

Submission  
No 282

## INQUIRY INTO COAL SEAM GAS

**Name:** Ms Anna Kaliska  
**Organisation:** MidCoast Water  
**Date received:** 07/09/2011

---



# General Purpose Standing Committee No 5 - Coal Seam Gas Inquiry

## Submission



# Who we are:

MidCoast Water is a structured County Council responsible for the reticulated water supply and sewerage systems in the Greater Taree, Great Lakes and Gloucester Shire local government areas (north of Hunter Water and south of Hastings Council).

The area stretches from Johns River in the North to Karuah in the South and operates five water supply and 14 sewer systems.

Great Lakes, Greater Taree and Gloucester Shire councils provide three elected representatives to form the board of MidCoast Water. MidCoast Water was formed in 1997 after a two year review into the water functions of electricity distributors.

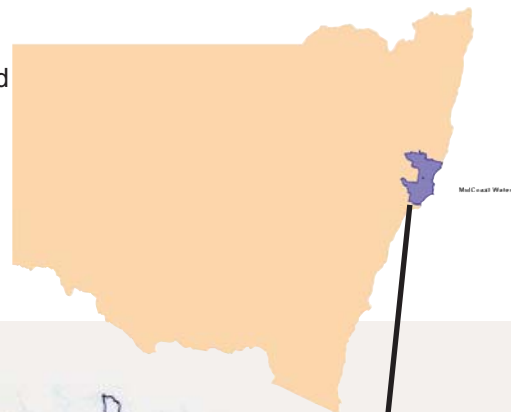
Since its formation, MidCoast Water has moved from a traditional water and sewer authority to a community water utility that also embraces sustainable water cycle management as well as business and community development.

MidCoast Water is now following these strategic directions for the future development of our business.

*"MidCoast Water is one of the youngest, yet most progressive water utilities operating within regional Australia. Eight years after its formation, the utility has built a strong internal organisation, and is regarded highly by its customers."*  
(Sustainable Water Solutions 2004)

Since 2004, MidCoast Water has consistently been recognised as one of the leading water utility in regional NSW and meets the NSW Office of Water's Best Practice Guidelines. MidCoast Water has won numerous Industry Awards over the last five years.

MidCoast Water  
1300 133 455  
PO Box 671, Taree NSW 2430



# Our catchment management activities:

MidCoast Water strives to deliver high quality, safe drinking water to 35,000 households. To achieve this we believe in managing water quality at all points of the delivery path from the catchment to the customers' taps.

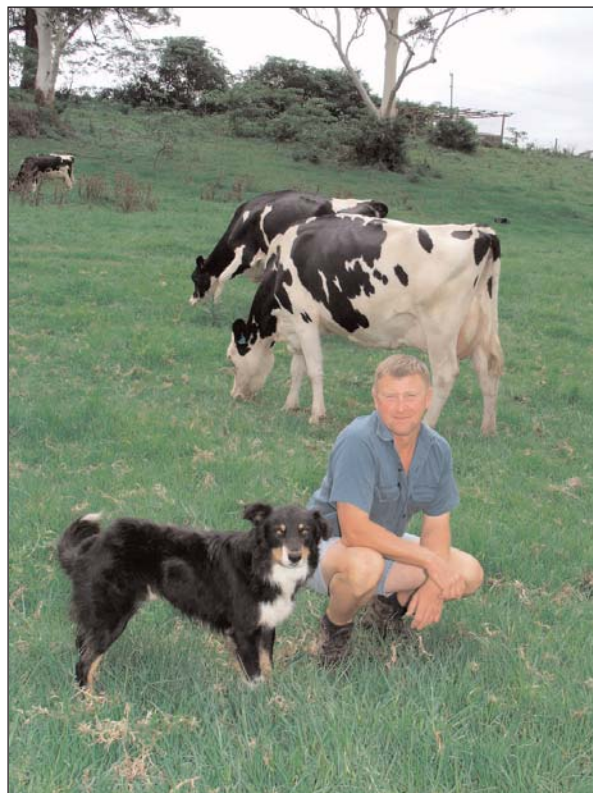
MidCoast Water takes its obligations to the catchments in which it operates seriously and works with other stakeholders to maintain and improve catchment health. We invest in our own surface water and groundwater monitoring, and this includes laboratory analysis as well as data-loggers for both water level and quality. MidCoast Water operates a NATA accredited water quality laboratory.

We also partly fund the Office of Water's river gauging stations. We continue to fund our own water quality and environmental research program and environmental flow investigations.

We continue to fund on-ground farm improvements as well as farmer education programs to allow improved management of farming activities and impacts on water quality and quantity.

This funding provides for:

- Fencing
- off-river stock watering
- dairy waste management
- erosion control
- improved farm management – water and energy efficiency



# General comments:

MCW strongly supports the legislative council inquiry initiative to investigate the environmental, health, economic and social impacts of coal seam gas mining in NSW and recognises the efforts by the Government, mining industry and other stakeholders working together to introduce a more balanced approach in management of impacts from the industry's rapid development.

We believe that current regulation is not adequate to ensure sustainable development of the coal seam gas industry in NSW.

Our opinion is based on recent experiences gained during assessment and approval of the major coal seam gas operation in the Gloucester basin. The coal seam gas development is located in the Manning River catchment which is a drinking water catchment. The Manning District Water Supply Scheme draws water from the Manning River downstream of the Gloucester basin. The scheme is operated by MidCoast Water and supplies drinking water to over 75,000 people in towns and villages along the coast. It is a major regional water supply system.

Since 1 July 2011 Gloucester water and sewerage operations has come under MidCoast Water's jurisdiction and we have been more closely involved with the community affected by coal seam gas development. MidCoast Water is now a member of the Gloucester gas project Community Consultative Committee.

## MidCoast Water's experience:

Based on our experience, the process under Part 3A of Environmental Planning and Assessment Act 1979 was not robust enough to allow for a fair assessment of the coal seam gas project in the Gloucester basin and its impacts on the downstream water supply system.



MidCoast Water had not been included in the consultation during the preliminary design stage which led to the approval of the project.

Representatives from a number of government bodies were invited to the planning focus meeting setting out the Director-General requirements for the project's environmental assessment in July 2008, but the need to assess the potential impacts on drinking water quality downstream of the proposed wet weather discharge point was not raised.

MidCoast Water was not invited to take part in the consultation process despite that:

1. It operates the Manning District Water Supply Scheme which draws water from the catchment downstream of the proposed development
2. The Manning District Water Supply Scheme is a major regional water supply system
3. The project proposal includes provision for direct river discharge of effluent in time of low demand for irrigation
4. There are several risks of pollution to waters associated with the project operation

The Environmental Assessment Report prepared for the project approval not only failed to consider impacts on drinking water quality downstream of the proposed discharge but also made no mention of the Manning District Water Supply Scheme at all. Such serious omissions impacted negatively on the local and downstream community perception of the project and undermined our own trust in the process.

During development and approval of detailed water management plans for the Gloucester gas project, MCW is now involved at the appropriate level. Any approval given must meet relevant environmental, public health and industry standards to ensure public and catchment health are protected.



# The main issues:

- **An effective regulatory arrangement should be established to protect town drinking water supply catchments from water pollution caused by upstream coal seam gas developments**

Our own experience described in this submission can illustrate the level of regulatory neglect in the area of drinking water catchment protection. There is no state legislation dealing specifically with this issue. MidCoast Water believes that drinking water catchments should be given special protection status when large scale coal seam gas projects are considered.

Our customers are deeply concerned about the recently approved coal seam gas industry wet weather discharges of effluent into our water supply catchment and the fact that the decision to approve the project was given without consideration of impacts of coal seam gas operation on the drinking water supply.

In general terms 'produced water' from the coal seam gas operations may contain toxic or carcinogenic substances. Such substances can accumulate in the river sediments and be released under favourable environmental conditions. Produced water is also highly saline. There is a separate issue of potential groundwater pollution and interconnectivity of groundwater and surface water as well as risk from storage of the effluent in high rainfall areas. If river discharges are necessary 'produced water' should be adequately treated to meet Australian and New Zealand Guidelines for Fresh and Marine Water Quality 2000.

We recommend that the issue of drinking water catchment protection be properly addressed during the inquiry.



- **MidCoast Water strongly believes that the quality of environmental, economic and social impact assessments should be improved including full transparency and disclosure of technical aspects and impacts of coal and gas projects.**

The impacts of large scale coal seam gas project developments are complex and numerous. Based on our experience gained from the gas project approval process in the Gloucester basin, MCW believes that the requirements for environmental, health, economic and social impact assessments currently in place for the coal seam gas project approvals are inadequate.

The assessment process has to be based on comprehensive studies and accurate scientific models. More resources have to be committed to progress scientific knowledge in the area of coal seam gas impacts. Until sufficient scientific knowledge is developed, the precautionary principle has to be used.

Under the current system each project is considered separately. There is a need to introduce measures to address cumulative impacts of coal seam gas projects at regional scales. In particular, a cumulative impact on groundwater and surface water resources resulting from multiple mining and coal seam gas developments should be considered during the project approval process.

Particular areas for improvement are the effectiveness of community participation and consultation, and equal consideration of all values for an area. Full assessment of economic and social impacts has to be undertaken for all coal seam gas projects.

- **Gloucester region should be carefully considered during the inquiry**

The coal seam gas industry in the Gloucester region is developing significantly and there are many important issues to be addressed. The Gloucester area may be close to the Hunter but it is in different water catchments - the Karuah and the Manning. These catchments have much greater remnants of biodiversity than the Hunter, which are in close enough proximity to be impacted by mining.

Streams are less degraded and contain species such as platypus worth protecting. Downstream, both catchments also have large communities living on estuaries which are much less disturbed than the Hunter and have conservation value as well as a viable and well established oyster industry.





There is a lot of valuable food production land around Gloucester, as well as a healthy tourism industry based around proximity to the Barrington Tops World Heritage Area and the high quality and beauty of the local environment. It is a popular holiday destination. Careful management of the coal seam gas developments needs to occur to minimise any potential damage to this image and prevent the Gloucester region from being perceived as environmentally degraded quasi-industrial area.

- **MidCoast Water strongly supports Gloucester Shire submission, in particular call for social and community consideration in preparation of exploration and coal and gas applications and new approach to exploration licences approval**

MidCoast Water strongly supports Gloucester Shire call for social responsibility in mining. They propose practical solutions based on extensive experience with rapid growth of coal and gas exploration and operations in their council area which should be thoroughly considered.

Environment, community and heritage impact assessments need to be completed before exploration, particularly when using invasive exploratory techniques. There needs to be better follow up by government of monitoring and evaluation. The process of issuing an exploration licence should incorporate community participation. The interim arrangements introduced by the Government in May 2011 allow for some consultation but only agricultural values are considered during the licence approval.

- **MidCoast Water strongly believes that supporting and embracing emerging renewable technologies is the way for NSW to reduce its carbon footprint in the long term**

As a non-renewable resource coal and gas is inherently unsustainable, and recognising it as such is important. Coal seam gas has many 'fugitive' emissions associated with its production, especially through the amount of energy required to desalinate the displaced groundwater, and to liquefy the gas for transport. Full carbon accounting, not just end use burning efficiency has to be utilised to assess the role of coal seam gas in achieving the carbon reduction targets.

Any assessment of likely growth in the coal and gas industry needs to take into account the rapid growth of renewable energy technology, and community willingness to embrace these technologies, especially given the way technology has advanced in the last 10-15 years.

