW Gvt reps noted that the Santos Narrabri proposal is to be determined subject to public hearings (which can take place online), as well as the potential for other projects in that area.

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NSW Gvt reps noted that the government does not have a position, preference is to move to renewables while ensuring the grid is sustainable. The NSW Gvt has moved to kick start future industry and noted the interest from an Indian company (Perdaman) in establishing a gas plant in the Narabri region.

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Question	Draft Response	Status
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0137	6. While the Manufacturing Taskforce has not been required to disclose conflicts of interest, has any process been put in place due to James Fazzino being a Director of, and holding shares in APA Group which wants to build the gas pipeline to Narrabri, a project which was identified in the interim Taskforce Report as a “New field development [that] must be enabled to proceed”?	No. Regarding the disclosure of conflicts of interest refer to Question on Notice 0011. [Response below for reference only]	s47E(d)
Mr Andrew Liveris, in his role as Special Adviser to the NCCC has signed an interest disclosure statement given his particular status and the higher potential for perceived conflict. Other members of the Manufacturing Taskforce have not been asked to sign disclosure statements.			

Working Group members are not subject to the same conflict of interest declaration processes as members of the Commission given the role of Working Group members is to advise the NCCC, not Government. Any advice ultimately provided to the NCCC would be captured by the robust arrangements in place within the NCCC to ensure potential conflicts of interest are managed.

The arrangements for managing the potential for conflicts of interest relating to members of the National COVID-19 Coordination Commission are detailed in the answer to Question on Notice 0003

0138	7. Has co-commissioner Catherine Tanna, who is Managing Director of Energy Australia, which has a 20% stake in the Narrabri gas project going ahead - made a disclosure to PM&C around conflicts of interest of that project? If so, please describe the nature of those disclosures.	The arrangements for managing the potential for conflicts of interest relating to members of the National COVID-19 Coordination Commission are detailed in the answer to Question on Notice 0003. Commission members' declarations are provided in confidence and contain sensitive personal information related to themselves and members of their immediate families, the disclosure of which may unreasonably infringe the privacy of the individuals concerned.	s47E(d)
0139	8. Has Andrew Liveris provided to PM&C the existence of any shareholdings or contractual relationships with Santos, Energy Australia, APA Group, Origin or Jemena? If so, please describe the nature of those disclosures.	Refer to the response to Question on Notice 0071. [Response below for reference only]	

Declarations are provided in confidence and contain sensitive personal information related to themselves and members of their immediate families, the disclosure of which may unreasonably infringe the privacy of the individuals concerned.

0140	9. Has Greg Combet provided to PM&C the existence of any shareholdings or contractual relationships with Santos, Energy Australia, APA Group, Origin or Jemena? If so, please describe the nature of those disclosures.	s47C	s47E(d)
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Questions from Senator Siewert to the Department of Prime Minister and Cabinet and the National COVID-19 Coordination Commission

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7. While the Manufacturing Taskforce has not been required to disclose conflicts of interest, has any process been put in place due to James Fazzino being a Director of, and holding shares in APA Group which wants to build the gas pipeline to Narrabri, a project which was identified in the interim Taskforce Report as a "New field development [that] must be enabled to proceed"?
8. Has co-commissioner Catherine Tanna, who is Managing Director of Energy Australia, which has a 20% stake in the Narrabri gas project going ahead - made a disclosure to PM&C around conflicts of interest of that project? If so, please describe the nature of those disclosures.
9. Has Andrew Liveris provided to PM&C the existence of any shareholdings or contractual relationships with Santos, Energy Australia, APA Group, Origin or Jemena? If so, please describe the nature of those disclosures.
10. Has Greg Combet provided to PM&C the existence of any shareholdings or contractual relationships with Santos, Energy Australia, APA Group, Origin or Jemena? If so, please describe the nature of those disclosures.

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Media enquiry	Journo/Outlet	Date key contact	Cleared response
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<ul style="list-style-type: none"> It was reported on 24 April 2020 in the Daily Telegraph that Mr Power was in discussions with Perdaman about their proposal for an ammonia plant using 	s22	Tuesday, 18 August 2020 10:29 AM	Your enquiry is based on inaccurate reporting. Mr Power referred to the Narrabri project as an example in a media interview as the type of project that might be considered to accelerate
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<p>gas from the proposed Narrabri Gas Project.</p>			
<p>s22</p>			
<ul style="list-style-type: none"> • Can you confirm that VHNJC left Canberra airport at 15:30 AEST on 23 April 2020 and flew north towards Narrabri? • Can you confirm the plane landed at Narrabri that day? 			<p>our economic recovery. This has since been picked up by other media and continually misrepresented as being a project endorsed by the Commission. The NCC Advisory Board is providing advice to the Australian Government from a business perspective on areas of focus to drive our economic recovery. The Commission is not endorsing specific projects.</p>
<p>s22</p>			<p>As confirmed by Mr Power to the Senate Select Committee on COVID-19 (Hansard Senate Select Committee on COVID-19, 11 August 2020, Page 19), he does not have a formal business relationship with the owner of Perdaman Industries and the Narrabri project predates Mr Power's role at the NCC.</p>
			<p>While noting Mr Power's aircraft is also operated on charter by a Perth based charter company, for use by private clients, neither the aircraft nor Mr Power travelled to Narrabri.</p>

s22