July 2020

The Golden Beach Gas Project

Socio-economic Impact

The Golden Beach Gas Project (Project) involves the development of the Golden Beach Gas Field in the Gippsland Basin to provide critical gas supply and storage infrastructure that will materially benefit the Victorian energy market.

Once in operation, the Project will initially increase the domestic gas supply before transitioning to storage operations which will enhance the energy market security and efficiency while supporting Victoria's transition to renewables.

The Project has the potential to contribute to reliability and security of energy to Victorian residential and commercial customers. Providing a reliable source of stored energy which can address issues related to the shortfall of gas supply and the intermittent nature of renewable power generation. The Project is expected to provide positive social benefits as customers are less likely to experience "blackouts" and volatile gas prices.

The creation of direct and indirect jobs in the local region would also introduce a number of social benefits and support the local community and industry at a critical time for an area that has experienced loss of jobs due to the closure of coal based power plants and has been devastated by bushfires and COVID19 in more recent times.

The Project has the potential to bring economic benefits to Victoria and the local region of East Gippsland. The total capital cost of the Project including the construction of storage infrastructure is approximately $350 million invested over a two-year period.

Environmental Effects Statement Process

The Minister for Planning determined that an Environmental Effects Statement (EES) is required for the Golden Beach Gas Project under the *Environment Effects Act 1978*. The EES process is underway and is assessing any potential environmental, social, economic and planning impacts of the Project. An EES will be prepared setting out these assessments and our approach to mitigating any impacts.

As part of the EES process, an assessment of the impact of the Project on socio-economic impacts has been undertaken. GB Energy has prepared this fact sheet to explain the socio-economic impact assessments and we welcome any feedback. The final report will be made available for comment through the EES public exhibition process anticipated in late 2020.

Social Impact

Specialists have completed an assessment of the potential social and economic impacts associated with the Project. The study will provide guidance on how to minimise any negative impacts. The social impact assessment considered potential effects associated with physical and land-use changes resulting from the Project as well as direct changes to the socio-economic conditions within the Project area.

Key findings

The key findings of the social impact assessment include:

- Due to its location and the nature of the land it traverses, the Project's potential to generate negative social impacts is limited.
- A number of minor negative social impacts may arise in association with the construction of the Project. However, these impacts would be mitigated by GB Energy working with the local community and affected landholders and maintaining open and transparent communication throughout the construction, operation and decommissioning phases of the Project
- The Project would generate a small amount of temporary employment which could be accessed by residents of the Project Area and potentially adjoining areas.

Further information

Email: info@gbenergy.com.au
Phone: 1800 423 637

Website: gbenergy.com.au

Economic Impacts

To estimate the economic contribution and economic impact of the Project, Ernst & Young were engaged to conduct an economic analysis to calculate the direct and indirect (wider) effects on the Victorian economy using the modelling tool, REMPLAN[1].

Construction

$692 MILLION

1,758 JOBS

Operation

$6 MILLION

41 JOBS

Key findings

The key findings of the economic impacts include:

- during the peak of the construction:
  - Total direct and indirect gross output in the Victorian region would be $692 million
  - Total direct and indirect value add would be $268 million
  - Total direct and indirect jobs supported would be 1,758.
- during operation, the Project would:
  - Generate an average annual direct and indirect value add of $6 million
  - Support an annual average of 41 direct and indirect jobs in Victoria.

In addition to the benefits outlined above, the construction and operation of the Project is anticipated to provide an economic stimulus through the generation of royalties and income tax. The royalties would flow from the Project to the State of Victoria.

1 REMPLAN develops input/output multipliers that reflect the specific characteristics of the Victorian economy. Input/output models trace the revenue and expenditure flows that link industries and workers within and outside economic regions. For example, an increase in output in one industry (the "direct impact") would give rise to demand for inputs from other industries as well as labour. In turn these support industries would demand further inputs and labour.

Further information

Email: info@gbenergy.com.au
Phone: 1800 423 637
Website: gbenergy.com.au