

**Submission
No 130**

INQUIRY INTO COAL SEAM GAS

Organisation: Australian Pork Limited

Name: Miss Michelle Randall

Date received: 1/09/2011

Wednesday, 31 August 2011

The Director
General Purpose Standing Committee No. 5
Parliament House
Macquarie St
Sydney NSW 2000

The Director,

**Re: Australian Pork Limited's Submission to:
NSW Legislative Council INQUIRY INTO COAL SEAM GAS**

Australian Pork Limited (APL) is the national representative body for Australian pig producers. We are pleased to provide this submission on behalf of the pork industry for consideration in the Legislative Council Inquiry into Coal Seam Gas and its environmental, economic and social impacts.

APL credits the NSW Government for responding with this important inquiry, to the concerns of farmers, environmentalists and the broader community about the negative impact of GSG development in NSW. We believe the gravity and extent of these concerns warrants our key recommendation that the NSW Government should suspend further coal seam gas development until the environmental impacts on communities, ground water systems and agricultural land are fully understood and addressed; and effective land management policies are in place.

APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry. We share the concerns of Australian Lot Feeders Association (ALFA) when it comes to CSG exploration and extraction activities that encroach on livestock industries and the resources and communities that our producers rely on.

A large part of the Australian pork industry is located in the grain growing regions of NSW that supply our major input - feed grain. This includes areas in the Gunnedah Basin where CSG companies are already establishing. NSW is Australia's largest producer and exporter of pork and pork products. It is home to 25.97 % of the country's breeding sows and 384 pig production sites. In 2009/10, 987,000 pigs were slaughtered in NSW producing 66878 tonnes (carcase weight) of pigmeat.¹ The gross value of Australian pigmeat production for 2008-09 was \$1160 million with pork representing approximately 2.13% (in 2008-09) of total Australian farm production. Despite competition from increasing volumes of imports (127 894 tonnes shipped weight in 2008-09), the Australian pork industry maintains a small

¹APL, 'Australian Pig Annual 2009/10', available from
<<http://www.australianpork.com.au/pages/images/Australian%20Pig%20Annual%202009-10%20Amended%2006052011%20LR.pdf>>

export market (39 257 tonnes shipped weight in 2008-09) to Asia and New Zealand.³ Maintaining this export market is reliant on the safety and quality of our product.

CSG exploration and extraction activities threaten the productivity of the pork industry from several angles. These include encroachment on our land, water and labour resources; contamination of groundwater; and the risks associated with chemical residues left by the CSG extraction process. While the CSG industry is still developing in NSW, we recommend the state government take the opportunity to adopt a *precautionary* approach to further CSG projects – an approach the National Water Commission (NWC) agrees is justified considering the potential cumulative, irreversible damage to our water resources - the full impact of which is not well understood.

The NWC in their formal position statement on the CSG industry warns CSG development could have considerable, long-term and adverse impacts on adjacent surface and groundwater systems if not effectively managed and regulated.² Groundwater is an invaluable resource to the NSW pork industry. Piggeries need a reliable source of water for drinking, cleaning and cooling pigs. In the process of dewatering of the coal seam to extract methane, water accessibility from aquifers for stock watering and for irrigating crops is reduced.

Moreover, chemical residues may enter the food chain as a result of livestock consuming water polluted by chemical residues left from CSG extraction. This poses a food safety issue and a threat to market access. Santos names no less than 29 chemicals they use in the fracking process in their submission to the Senate inquiry into the impacts of CSG on the Murray Darling Basin.³ Various studies internationally have found toxic chemicals including benzene, toluene, ethylbenzene and xylene associated with CSG. We believe CSG companies should have to disclose to the public, all chemicals released into the environment in the fracking process and undertake regular monitoring and reporting on residues left in the environment. This is in the interest of preventing the cumulative effects of toxic chemicals entering our water supply and food chain.

International markets have zero tolerance for many toxic chemicals which may be used in fracking. We note that there have been at least two incidents reported in Queensland where toxic chemicals associated with CSG have been detected in water sources. While the Queensland Premier has been reported as stating that the latest episode is proof that their risk management measures are working⁴, we would argue that it is in fact evidence of the failure of the Queensland Government to have fully investigated the complexity of issues and their full impacts before proceeding down this path – an opportunity that is now available to NSW Government.

The ALFA says the beef industry has recently begun testing beef for chemical residues which have been associated with fracking. We remind the Committee that any additional residue testing required because of residues left by CSG activities will be paid for by agricultural industries, a cost we should not have to bear. The future cost of market closures and our ability to regain them and restore consumer confidence in our product, is another risk of CSG encroachment on livestock industries and water resources.

CSG also involves the complex issue of land rights. In this uncertain environmental and political climate, Australian farmers can not afford to, and should not have to, invest

² National Water Commission, 'Coal Seam Gas and Water Challenge: National Water Commission Position', December 2010, viewed on 23rd August 2011, from <<http://www.nwc.gov.au/www/html/2959-coal-seam-gas.asp?intSiteID=1>>

³ Santos, 'Inquiry into management of the Murray Darling Basin – impact of mining coal seam gas - Santos Submission', August 2011, viewed on 24th August 2011, from <<http://www.santos.com/Archive/NewsDetail.aspx?p=121&id=1276>>

⁴ Beef Central, 'CSG industry forced to defend environmental credentials', 30th August 2011, viewed on 31 August 2011 from <<http://www.beefcentral.com/p/news/article/544>>

valuable time and money fending off mining companies. We recommend the government introduce land planning policy for the protection of prime agricultural land and water resources from growing extractive industries. Policy must include zoning and protection of prime agricultural land and water; a transparent application and approvals processes for extraction and exploration activities; independent monitoring of extractive industries; and compensation for landholders affected by extraction and exploration activities. We understand that policy along these lines has been developed by the NSW Liberals and Nationals in consultation with NSW Farmers Association. The *Strategic Regional Land Use Policy* launched in February 2011⁵ is a step in the right direction. We would support full implementation of a policy that allows sustainable coexistence of agriculture and mining industries once the full impacts of CSG are understood and have been considered.

In general we believe the NSW Government must take a long term view and focus less on short term gains from CSG and realise the long term benefits of preserving prime agricultural land and water resources. We repeat our key recommendation that the NSW Government should adopt a precautionary approach to further CSG and suspend further CSG development until the full social, environmental, and agricultural consequences are understood and addressed; and effective land management policies can be developed and are in place.

APL would like to thank the General Purpose Standing Committee No. 5 for the opportunity to make these comments for consideration in the NSW Legislative Council Inquiry into Coal Seam Gas.

Youse Sincerely,

Kathleen Plowman
General Manager, Policy
Australian Pork Limited

⁵ Duncan, G., 'NSW Liberals & Nationals announce strategic regional land-use policy', 16 February 2011, viewed on 23 August 2011, from <<http://nsw.nationals.org.au/Latest-News/nsw-liberals-a-nationals-announce-strategic-regional-land-use-policy.html>>