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BUSINESS NSW BACKS NEW GAS EXPLORATION AS PRICES SURGE AND SUPPLY PRESSURES BITE

Business NSW has welcomed the NSW Government's decision to open new regions for gas exploration, warning that soaring prices and insecure supply are putting growing pressure on businesses across the state.

"Gas is essential for thousands of NSW businesses, particularly in manufacturing, food processing, hospitality and regional industries, and there is no simple or affordable alternative," Business NSW CEO Daniel Hunter said.

"This decision is an important step toward securing domestic gas supply and giving businesses confidence they can keep operating, investing and employing."

Business NSW first called for the expansion of the state's domestic gas supply in 2019 and reiterated that call in its [Running on Empty 2.0 report](#) released in December.

Gas affordability and supply security remain critical issues for small businesses, particularly in sectors where gas is fundamental to core operations.

Over the past four years, gas prices have risen by 35 per cent for households and almost 50 per cent for business customers, according to IPART.

A Business NSW survey shows nearly one in five NSW businesses depend entirely on gas, rising to 64 per cent in hospitality.

"Gas prices have climbed dramatically, and that cost pressure hits investment decisions, hiring and the viability of businesses right across the economy," Mr Hunter said.

"Ensuring reliable and affordable domestic supply isn't optional, it's essential."

Gas powers more than 1.5 million households and 50,000 small businesses and underpins entire sectors including manufacturing, food processing and mining.

Many gas-reliant businesses depend on gas not just for energy, but as a high-temperature heat source and as a chemical feedstock for products such as fertilisers, chemicals and plastics.

Gas is also critical to producing everyday essentials, from food and beverages including bread, milk, coffee and beer, to plastics, fertilisers, clothing, construction materials and medical products.

The NSW Government has announced it will open new areas for gas exploration in NSW for the first time in more than a decade.

Two regions in the Far West, the Bancannia Trough and the Pondie Range Trough, will be opened for gas exploration.

The Narrabri Gas Project, meanwhile, remains subject to proceedings in the National Native Title Tribunal.

The NSW Government will also reduce the gas exploration licence application fee from \$50,000 to \$1,000.

“Getting supply settings right is critical if NSW wants to remain competitive and protect regional jobs,” Mr Hunter said.

About Business NSW

Formerly the NSW Business Chamber, ***Business NSW*** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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