

**Submission
No 411**

INQUIRY INTO COAL SEAM GAS

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Submission to NSW Parliament Coal Seam Gas Inquiry

[Disclaimer: I write this submission from the perspective of an LHPA employee and long-standing associate member of NSW Farmers. I have read the submissions of the LHPA State Management Council and NSW Farmers, and strongly support the thrust of their recommendations. However, the following submission represents my personal views only, and should not be considered as the views of my employer, the Cumberland LHPA.

NB: I am not anti gas – I use natural gas in my home for both cooking and heating. However, I am anti environmental vandalism, the alienation of prime agricultural land, the pollution of groundwater and the overriding of landowners' common law property rights.]

I welcome the NSW Parliament initiative to hold this coal seam gas (CSG) inquiry. I had some involvement with CSG issues in 2000, when landholders opposed to the activities of Sydney Gas Company (now absorbed into AGL) formed an action group and sought the assistance of the then Moss Vale Rural Lands Protection Board in opposing unwanted property intrusions for CSG exploration & extraction.

The following is an extract from the briefing note I wrote in May 2000 for the information of my Board Directors on CSG activities by Sydney Gas Co. on local properties:

“...The legislation under which exploration and extraction of CSG on our ratepayers' properties is permitted is the Petroleum (Onshore) Act 1991, which is heavily slanted towards mining and away from private property rights.

The legislation requires an access agreement to be signed with the landholder before Sydney Gas Co (SGC) can enter the property and commence drilling activities. SGC have been very aggressive in pushing their own version of an access agreement (which takes away most of the owners' property rights for a comparative pittance in compensation) and some ratepayers have already been bullied or persuaded to sign. The alternative is to seek arbitration or (as a final step) a hearing by the Mining Warden, but the process of objection is expensive and there is no guarantee at the end if it that SGC will not be granted access to the property in any case.”

From reading the NSW Farmers submission and some recent media reports on CSG exploration, I am distressed to learn that little seems to have changed in the last 11 years.

The main areas of concern to me are:

1. Property Access

I understand that the State has exercised its legislative power to acquire the rights to petroleum, gas and most minerals existing on or under private land. Presumably this was done for the greater good. However, I do not believe the State should also use its statutory power to override private property rights and the common law of trespass. I believe landholders should have the legal right to deny entry to their land for CSG exploration. NSW Farmers President Fiona Simpson has stated recently in an ABC interview (15/8/11) that “mining companies are walking onto properties

without negotiating an access agreement. Many farmers don't even know they are under an exploration licence". This is completely unacceptable in a democracy like ours – it's more like mining company tactics you read about in Third World dictatorships.

I strongly endorse the NSW Farmers recommendation but would take it a step further. Unwelcome CSG exploration is just as stressful on a 10ha property at Camden as it is on a 1000ha property at Tamworth.

Recommendation 1: That the Petroleum (Onshore) Act 1991 be amended to allow landholders to refuse access to CSG companies.

2. Food Security

I could not put the food security argument better than NSW Farmers has in p27 of their submission. In my view, the default position in relation to CSG exploration on prime agricultural land is that it should be legally banned, whether or not the landholder agrees to CSG company entry.

3. Groundwater Contamination

"The coal seam gas industry has conceded that extraction will inevitably contaminate aquifers"

(Sydney Morning Herald [SMH], front page, 3/8/11)

This state of affairs, associated with the fracking process, should not be allowed to continue. Other countries (France, South Africa) have banned fracking for the extraction of coal seam gas – NSW should do the same. It is a fundamentally unsustainable process, and the short term, grab and go activities of CSG companies should no longer be permitted by the NSW Government.

It's not as if we are short of gas in Australia. I have heard industry representatives talking about hundreds of years supply of natural gas in Australia. The extraction and piping of natural gas seems relatively benign. Why are we scrabbling around trying to extract pockets of coal seam gas in an environmentally unsustainable manner when there is no national need to do so? If it can't be extracted without adverse environmental and landowner impacts, leave it in the ground.

I defy any reasonable, unbiased person to view the recent US documentary "Gasland" without being concerned about the impact of CSG extraction on aquifers. Scenes of people lighting the water coming out of their taps due to the high gas content, or having water trucked to their properties because their drinking water in their wells is hopelessly contaminated, are not easily forgotten.

I recently visited a dairy in the Picton area (near Camden) running a dairy product line called Country Valley, which has captured a niche market for its locally owned and produced dairy products (in contrast to most of the larger dairy companies which are now foreign owned). The dairy and milk factory beside it are reliant on bore water for all their water needs. Coal seam gas exploration activities are being conducted 10 kms away. If contamination of the Country Valley

groundwater supply occurs due to CSG fracking, the company could be forced to close or pipe in town water, which would be prohibitively expensive.

Recommendation 2: That NSW bans the use of fracking for CSG extraction.

4. Impact on Greenhouse Gas (GHG) emissions

“one of Australia’s top energy chiefs (Origin Energy boss Grant King) has conceded that there remains significant uncertainty around the emissions profile of coal seam gas”

(SMH, Business Day, 19/8/11, p3)

The honesty is refreshing, but others in the CSG industry are equating CSG to natural gas as a substitute for more environmentally polluting coal burning. While there is some truth in this on a direct comparison at the power plant level, the statement fails to acknowledge the potential GHG impacts of venting of CSG (methane) at the point of extraction and leakage along the processing chain from extraction to combustion. Methane is a much more powerful greenhouse gas than carbon dioxide (CO₂) with about 21 times the CO₂ equivalence.

Recommendation 3: That the NSW Government require a cradle to grave audit of GHG emissions associated with the CSG industry, conducted by an independent auditor with the results to be made publicly available. No further CSG exploration licences should be issued in NSW until such an audit has been done.

Sustainable development was famously described in “Our Common Future” by the World Commission on Environment & Development, 1990 as:

“Meeting the needs of the present without compromising the ability of future generations to meet their own needs”

Viewed in this light, the impacts of CSG exploration and extraction on groundwater and prime agricultural land make the activity unsustainable. The NSW Government has a moral responsibility to the community to legislate in order to prevent the unsustainable activities of the CSG industry, as documented in the NSW Farmers & LHPA State Management Council submissions.

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