



Petroleum (Onshore) Amendment (Prohibit Coal Seam Gas) Bill 2015 (Proof)

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PETROLEUM (ONSHORE) AMENDMENT (PROHIBIT COAL SEAM GAS) BILL 2015

Page: 6

Bill introduced, and read a first time and ordered to be printed on motion by Mr Jeremy Buckingham.

Second Reading

Mr JEREMY BUCKINGHAM [9.51 a.m.]: I move:

That this bill be now read a second time.

It is my great honour to introduce the important Petroleum (Onshore) Amendment (Prohibit Coal Seam Gas) Bill 2015, which will provide some relief to many in the community. The bill is co-sponsored by my colleague in the other place the member for Ballina, Tamara Smith. She will have carriage of the bill in the Legislative Assembly if it passes the Legislative Council, as I hope it does.

Now is the time to ban coal seam gas. The industry is unwanted, unnecessary and unsafe. We need certainty. We owe it to the communities of New South Wales and the gas companies to end the uncertainty, conflagration, conflict and division that have arisen in New South Wales about coal seam gas. It is time to build communities rather than fracture them. We need to move to renewable energy sources that have overwhelming support in the community and do not have the associated conflict and negativity that coal seam gas has generated.

When debating the bill it is important to put on record some of the history of coal seam gas and the community's and my experiences with it. In 2011 the General Purpose Standing Committee No. 5 conducted a coal seam gas inquiry. It was a pivotal moment in the coal seam gas debate and the history of the movement. The inquiry showed how a Parliament can be pivotal in generating awareness of an issue and bringing attention to something people may not have known about. The inquiry made excellent recommendations and uncovered the extent, scale and momentum behind the coal seam gas industry in 2011. It was clear then and now that there was no consent.

The former Labor Government and the incoming O'Farrell Government applied the maxim that it is better to seek forgiveness than ask for permission. We saw our State being carved up into petroleum explorations licences [PELs]. A third of New South Wales was covered in PELs that were handed out as far back as the early 1990s and throughout the 2000s. Most of our major population centres, important water catchments and key agricultural lands were covered with petroleum exploration licence titles and there had been no consent. That is the key thing: there was no consent.

When the bureaucrats, scientists and industry representatives got together to develop the unconventional gas industry and work out where the viable resources were they did not ask the community, "Do you want

to enter into this venture? Are you accepting of this industry in the full knowledge of everything that it represents, including the potential risks to water and human health as well as the fact that it is a massive new fossil fuel?" They did not ask. That is why we are now in the situation where the community has overwhelmingly said no. There is a saying that public opinion is like concrete: At the beginning of an issue it is quite fluid and easy to move around, but over time it sets and ultimately it sets hard. Everyone in the Chamber knows that public opinion has set hard against coal seam gas.

Over the years the opposition to coal seam gas has been characterised as emotive, hysterical and not based on science. That is absolutely untrue. Great grassroots anti-coal seam gas campaign groups such as Groundswell Gloucester were rational, reasonable and considered. They based their position on science. They worked with scientists and conducted scientific forums. They talked to engineers and industry experts. They went through the various reviews of environmental factors and environmental impact statements associated with different project applications. They were considered and reasonable and said, "The risk is too high. You cannot placate our concerns." They did that reasonably, rationally and based on the science.

To this day the industry cannot come up with a proper plan for the billions of litres of water it will produce. It has no plan for what it will do with the flowback water, the drilling water or the drilling muds. At the Santos operation in Narrabri, the coal seam gas developments in Queensland and the AGL site in Gloucester it is a moving feast of them making it up as they go along—otherwise known as adaptive management. Groundwater in the Pilliga was contaminated by heavy metals and other material even though the industry said it would never do that. We have seen constant examples that the industry does not have a plan that the community will accept.

For example, the irrigation trial at Gloucester has fallen flat because they have found cadmium in the fodder that they were going to feed to the dairy cattle. That was meant to be the salve to people's concerns about the massive amount of water the operation would produce but they have not been able to do it. That type of thing is not only happening in New South Wales. Some members will remember that I was lambasted for my frack finding tour of the United States. I was referred to as Corn Cob on a trip around the United States. I remember the Hon. Duncan Gay came into the Chamber with a photo of me and called my trip a junket and a joke.

The Hon. Duncan Gay: Who paid for it?

Mr Scot MacDonald: Who paid for it?

Mr JEREMY BUCKINGHAM: I paid for it, and what great value it was. To this day, I do not know of one other member of the Government, a Minister, a Parliamentary Secretary or a delegation who has been to the United States—

The Hon. Dr Peter Phelps: I have.

Mr JEREMY BUCKINGHAM: —to have a look at unconventional gas. The Hon. Dr Peter Phelps may well have been to the United States, but I doubt he has been there to have a look at what is happening in Texas. Right now there is an ecological catastrophe happening in Texas because they decided to allow an unconventional gas field.

The PRESIDENT: Order! Mr Scot MacDonald, the Hon. Rick Colless and the Hon. Dr Peter Phelps will have an opportunity to make a contribution to the debate. This is a second reading speech. The mover of the motion should be allowed to make his contribution and conclude his remarks without being constantly harassed. Mr Jeremy Buckingham has the call.

Mr JEREMY BUCKINGHAM: In Texas there is an ecological catastrophe. Flooding in the United States has ripped through huge gas fields where there are unlined ponds and toxic chemicals out in the open. They have very poor practice in the United States, and it is an absolute disaster. Anyone who is watching the industry in the United States would say that the country is routinely experiencing accidents and malpractice. On a daily basis communities are coming together to prove that their groundwater is being contaminated, that their communities are becoming sick, that the industry came in over the top of them and that they

wish it had never happened.

It is not a small industry. This is a continental-scale change across the United States, Canada and Mexico. It is a huge industry that has completely altered the ecology and the social fabric of the United States. So many people have become concerned about it that jurisdictions such as the State of New York are moving to ban fracking and more and more conservative commentators are saying that the United States has made a massive mistake.

The Hon. Dr Peter Phelps: Name them.

Mr JEREMY BUCKINGHAM: David Lederman, for one. Is he a conservative commentator? I am not sure. More and more commentators are saying it is a mistake, and the Governor of New York is hardly a left-wing radical. What has been proved to be true is that coexistence is a lie. Coexistence cannot occur. That was the mantra of the industry at the outset—compensation and coexistence. Well, it is not true. The coal seam gas [CSG] industry cannot coexist with a dairy or a cropping enterprise or with a drinking water catchment. More and more Government members are saying they recognise that the risks are too high and that we can have one or the other.

The compensation regime is being discussed at the moment. The discussion paper issued by the Independent Pricing and Regulatory Tribunal [IPART] puts forward the notion that there will be a limited impact and the industry should simply compensate landholders because it is a small industry in terms of its impact. There is talk about compensation per well and that the companies do not need to buy all the land. The Federal Minister for Agriculture, Barnaby Joyce, talks about that all the time. What the IPART discussion fails to recognise is the massive footprint of the industry. A lot of the focus has been on coal seam gas wells but there is so much more to the industry than just a well in one spot at one time. There is the large workforce that moves in, the work camps, the roads, the high voltage powerlines, the CO₂ scrubber stations, the power stations and the vast array of compressor stations.

The compressor stations are something to behold. The United States is covered by them. In the suburbs of Dallas and throughout the rural landscape and farmlands every 500 metres there is a compressor station spewing volatile organic compounds, hydrocarbons and carcinogens into the atmosphere. Compressor stations run 24/7 and they will run from now for decades, polluting the atmosphere and completely destroying the amenity of places such as rural Pennsylvania and the watershed areas of the east coast of the United States. That is absolutely a disgrace. I believe it will be recorded in history as an ecological catastrophe on the scale of the *Exxon Valdez* oil spill or the debacle of the disgraceful death of the Aral Sea, a global mistake and something we look at and think, "We were lucky to avoid that".

We do not have to look far for examples of catastrophes. We only have to look at what has happened in Queensland—as have the people of Victoria and Tasmania and the sensible people in New South Wales—and the collapse of the gas play in that State. That is what it was: a play, a roll of the dice, a gamble that Australia would become a massive gas exporter and we would become the Qatar or the Saudi Arabia of export liquefied natural gas [LNG]. But it has failed. The four gas trains have already been wound back to three and now there is talk about only two. The boom and bust in jobs came and went in an instant. Places like Roma and Chinchilla—which were going to be the El Dorados of gas development for a generation—have collapsed. Hundreds of homes were built there based on the promise of long-term jobs, but now they are ghost towns. People built and invested on the basis of an absolute farce. It is a repeat of the classic scenario. It is the Hill End of gas development.

At Hill End there was the promise of a regional city built on gold, with seven hotels and 7,000 people. It was forecast to be a metropolis, but what happened? It lasted two years and now it is a ghost town, albeit a beautiful ghost town. It was ephemeral, a flash in the pan. That is what export LNG and CSG is. People were fed a line and some in Queensland swallowed it. In Queensland, the Bligh Government, working with the Rudd and Howard governments, ran in, as Australia so often does in a resources boom. Everyone downs tools and heads for the hills because there is gold, gold, gold. That is what happened with export LNG, and what a mistake that was.

We will live to thank all the communities in New South Wales that have been prodigious and relentless in their opposition to coal seam gas because they saw the mistake that was made in Queensland where the jobs have gone and where legacy issues are emerging. We in New South Wales said no. In New South Wales, the developers did not win a social licence—a term that was coined during the debate on coal seam gas. A social licence is a fantastic concept.

The Hon. Dr Peter Phelps: Where do you buy one of those?

Mr JEREMY BUCKINGHAM: I note the interjection by the Hon. Dr Peter Phelps, who asked where do you buy a social licence. The answer is, one does not buy a social licence. The companies tried to, and the Hon. Dr Peter Phelps may think that he can, but one cannot buy a social licence. One earns a social licence by talking to communities about one's intentions and building consent and consensus. Any developer, any industry and any government worth its salt would know that. There was no consultation; there was no consent; there was no certainty; and there was no social licence. Pack your bags, Santos and AGL.

Ms Jan Barham: And Metgasco.

Mr JEREMY BUCKINGHAM: And Metgasco.

The Hon. Greg Donnelly: What about Shenhua?

Mr JEREMY BUCKINGHAM: Well, then there is Shenhua. Hundreds of community groups—too many to list but they include the Knitting Nannas Against Gas and Greed, Gasfield Free Northern Rivers, Sydney water catchment groups and Sydney groups against gas—comprising hundreds of thousands of supporters, members and activists participated in all types of events. Today my wife, Sarah, is with the Knitting Nannas in Bellingen resolutely protesting.

The Hon. Dr Peter Phelps: Is she a nanna, or is that false advertising?

Mr JEREMY BUCKINGHAM: You do not have to be a nanna. All you have to do is care about your community. The Hon. Dr Peter Phelps could join if he wanted to, but he hates nannas and the nanny state and they would not have him. There are so many people who have been resolutely and calmly protesting. A scare campaign was waged that the activists were extremists and terrorists, that they were radical, hysterical and emotional. They were not. Many members of The Nationals said, "We'll knock them out of the way in time with the promise of jobs and by the use of police and security forces, with jackboot tactics." That did not work. The prospect of it was unpalatable to the Government. The Government blinked and the community won, and that is history.

Leading into the State election we saw a flip in policy. The Greens were consistent all the way through, saying, "We do not accept we need another fossil fuel. We do not accept that this industry is safe. We do not believe the lies of big oil and big gas. It is all about an export industry. It is all about selling gas into Asia. It is not about creating jobs and wealth here in the long term." We took a position to say no coal seam gas. And we were relentless. Members opposite are sick to death of hearing me talk about coal seam gas in this place that we will end it, we will ban it. What have we seen?

The Hon. Bronnie Taylor: Where were you when these licences were issued?

Mr JEREMY BUCKINGHAM: I note the interjection of the Hon. Bronnie Taylor. Most of the licences were handed out under the Fahey and Greiner governments. Members who have researched this issue would know that it was the Hon. Ian Causley who handed out most of the gas licences. The member who interjected, if she is worth the money the taxpayers are paying her, should go and look at the history. Ian Causley was responsible for handing out licences over vast areas. Petroleum exploration licence 2 [PEL 2], which goes from the Illawarra to Wyong and covers hundreds of thousands of square kilometres, was handed out by Ian Causley in the early 1990s. The Greiner and Fahey governments started that process.

The Liberal and Nationals Government say, "They handed out licences like confetti." They were there too. It was a festival of fossil fuels and fossil fools. They handed out licences willy-nilly and now they are reaping

what they sowed. Labor took a policy to the election to support banning CSG in water catchment areas, the Northern Rivers, residential areas and national parks. They will not support CSG in the Pilliga. They support a moratorium on CSG activities until the industry is proven safe. That is a very good first step but if it is unsafe in one area it is unsafe everywhere. I liken it to e-cigarettes. If it is outrageous, against decorum and an affront to others for people to smoke in this place then people should not smoke in other places. If you do not want CSG in your backyard, you should not allow it in someone else's.

The Christian Democratic Party took a very strong policy to the State election, very wisely recognising that the community had moved and that the industry's statements were not to be believed. It called for an immediate five-year moratorium on coal seam gas and any mining process that involved fracking coal seam gas in New South Wales. I say to Reverend the Hon. Fred Nile that we are open to amendments and consultation on this bill. We are open to talking about building common ground on our approach to this bill and working with Labor in order to attain an acceptable outcome. I will even reach out to members opposite, those who are sensible and the newer members who are bringing a fresh and wise approach to this debate.

The Hon. Greg Donnelly: Name them.

Mr JEREMY BUCKINGHAM: I will. We can build consensus. The Shooters and Fishers Party support a moratorium. I acknowledge their work on CSG in Parliament. They were also pivotal in blocking the awful petroleum bill of the former Minister for Energy and Resources Chris Hartcher.

The Hon. Walt Secord: A disgrace.

Mr JEREMY BUCKINGHAM: It was a disgrace. That petroleum bill was blocked by the Shooters and Fishers, and I acknowledge that. We should be encouraged by some of The Nationals new members who are sweeping away the old deadwood and bringing in new ideas. I refer to an excellent leaflet I picked up during the election campaign which says, "CSG: we don't want it here." How wise is that? The leaflet gives a bit of a description of policies and facts about the Ballina and Byron shires and at the bottom it says, "Authorised by B. Franklin." I assume that the leaflet was authorised, printed and very well crafted by the Hon. Ben Franklin. I hope I am not verballing him; I am sure I am not. And there are other Nationals who are moving in the right direction.

The Hon. Greg Donnelly: Name them.

Mr JEREMY BUCKINGHAM: The Hon. Chris Gulaptis, the member for Clarence, said recently:

The community wants a gas field-free Northern Rivers. I support my community and I support this proposition.

Mr Thomas George, the member for Lismore—just—said:

The PEL 445 exploration licence covers the majority of the Lismore electorate and the community wants it gone for good.

He also said:

The people of the Lismore electorate have continually made it clear to me that they do not want CSG here. When I became aware this PEL 445 was being transferred, I was shocked and disappointed.

The Hon. Ben Franklin said:

It is very clear to me that the Northern Rivers are resolute in their determination that CSG is not

appropriate to their area.

Mr Kevin Anderson, the member for Tamworth—just—has called for no CSG on the Liverpool Plains.

The Hon. Sarah Mitchell: He is hardly "just".

Mr JEREMY BUCKINGHAM: He is just the member for Tamworth because he made those commitments about CSG and Shenhua, and he will be held to account. The Hon. Don Page said:

The electorate is all about tourism.

My colleague Ms Jan Barham has said that repeatedly. Tourism is a billion-dollar industry and it has been put at risk. Thousands of people are employed in the industry in small, dynamic, creative businesses and by large employers. The Hon. Don Page said:

The electorate is all about tourism, the creative industries, agriculture and horticulture—

He sounds like a Green—

appropriate development and protecting our clean, green sustainability focus. Coal seam gas exploration and mining should not proceed if there is any environmental damage to land or water as a result, and I will always hold that view.

I commend the Hon. Don Page on such wise words. Mr Kevin Hogan said:

My community has spoken. I have listened and I will do whatever I can do to support my state colleagues in anything we can do to keep the Northern Rivers coal seam gas free.

I also want to bring to the House's attention comments made by Mr Kevin Hogan, the Federal member for Page, before the last Federal election. He said of the Federal water trigger legislation:

I certainly won't be voting for any winding back of this legislation if elected, and the Federal Coalition won't be handing back water protection responsibility to the State Government if elected.

He went on to back away from that commitment. That is disappointing. I hope The Nationals do not back away from the commitments they have made about coal seam gas. From the Liberals, Mr Jai Rowell, the member for Wollondilly, said:

There shouldn't be coal seam gas drilling in the water catchment areas in Wollondilly.

Mr Gareth Ward, the member for Kiama, said:

CSG extraction in water catchments should be banned.

Mr Lee Evans, the member for Heathcote, said:

I'm putting my political career on that there will not be any CSG at all in special areas water catchments in my electorate.

Those are brave but wise words about his political career. Mr Mark Speakman, now the Minister for the Environment, said:

I welcome the NSW Government's moratorium on exploration and extraction of coal seam gas in the "Special Areas" zone within Sydney's drinking water catchment.

Mr Mark Coure, the member for Oatley, said:

I support a permanent ban—no coal seam gas mining in special areas.

Or in Hurstville, clearly. The Government is repeatedly jumping and reacting to the community. There was the failed Strategic Regional Land Use Policy [SRLUP]. Who can remember the SRLUP? It came and went: we barely knew thee. It failed. There was the gateway process with no gate; it was a superhighway to gas development. I hope the Government and the new planning Minister revisit that; it was a huge part of the Government's policy. The critical industry clusters policy was another half-formed and ill-conceived policy. It created a Swiss cheese map of the Hunter Valley of areas that could and could not be developed. The critical industry clusters policy left out huge sectors of agricultural industries, such as cotton, sugar and macadamia, and those intensive irrigation areas of the Riverina. That policy has now been abandoned and is mouldering away in a drawer somewhere.

The NSW Aquifer Interference Policy is another one that turned into a toothless regulation. All these policies have been decried by such radicals as the NSW Farmers Association and Alan Jones and other sensible, reasonable people who consider public policy and react—the thought leaders in this area.

I have already referred to Chris Hartcher's Petroleum (Onshore) Amendment Bill which was introduced in 2013 and then pulled off the *Business Paper* in 2014. The NSW Gas Plan was ill-conceived. Just this week the Australian Gas Light Company [AGL] is moving to abandon coal seam gas [CSG]. The AGL is looking at pulling out of Gloucester, saying it has a billion dollars' worth of assets to write down. I hope that it is Gloucester and I hope that the new leadership at AGL moves this grand and proud company in the direction of renewable energy. The Nyngan Solar Plant with its wind turbines is the future for New South Wales and for providing jobs.

The bill will prohibit any prospecting for new production areas of coal seam gas or other unconventional gas in New South Wales. It will ensure that existing CSG production areas at Camden and Narrabri are not expanded and that existing petroleum licenses can be cancelled without compensation. The detail is in the bill, but that is what it does. It makes sure that we end this now. We must take this opportunity to steer New South Wales away from conflict, away from the debacle that Bentley would have been and away from the dangerous, toxic industry of coal seam gas toward renewables and reuniting communities that have been driven apart by this dangerous, unwanted and unnecessary industry.