

Media release

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New NSW study to understand economic impact of gas in regional communities

Research to understand the way regional NSW economies change in regions establishing a gas industry compared to regions without coal seam gas (CSG) wells has been released by CSIRO.

The study analyzing economic and demographic trajectories in NSW regions experiencing CSG development found that CSG regions had an average of 6.47% and 6.31% higher median personal and family income than regions without CSG development.

The research, through CSIRO's Gas Industry Social and Environmental Research Alliance (GISERA) assesses linkages between regional economic indicators and CSG industry activity in NSW.

"The research documents the assessment of the statistical associations between CSG industry activity and regional economic indicators observed in New South Wales during the periods 2001–2011," says lead author Dr Tom Measham.

"It is based on econometric analysis of income and sectoral employment dynamics in regions which experienced CSG activity, known as the treatment group, relative to regions without CSG wells, known as the control group)," he says.

"The treatment group in our analysis includes twenty-four rural regions which each had at least two wells drilled during the period 2000–2011. The control group is composed of 114 rural regions with population density distributions similar to those observed in the treatment group in 2001. Treatment and control regions have similar average socioeconomic and environmental characteristics.

"The report found that, everything else constant, CSG regions had 6.47% and 6.31% higher median personal and family income than regions in the control group, on average. These results were statistically significant at the 5% level.

"The estimated income effect is independent of the influence of other factors associated with changes in rural income patterns, such as changes in agricultural profitability, differences in human capital productivity, and changes in the prices of minerals."

Dr Measham says these findings are consistent with assessments of the income effects of the CSG construction phase in Queensland.

The report is one milestone within a larger 'baseline' project which was developed in response to requests for a point of comparison in case of any potential future CSG industry activity in NSW. The project was funded through GISERA, a collaboration between CSIRO, Commonwealth and state governments and industry. GISERA's governance structure is designed to provide for and protect CSIRO's research independence and public transparency of research.

CSIRO's [GISERA](https://gisera.csiro.au/project/analysing-economic-demographic-trajectories-nsw-regions-experiencing-csg-development-operations/) undertakes publicly-reported independent research that addresses the socioeconomic and environmental impacts of Australia's onshore gas industries. A copy of the report is available on the GISERA website, <https://gisera.csiro.au/project/analysing-economic-demographic-trajectories-nsw-regions-experiencing-csg-development-operations/>.