

**Submission  
No 207**

## **INQUIRY INTO COAL SEAM GAS**

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**INQUIRY INTO COAL SEAM GAS**  
**SUBMISSION OF T.G. AND C. STANTON TO THE**  
**INQUIRY OF GENERAL PURPOSE STANDING COMMITTEE**  
**NO. 5**

**The main problem is to find out how politicians can be made to see anything  
beyond the dollar sign at the end of their noses.**

Permitting the commencement of Coal Seam Gas (CSG) exploration and extraction without any investigation of the processes thereof, and the risks involved was a foolish and negligent step which is completely contrary to the duty Governments, whether Federal or State, owe to care for Australia and its people. Greed is the only reason this has happened. Scientific and medical knowledge is far enough advanced in the 21<sup>st</sup> Century for people in positions of responsibility to launch large-scale and potentially risky operations turning this lovely country into one big quarry simply on the basis that it means money and jobs. If the environment and in particular water and farmland are prejudiced, financial gain in the pockets of the few will be no compensation for the loss the nation will sustain.

The Federal and State Governments talk entirely in terms of the jobs which will be created and the money which will be earned. However, jobs and money are not the only things which count. They are only referable to standard of living. What really counts is quality of life.

**(a) Effect on ground and surface water systems**

The responsible Minister, Tony Burke, says that he has put in place safeguards to make sure that water and aquifers and the Great Artesian Basin (GAB) will not be compromised, but he has not said what the penalties for breach of his safeguards will be and yet CSG extraction is already proceeding. It seems that under the NSW Protection of Environment Operations Act 1997 the maximum penalty for water pollution offences does not exceed \$1 million and continuing offences may result in fines of up to \$120,000 per day. We emphasise that these are maxima, and whether such fines would be imposed is a matter for judicial discretion. If the fines do not equal or exceed the profits to be made, there is little incentive for the CSG companies to comply with the regulations.

No-one is 100% certain what the consequences of extraction, drilling, extraction of the water, and disposing of the polluted water, salt and other by-products will be. We do know that at the moment the water in Australia is safe. We know that the farmland is good. Taking a chance on whether the CSG industry can operate safely is to gamble a certainty against a very risky business indeed.

Mr Burke suggests that if it appears that a water course or aquifer is prejudiced, the prejudice may be overcome by pumping water back and pressuring the source. However, he declined to answer an interviewer's question on 29<sup>th</sup> August 2011 on

ABC Lateline as to whether he was absolutely certain that there would be no prejudice, or words to that effect. The question called for a yes or no answer but did not get one. This shows that Mr Burke (a) does not know whether the procedures will guarantee safe water and (b) is unable to guarantee anything.

There are already reports of compromised aquifers and water courses, in respect of which the Queensland Government has launched an investigation. This just shows that the horse has already bolted, and an investigation will not even shut the stable door before the rest of the horses escape. The CSG industry is just like a stable full of wild horses with no-one in charge of the gate.

How can these business people, and the politicians who claim to be in charge say that they love this country, and yet allow this to happen?

#### (b). Effect on greenhouse gas and other emissions

Increasing the scope of coal seam gas mining will do nothing to counter global warming. Coal seam gas (CSG) may not produce CO<sub>2</sub>, but it will be used to generate heat which will be trapped inside the greenhouse of gasses. To the extent that coal seam gas, which is methane, may leak into the atmosphere through defective equipment or disaster of one sort or another, it will have an even more dangerous effect on the atmosphere and global warming than CO<sub>2</sub>. Scientists tell us that methane is more deadly from this point of view than CO<sub>2</sub>. *There is plenty of evidence, much of which has been shown on television, that many such leaks have taken, and are taking, place.*

The recent news about the Orica mercury poisoning of ground and water in New South Wales and Orica's admission that their attempts to clean up are a failure could equally well apply to contamination of ground and water as a result of CSG extraction. There is the risk that unscrupulous companies (and very few mining companies are scrupulous) may use BTEX and other deadly chemicals in the fracking and other processes even if that usage is illegal. That is because punishments and penalties for such activities are (a) not properly enforced by State Governments and regulatory bodies; and (b) not directed at the Directors of those companies who should be made personally responsible for breaches on the basis that they are absolute offences for which mens rea on the part of the Board is not required. The appropriate penalty for any Director of a defaulting company should be imprisonment. Only that approach will attach a sufficient degree of seriousness to the pollution of our water supply and farmland.

The fact that State Governments nurture defaulting companies for the sake of the dollar is illustrated by the fate of Jim Leggate, a former mines inspector of a Queensland Government department who was ostracised and forced to resign in 1996 for drawing attention to a \$1 billion deficit of rehabilitation projects miners should have performed. According to him that deficit now stands at \$3.4 billion and if the miners are not forced to make it good, and it has to be done, the burden will fall on the taxpayer.

We have no confidence that the Federal, nor any State Government, will have the guts to challenge the miners over this kind of criminal behaviour and as CSG mining is

intended, apparently, to cover so much land, the consequences for the taxpayer will be disastrous, particularly in NSW where so much of the land is already targeted for this poisonous process.

(c). Effects related to the use of chemicals

We have dealt with this at (b) above but will repeat that the Orica mercury problem, and its recent hexavalent chrome leak show that dangerous chemicals should not be used just for the sake of the dollar when people's health and the security of our water supplies may be compromised. Quentin Dempster's 1997 "The Whistleblowers" is full of examples of how big companies lie, cheat, and victimise those who tell the truth about their polluting and dangerous activities. The book should be compulsory reading for this committee. When you have read it you will never trust the big companies again, nor should you. For this reason all reports and surveys assessing environmental risks and other consequences should be carried out by experts employed, not by the companies, but by the Government, but the companies should be obliged to pay up front for those reports. This is the only way to ensure that the experts are independent and less likely to be subject to regulatory capture.

(d). Effects related to hydraulic fracturing

Again, we have dealt with this at (b) but must emphasise that no-one knows what the extended consequences of fracturing the coal seam may be. If the process results in any rock or strata adjacent to the coal cracking too, or being porous, the risk of uncontrollable release of highly saline water and BTEX chemicals (which may simply be released naturally from the coal as well as introduced artificially in the process) cannot be predicted or prevented. If the recent Orica experiences are anything to go by this may be incapable of remedy.

(e) Effect on Crown Lands including travelling stock routes and State Forests

Whatever adverse impacts CSG extraction and its processes may have elsewhere will affect these lands too, as well as National Parks. It is not worth the risk.

(f). Nature and effectiveness of remediation required under the Act

We have already indicated that severe penalties directed at the Board of Directors of companies responsible for any breach of any regulation are essential, since without them no proposals for remediation will have any effect.

(g). Relative air quality and environmental impacts compared to other fossil fuels.

There is plenty of evidence, much of which has been shown on television and in the film "Gaslands", that CSG extraction has a massive impact on air and water quality, even to the extent that water can be set alight. To consider whether this is better in relative terms to the adverse consequences of other fossil fuels is like asking someone whether they would rather lose one leg or two. The effort should be to eliminate the adverse consequences of the existing fuels, not add to the problem by using another harmful one. If the money that is being, and is to be, invested in CSG were to be spent right now in developing solar and other natural power sources, we would avoid

all these problems. Perhaps people will have to get used to using less power, for example, by wearing more clothes when it is cold, and having windows that can be opened in office blocks when it is hot, but no-one ever said that we can go on and on abusing the planet just because politicians do not have the courage to tell the electorate that it cannot go on having a higher standard of living if it kills life as we know it. The aim should be a better quality of life, and that doesn't mean more money and bigger cars. It means shorter working hours, more fresh air, and more time with the family doing the things you want to do.

**The rest of the terms of reference are largely addressed in the following paragraphs.**

1. The need for energy, particularly in foreign countries, must take second place to the right of Australians to enjoy clean water, healthy food from Australian farms, and their exceptionally beautiful countryside. Money from China or elsewhere would be no substitute at all for the loss of those rights. China recently launched an aircraft carrier – albeit a revamped old Soviet one – but defence experts say that China will learn from the technology to build more. What is the point of being worried about that and at the same time selling them iron and iron ore and the energy with which to build such ships and other weapons?

2. It is clear that for politicians mining and money are more important than everything else. The community should be the most important thing; minimising adverse effects on health, the environment, agriculture and land use should be next, regulating the industry (at its own expense) by independent agencies should be after that, and finally, if those objectives can be achieved then some CSG mining should be allowed to develop, but consistent only with the health, environment and agriculture safety measures.

The fact that adverse impacts of the industry exist should be sufficient to dictate the order of the aims of the strategy.

3. It is wrong to assume that a dangerous industry will have “growth prospects over the next 25 years”. It is also wrong to anticipate that NSW and Australia have to respond “to the expected increase in global energy demand”, if the environmental consequences for NSW and the country are more than its people can bear. The only circumstances in which “have to respond” applies are if the Government fears that if we don't sell it, the Chinese or someone else will come and take it.

4. Again, it is wrong to anticipate the growth of this industry. It is a dinosaur. All the money being spent by the taxpayer and the mining companies to develop this dinosaur should be devoted to solar, wind and water power immediately, and to educating the public to use less energy.

5. It is a contradiction in terms to minimise costs and impacts when discussing increasing CSG extraction. Minimising risks of any kind is always expensive. Safety of settlements, agriculture and water should be given the highest priority even if the cost is greater than the benefits. NSW survived for decades without the depredation taking place now, and which all State Governments forecast increasing. Coal was,

according to Manning Clark in his “A Short History of Australia”, discovered in the Coal River area in 1795. It took two centuries for it to become the gigantic menace it is today. Caring Governments would never have allowed this to happen, and to inflict further degradation of the countryside with CSG extraction is criminal.

6. Global Warming is a world problem. Most Governments are afraid to be in the forefront of restraining global warming by cutting back on greenhouse gases unless everybody else does it. This is like a room full of junkies sharing drugs and needles, threatening each other with death as a consequence and each saying “I’ll give up when you do.” Australia is in the position of being one of the biggest drug barons. It is obscene that, just to make money and make China even more powerful, Australian politicians will sell their souls and boost the world’s production of CO<sub>2</sub> with coal, and of methane with CSG. Perhaps politicians and the directors of mining companies care little for the future of the planet and their own grandchildren as long as they are getting big bucks today, but ordinary people care more about their families.

7. Power stations should only continue to use coal or gas for as long as it takes to replace them with green power sources using the money mentioned at 4. The United States is the greatest contributor of CO<sub>2</sub> and other greenhouse gases on the planet. Yet even there, John D Spengler, Professor of Environmental Health at Harvard School of Public Health, wrote as long ago as September 2000 that, with regard to air pollution, “attaining the annual fine particle levels required by (a 1997 air quality standard) would prevent 15,000 deaths per year”. He went on: “Most of the coal used in this country today is burned by ageing power plants for the production of electricity”. That is equally true in NSW. It is not a solution to change to gas fired power plant when the risks from the extraction process and leaks of methane are just as, if not more, harmful.

If politicians stopped thinking that the only thing that matters is “growing the economy”, we should be on the way to a solution.

8. Infrastructure, if you propose to foster this dreadful industry, should be paid for by that industry. Even the Dukes and Earls in England developing their mines in the 18<sup>th</sup> and 19<sup>th</sup> Centuries had to do so without the help of the taxpayer. If they wanted a railway or a canal they had to form a company to build it. Why should the working classes of Australia have to do what even the British aristocracy did not expect their workers to do?

9. If NSW imports gas from other parts of Australia it makes no difference to the Australian economy. It should be all one economy anyway and all States and all people should contribute equally and not with different taxes and different rates of tax. The revenue should be distributed equally across the country and between cities and rural areas, taking into account the size of the area in question, not just the population in it. That would provide some incentive for rural populations to grow and thrive, instead of withering away, as they do now because politicians only care about big cities.

10. The development of this domestic gas industry in NSW (and Australia generally) has been encouraged by government with virtually no concern for health, the environment, or anything apart from money. Unhealthy people don’t need jobs.

11. The State of public cynicism and concern about CSG expansion and the completely uncontrolled interference with farms and private land is already at crisis point. If more of this development is allowed without public participation in formal inquiries which are not driven by the Government and the miners' desire for filthy lucre, the situation may result in desperate people taking desperate measures. The arrest of a great-grandmother at Tara in Queensland at the end of March 2011, is only a foretaste of what is to come. This is especially shocking when it turned out that the miners themselves were acting illegally because they were in breach of their access agreement. The fact that they were assisted by a large body of armed police to molest innocent citizens trying to protect a neighbour's property is appalling. Some deranged farmer will shoot a police officer or a mining representative, or a police officer will shoot a protester who happens to be carrying an umbrella which the police think is a weapon. No amount of money from mining is worth the risk of anarchy caused by the Government's total disregard for the rights of the people, and its deplorable deeds in legislating away such protection for the people and the environment as existed before the 1992 Mining Act.

12 If the Government were serious about "moving to a low carbon economy", gas might have "a critical role to play in NSW" for a very short time only. The methane which may be released by the mining is, as we have said before, a greater greenhouse danger than CO<sub>2</sub>. The fact that the Government is not serious is plain from the amount of taxpayers' money it will spend on upgrading roads railways and other infrastructure, and the colossal amount of money the miners will spend on the mines, the equipment to liquefy it, and the pipe-work. Neither the Government nor the miners are going to spend this kind of money for a short period. It follows from that that anything they may say about moving to renewable energy (solar etc) is a pipe-dream for the future to con the present population.

13. Paragraph 4 of the NSW Coal & Gas Strategy Scoping Paper, says coal mining is worth \$13.3 billion in 2009/10. Paragraph 8 says that coal mining made a contribution in royalties "to public revenue for the Commonwealth, State and Local Governments" of \$1.2 billion in 2008/9 and is estimated to provide close to a billion dollars again in 2009/10. It seems that whilst the mining yield increases, the revenue to Government will drop by at least \$300 million. This revenue yield is still less than 10% of the \$13.3 billion the coal is worth. The coal belongs to the Crown (the people), and lies to a large extent under land belonging to individuals. Even where it lies under public land, it belongs to the people. Why should the people give away more than 90% of their assets to mining companies and get less than 10% in return?

In fact our interpretation of these paragraphs is confirmed by "Mining and the economy", an e-brief by Daniel Montoya of the NSW Parliamentary Library Research Service (May 2010). Section 2 (headed "Mining in Australia") shows that \$13 billion received by Governments was out of mining turnover of \$87.6 billion in 2008/9. That is only 15.75% of turnover, and that includes the income tax paid by mining employees on their wages!! The mining companies made \$67.4 billion profit out of that \$87.6 billion turnover, and that is a staggering 79%. Much of that will have gone abroad as BHP, Rio Tinto, and many other mining companies are far from Australian owned. These figures mean that Australian Governments sold the people's coal assets for a tiny fraction of the mining companies' turnover, and an only slightly larger fraction of their profits. No government of any political complexion can claim to be

governing the country in the interests of the people with a record like that. Do the people who protest so loudly about the introduction of mining tax and carbon tax realise the implication of these figures? Are they all billionaires, or are they just dupes of the mining companies, who lead them to believe that what is good for the mining giants is, ipso facto, good for Australia?

It is also plain from Mr Montoya's e-brief that whilst net royalties for coal in NSW were \$1.22 Billion in 2008/9 (only 9.5% of its coal exports), the cost of the health burden from NSW coal fired power stations was only just under \$1 billion, so the State ended up with only \$300 million, and a billion dollars' worth of sick people.

The contribution the coal might make to the electricity supply is not for the State, as paragraph 5 of the Scoping paper suggests, but for the privatised electricity industry to which the State sold the public's assets for a song. As to paragraph 6 we have already likened the supply of energy to the supply of drugs, and the fact that people are employed in and around the coal industry is no more praise-worthy than the Mafia employing runners and dealers in heroin. The same criticisms apply to paragraph 7.

The financial system in regard to CSG is unlikely to be any different. Big bucks for the few, healthy dividends for some, a small tax yield for the Government, and the tax payer to pick up all bills for adverse consequences.

14. The Committee needs to look on the internet at the Lock the Gate website, the list of organisations subscribing to it, and the websites of those organisations. This will give the sub-committee some idea of the seething mass of discontent. The impact on life in the Hunter Valley is appalling and the people around Gloucester and Shoalhaven are disgusted by the cavalier way in which their rights and interests have been completely overlooked by the granting of licences without any effective consultation at all, and in most cases with no notice (eg Shoalhaven). Scrutiny of these websites will show that many people are feeling revolutionary.

In Daniel Montoya's e-brief mentioned above he says at Section 5 (Coal externalities): "Most recently, the NSW Government rejected the Bickham Coal Company's open cut mine proposal in the Upper Hunter due to potential impacts on: the Pages River; the region's thoroughbred industry; 'unique rural characteristics' of the area." What is noticeable here is that the thoroughbred industry belongs to rich people, and the vineyards rarely belong to poor people. The NSW Government should treat all areas equally, regardless of the wealth of their inhabitants and the value in purely money terms of their businesses. In real terms a farmer growing food is far more valuable than a breeder of race horses which will feed nobody. Is it to be supposed that only the rich deserve to have their environment protected?

In regard to Health and Environment, Mr Montoya says in Section 5.1: "Coal-fired power stations produce more greenhouse gases (such as CO<sub>2</sub>) per unit of energy than any other type of power station". A little later he says, in relation to emissions from power stations: "The health cost burden from coal-fired power stations in NSW for 2007/8 was \$947.5 million". This means that people made sick by the power stations cost the taxpayer most of the revenue from the mining companies. The mining companies should pay these health costs. That is why a much larger mining tax is needed whether the industry is nurtured by the Government or not. We should point



out that we have mining shares and live on interest and dividends as we are senior citizens, but for us the welfare of future generations comes before money.

What is noticeable is that the Terms of Reference do not include Aboriginal concerns; they do not appear at all. This is an interesting point. It is not disputed that white settlement drove the Aborigine from his homeland. It is ironic justice that so many hard-working white people are being, or will be, driven out of their homes and farms by the CSG mining industry. It is a severe indictment that the Government is doing all it can to assist in that process. The Government and the miners may say that that is not true, but a family whose health is affected by dust or methane or exploding tap water may have no alternative but to move from the home they loved; a farmer who can no longer farm economically may be unable to service his mortgage or bank loan, and may be forced out by the Bank and into bankruptcy. The effect on the Aborigine of being driven from the rivers by white farmers is no different from the effect on white farmers of being driven from their farms by the mining industry and the Government.

15. The commitment to reduce greenhouse gas emissions by 60% by 2050 is the wrong strategy and will never be achieved whilst what appears to be the likely strategy of developing more and more CO<sub>2</sub>-producing coal and methane-producing CSG continues. The proper strategy, instead of a carbon tax, should be to ascertain the carbon output of every business immediately and to make it law that its emissions reduce by 1% next year, 2% of the adjusted figure the following year, 3% the year after that and so on. After that first 3 years emissions will have gone down by over 6%. After 10 years emissions will have gone down by well over 55%. There will be no need for a carbon tax and competition should prevent the businesses from increasing their prices to pay for the measures they need to take to secure these reductions in CO<sub>2</sub>. Failure to comply should be visited by personal criminal penalties on the Board of Directors and Chief Executives of the company which fails so that they get the message. Fining the company does no good at all because it just punishes the shareholders who, in reality, have no control over the company unless they are part of the magic circle which moves around boardrooms voting themselves into office and paying themselves ludicrous bonuses. There is no realistic prospect that the current NSW Government, any more than the last one, will aggravate its mining bed-fellows by prosecuting them for their failure to rehabilitate; the only solution is to fund local councils and/or local groups to mount appropriate Court action.

As mentioned before we are small shareholders in companies with mining interests, we like our shares to be valuable and we like good dividends, but we do not want them at the expense of the future of our grand-children and the planet.

16. Mr O'Farrell, pre-election, promised to revise Part 3A of the EPA. In practice his mining chums have persuaded him it is impractical to leave them to the mercy of local Councils which may not all be tame and coercible. However, if he means business, he has to establish a planning system which involves full consultation, the right for the public to call for a publicly funded planning inquiry, and the right for Councils, groups, and/or individuals to take Judicial Review proceedings to quash any grant of permission which appears to be flawed by non-compliance with the law, failure to consult, give notice etc.

17. The development of the industry must be stopped until safety measures have been taken. Imposing investigations to find out what dangers are actually being created by the industry and its increase is to act too late. Air quality monitoring may tell the Government what is happening but it won't stop children being ill. Providing compliance officers will do nothing for the public no matter how tough new rules for CSG licences may be, if these officers are paid insufficiently to enable them to resist the bribes, or inducements, the miners will be able to offer them, and if the tough new rules are accompanied by a Government policy of non-enforcement. Only sending top company people to prison where their company breaches the rules will spread the word. Such offences should not require mens rea (intent); it should be sufficient simply to prove that the company of which these people are in charge committed the offence.

18. It is wrong to assume that the NSW coal industry has to help to meet an increase in global energy demand with coal and coal seam gas if this is bad for Australia in terms of its people and its environment. No amount of money will put right a poisoned water supply, a trashed landscape, and a sick population.

19. Whilst the IEA and OECD may predict that the global use of energy will remain much the same in relative terms: (a) there is no necessity for Australia to be one of the drug barons satisfying the world's insane craving; and (b) the figures which the NSW Government used in its Scoping paper are entirely misleading because if, for the sake of argument, world consumption of coal was 100,000 tonnes, so that the 2002 percentage of 39% is 39,000 tonnes, when the demand in 2030 has gone up by 60% the total will be 160,000 tonnes and coal's proportion at 38% will then be 60,800 tonnes. That is hardly an improvement. Meanwhile, solar and other renewables are expected to increase from 2% to 6%, whilst if the money spent on developing mining of coal and CSG were spent on better renewable sources, nobody bothers to predict what the change would be.

20. Generating "significant economic growth in regional areas of" NSW, and down the coal chain, is just not worth the money at the price the people and environment of the State are called upon to pay. Coal and gas are finite. Renewables are just that, so they are permanent, and with time and effort and investment, they will get better and cheaper. All fossil fuels are only going to get more expensive.

21. The expansion of the CSG industry is as likely to result in environmental disaster. Using our example again, if 100,000 tonnes of energy was required in 2002, at 19%, gas supplied 19,000 tonnes. In 2030 when the demand is 160,000 tonnes, gas supplies 48,000 tonnes, an increase of over 250%. Methane gas leaks and other hazards from fracking etc would likely increase by the same percentage. Once again, these hazards to the environment and the people are too great and should not be countenanced by any sane government. It must not be forgotten that what we are **actually** talking about is not 100,000 tonnes of energy or 160,000 tonnes, but billions. Any argument that CSG will do anything good in economic terms for regional NSW is almost certainly false. Once the wells are drilled and pipe-work connected up, disfiguring the landscape and interfering with farming, hardly anybody will be needed to work in the regions on CSG production, apart from a few peripatetic inspectors going from place to place checking the pipes and wells are safe. The folks who used to work in

agriculture will have been eliminated. Bearing in mind the safety record of this industry so far, with gas-leaks, and benzene, toluene, other BTEX chemicals, and methane in the water, we may not even see any inspectors, and whistle-blowing inspectors who dare to report faults will be sacked.

22. The Scoping paper said: “Australian Government policies could impact on the future of the NSW coal and gas industry”. It is to be hoped that they will. It is to be fervently hoped that those policies will control and curtail mining in the interests of the people and the environment until such time, if at all, as their food, home, and water security and health can be guaranteed. Now that the truth of global warming and climate change is acknowledged by almost everybody (even Mr Abbott!), policies such as a mining tax or carbon price can only be welcomed if they help restrain the growth of this destructive industry. Even if it were true that human activity does not contribute to global warming, and even if global warming were an entirely natural phenomenon, mankind should be looking at ways of keeping the temperature down. On a hot day you do not shut the windows in the kitchen and turn on the gas and the electric stove, and in global terms that is what the human race is doing.

23. The Scoping paper said that most of the growth in coal and CSG over the next 25 years will occur in the northern parts of the State and: “These changes will require upgrades to rail infrastructure linking these areas to the port of Newcastle; and the coal loading capacity at the port”. Pre-election Mr O’Farrell spoke of the Government upgrading infrastructure for the Hunter Valley which had been neglected. It is obvious that what he means is that the taxpayer will pay for improvements to the infrastructure for the benefit of the mining companies and those who carry the coal to and from the port. There is no suggestion that there will be frequent or fast passenger trains on these lines to ease burdens on commuters or take traffic off the road. Once again, the people and the environment come at the bottom of the heap.

24. Asking the public to concentrate on the list in your Terms of Reference is intended to divert them from the question of whether they want any further imposition of this industry upon them. It is, in local terms, like a Council inviting its residents to a meeting to discuss the details of a parking plan so that the residents tend to think about the spaces in their street. They are not asked the first question which should be “Do you want a parking scheme at all?” This Scoping paper doesn’t ask the people “Do you want more mining?” No. Like Stalin, it tells them they are going to get it.

25. There should be no assumption that there will be growth of this harmful industry. All the other matters mentioned in the rest of our submission and in our conclusion should be dealt with comprehensively before there is any necessity to “map the potential growth of the industry”.

26. If all efforts were applied to developing and installing renewables, there would be virtually no land use conflicts except perhaps from those who object to wind farms but whose objections could be compensated financially. The Scoping paper said “cost benefit analysis could be used to make decisions about whether coal mining should be allowed to move into new areas or what scale of coal mining activity may be appropriate to ensure the continued existence of other valuable industries”. As Oscar Wilde said “A cynic knows the price of everything and the value of nothing”.

To tell a small businessman or farmer who loves his work where it is, that it is not sufficiently valuable, and he has to take it elsewhere in favour of a hole in the ground for a mine or a CSG well is not an analysis of anything. Such a policy would, as we have indicated earlier, favour only the retention of big businesses owned by rich people. Is that what the land of the “fair go” stands for? If, as we believe, the Rum Corps still runs the country, then the answer is “Yes: only the rich count”.

27. The NSW Government is aware, according to the Scoping paper, that there is a “World’s best practice dust and air quality management”. This should be made compulsory immediately in respect of existing mines, whether or not any new ones are to be created. It is, however, a shocking indictment of the Government out of its own mouth, that when this harmful industry has been damaging the people and NSW in environmental terms for some decades, and people have been fighting this sort of thing for those same decades, the State Government is only now “currently undertaking research” on best practice. It is the clearest possible indication that the State and the politicians care nothing for the people, but only for the money. If they had been asking parents “would you rather have the money or healthy children”, what answer would they get? But the parents and the people don’t even get the money; the miners do.

Only “Ensuring all reasonable and feasible measures are implemented on mine sites to reduce dust emissions” (to quote the paper) is useful, and the wording suggests it will just be a bureaucratic exercise with no teeth. As we have said elsewhere, only when directors and executives are hit directly in the pocket and deprived of their liberty will these problems be overcome. Fining the company or putting the site workers in prison achieves nothing, as they are usually following company orders and policy, which means doing what the directors tell them. Mr Dempster’s “The Whistleblowers” is full of examples proving this point.

28. World’s best practice mine/land rehabilitation conditions should be a part of every licence, and should require the miner to comply with world’s best practice as it improves from time to time, and not some plan conceived at the time the licence is granted. It follows that the detailed plans conceived now are a waste of time. If the mine or the well lasts ten, twenty, fifty years, world best practice will have moved on, and plans drafted today will then be useless. It is targeting the directors and executives that will ensure compliance. It must also be borne in mind that it is easy for a mining group to carry out an operation through a shell company, which will go bust as soon as the mine is worked out and the rehabilitation ought to begin. Every company and subsidiary, and every director and executive, in the group should be made liable for the rehabilitation.

If miners in QLD are \$3.6 billion in areas with rehabilitation, and nothing is being done, NSW must make sure that can never happen here. The use of the word “could” in the scoping in regard to methods of dealing with these problems shows that the Government’s ideas (integrated regional approaches, audits etc) are just a sop to make people think “The Government is going to do something”, when in reality they will just let the miners ride rough-shod over them as they always have done.

The miners should deposit bonds with the Reserve Bank of Australia of sufficient amount to provide for the cost of rehabilitation, and the bonds should be reviewed and updated each year to make sure that the then current cost of rehabilitation is covered, to avoid the amount of the bond becoming inadequate. The miners can charge the

Japanese, Chinese and other foreign markets more for the coal and gas. Otherwise Australians are not only subsidising the miners; **they are subsidising their foreign competitors too.**

29. Under the heading “Community facilities and services in the regions”, the list in the Scoping paper is short on any declaration of intent to do anything with the assessments it refers to. The last sentence gives the game away. “The preparation of guidelines to assist local councils and mining companies in the negotiation of Voluntary Planning Agreements for community enhancement funding could also occur”. There is no negotiating equality between a mining giant with billions of dollars and the best legal brains money can buy at its disposal, and a local council which can’t even afford to do up its roads or keep its library open. The law and the licences should provide that the mining company shall pay the Council, say, 5% of the value of the coal or gas extracted every year so that it can decide from time to time, and after asking its electorate, what community benefits it wants to provide. If this is not done, the burdens will all fall on the local authorities or on the tax payer, or the community will only have had the dubious benefit of seeing its territory raped, which is what happens now. Why does the Government think there are so many protest groups, and that even Councils are joining up to them?

30. Infrastructure planning. The improvement of, or provision of new, infrastructure necessitated by the past and future growth of the mining industry should be paid for entirely by that industry. To the extent that the State may anticipate royalty or tax revenue from the industry is no reason for the State to pay, in whole or in part, for making the life of the miners easier. As it is, their heavy trucks ruin the roads for which the rate- and tax-payers have to foot the bill. Sid and Agatha don’t harm the roads in their Holden Ute or Ford Falcon, but they have to shell out as though they do. They can’t usually find more than one passenger train a day in most parts of the State, and in many they won’t even find one at all, but coal trains whizz back and forth all the time. And if Sid has an uncovered load on his ute and a bit falls off, he gets prosecuted and fined, but a mining company can send a coal train through town and country for hundreds of kilometres spilling dust and bits of coal everywhere, and there is no legal requirement for the load to be covered. If gas tankers or pipelines explode, the miners/gas companies must be forced to pay for all the damage. We have it on reliable authority that if the Elgas tank in Taree exploded it would wipe out the Town, and the one in Port Macquarie would take out that much larger settlement. Unguarded pipelines all over the country will be a target for terrorists, or even for disgruntled farmers with tons of bomb-making material (fertilizer) in their barns. Some of the rate-payers even get killed by the trucks and their loads, and like Dave Patten in the Wybong area, their family don’t even get a proper inquest. His inquest was behind closed doors so that the public and the press can’t find out what happened to him or even whether the evidence given might be the truth. If this was a routine traffic accident, what is there to hide?

There is a particular infrastructure concern in the Manning Valley. The Martin Bridge across the Manning into Taree is falling apart and the Government is unwilling to do anything about it. The Bucketts Way, which leads from the Pacific Highway past Taree to Gloucester is also falling apart. It is a road for which the Taree Council is responsible. The Council cannot afford to maintain it nor the other important roads in the area. The delivery of concrete, steel pipes, drilling equipment, pipelines, tankers of chemicals and sometimes water to the well heads and processing installations

requires hundreds of massive trucks making hundreds of journeys over the roads of the Manning Valley every week if extensive CSG development is allowed around the Gloucester Shire and adjoining areas. The mining companies must be forced to bring the roads up to the engineering standard of the new parts of the Pacific Highway before any further CSG or mining operations commence.

This last point is of grave importance to all in the Manning Valley, but the same consideration must apply to other country areas through which roads to CSG development lead. If CSG extraction is to cover NSW as extensively as we are lead to believe, this point will affect hundreds of settlements and tens of thousands of people.

31. No more new mines or wells, or the expansion of existing ones, should be allowed until all the measures specified in our Strategy (see our Conclusion) have been adopted. It is also difficult to understand why, according to the Scoping paper, only “areas of high biodiversity conservation value” are relevant. To the species of plants and animals, and the people who like them, in any area, that area has a high biodiversity value. Who is to determine what that value is? Why is there a presumption that everything has to be destroyed in the pursuit of money, rather than preserving NSW (or come to that, Australia) as the marvellous creation it is?

32. A Water resource management policy should already exist. That it doesn't is demonstrated by the fact that with regard to the Gloucester Gas Field, MidCoast Water were not even told about the grant of licences, let alone consulted, yet they are responsible for the Manning River and many of its tributaries, and rivers in the Gloucester area flow into the Manning. No more mines or wells should be developed or licensed until such a legally enforceable policy has been put in place. It can be made legally enforceable by statutory provision that any licence or operation which is in breach of the policy must be revoked and shut down at once.

Looking again at the Scoping paper: a) Why should the Government have to “seek a financial contribution from mining companies” for a water resources data base? This study is only made necessary by the depredations of the miners, and they should pay for it.

b) How can there be any doubt about imposing measures “to ensure access to adequate water”, or “to avoid impacts to water” for surrounding land uses? And in this context, what does “surrounding” mean? Much geological evidence suggests, as we understand it, that many rivers and aquifers are interconnected, and if they run for hundreds of kilometres, as many do, “surrounding” must be interpreted accordingly. None of this can be looked at quickly; it needs to be looked at thoroughly; and no further mining, whether of coal or CSG, should be allowed until this has been done.

33. The admission in the Scoping paper that there is no real strategic approach to Strategic Aboriginal Heritage Assessment is a disgrace. What good will “exploring options in the Upper Hunter” do? Or anywhere else come to that. How long will this exploration take? How many sites will have been destroyed and new mines and wells and storage and processing plants started by the time it has finished? And when it is finished, what guarantees are there that the Government will do anything at all to protect them? The Scoping Paper is silent on this important point. And who is to put a value on these sites? And what about sites in other parts of NSW? One would hope that only the opinion of Aborigines would count on that matter.

And is there no concern about white heritage? Are old and beautiful homes, farms, churches, historic railways, to be ignored? What is amazing is that Australia's history is so new, and that, for that very reason, it is ignored. St. Peter's Rome, the pyramids, Versailles, the Kremlin, the Forbidden City and Great Wall of China, and Windsor Castle, were all new once, but we hope that even a mining company would not think of getting rid of them for money.

If it is looked after, Australia's Heritage will also be old and venerated one day, and the process of nurturing it should start now. It is the only way to show future generations of Australians and foreign tourists just what the Aborigine civilization and the Early White Settlers achieved against incomparable odds. To give just two examples: (a) There is an old railway at Herberton in the Atherton Tablelands running through stunning (and ironically, old mining) country. It is falling into wrack and ruin, but should be preserved and used for passenger and tourist traffic. (b) The disused railway from Armidale north through New England also runs through stunning country. It is a sad sight as it is, but it should be a glory of Australian achievement. For a Government even to contemplate putting all that at risk for the miners, and to assist China and Japan to take over the world economy (and maybe the world) by selling them more coal and gas, is obscene.

34. All subsidence and similar consequences of coal and CSG exploitation should be paid for by the industry. The meaning of "Whole-of-Government subsidence guidelines" in the Scoping paper is obscure. Does it mean that Governments intend to spend taxpayers' money to repair subsidence and compensate the victims of it? This would be another example of ordinary Australians subsidising the growth of the miners and of foreign industry. If foreign nations want the coal and gas they must pay the proper price. If countries like Brazil are prepared to sell their resources cheaply to capture the market whilst destroying their environment and harming their people, that is a matter for them. There is no need for Australian Governments to emulate them or enter into competition with such masochistic practices.

Of course "the coal industry has indicated an interest in carrying out a cumulative impact or strategic assessment of mining in the sensitive part of the resource area". Why would it want anyone independent, or answerable to the people, to do it? If the Government accepts such an offer it would be like agreeing that, in criminal courts, the defence solicitor should advise the prosecution how to conduct its case. The mining industry would have absolutely no interest in telling anyone the truth if it interfered with its plans for further rapine activity.

## 12. Regulation and Standards

If it were true that "the coal mining industry is one of the most strictly regulated industries in NSW", there would not be so many protests groups and local authorities trying to curb its current activities and prevent its expansion. There would not be, as Mr Montoya claims in his e-brief, \$947.5 million of health cost burdens per year in the State. After all, the coal-fired power stations are a down-the-line part of the mining industry. Who can say that, in the long term, gas-fired ones will be any safer, if in the process on getting gas out of the ground, drinking water is infected with BTEX, and methane leaks into the air? Whatever regulatory regime is put in place, it must be imposed immediately, up-dated regularly, and enforced in a draconian manner. A cosmetic exercise beloved of Government, and acceptable to the mining industry, is unlikely to fool a public which is becoming increasingly aware of the cost

it is carrying, financial and environmental, for the benefit of no-one but the miners and their foreign customers.

35. It is no use saying, as the Scoping paper does, that “Industry must take a strong lead in engaging with communities”; the law must be changed immediately to compel it to consult communities, and to oblige Government to comply with the wishes of those communities, and not with those of the miners. The trouble with a strategy which does not have the force of law is that the money involved overrides all other considerations, when the health of the people and the environment must come first.

36. The implication of the Terms of Reference is that gas come first, and is inevitable. There should be no such assumption. Local communities don’t need only certainty that “the full range of impacts of coal mining and coal seam gas extraction are being addressed....through the application of world best practice”; they also need an assurance that where they do not want them on their doorstep, they will not get them. Come to think of it, it is odd that, when the Scoping paper and the responses to it are only a few months old, and as far as we know no report on it has yet been published, all this time and energy and paper is being wasted on an almost identical Inquiry, making it seem as though both efforts are just a sop to make the public think something is being done, when in fact nothing will happen as the politicians are bought by the miners.

37. The energy demands of NSW residents can and should be met from renewables if the investment is made. What is hidden in the Scoping paper is the intent to meet the energy demands of foreign countries as well, whilst the taxpayer continues to subsidise it all. In fact, on that point, the Government and community are not investing directly in the extraction of coal and gas; they pay for the infrastructure which should be paid for by the miners rather than by using the royalties or mining taxes for that purpose. The royalties and mining taxes represent the value or price of the minerals which the people are selling to the mining companies. Those royalties and taxes should be used for better services (health, public transport, education etc) and not go back to the miners in the form of hidden subsidies providing the infrastructure the miners need.

## **CONCLUSION**

### **PEOPLE FIRST; CLEAN WATER SECOND; FARMING AND ENVIRONMENT THIRD – MINING LAST**

The NSW Coal and CSG Mining Strategy should provide:-

(a) for the immediate adoption of a presumption in favour of renewable energy sources over gas and coal;



(b) for a continuing moratorium against the mining companies and the State of NSW to stop the drilling of gas wells and creation or expansion of mines already licensed by the State;

(c) an immediate moratorium to stop the State and any other body (e.g. the Federal Government) granting any further licences, permissions leases, or whatever else they may be called (hereafter referred to as licences), authorising exploration for or development of new mines or gas wells in any Council area until the consultation and inquiry steps specified in (d) below have been completed in that area;

(d) for the State to amend the mining and planning legislation to provide that every mining licence (gas or coal) application be submitted to the Council and Mains Water Supplier for the area to which any such application relates for consultations, and that the owner of, and every person having a legal interest in, any property within 5kms of the site of any such application, be given not less than 28 days written notice of the application and of their right to lodge written representations with the Council for that area; and that Council and/or 1,000 of its local residents shall have the right to call the Minister for, and the Minister shall have the duty to establish, an Independent Planning Inquiry (Inquiry) chaired by a Judge assisted by two environmental scientists to decide the merits of the application, whether it should be granted or refused, and if granted, to what conditions any licence shall be subjected; and in the event the Council does not call for a planning inquiry, the Council shall forward its own representations and all others it has received, to the Minister, who shall take them into account in reaching his decision, and give them equal weight with those of the persons and/or organisations seeking the licence.

(e) that, in considering the merits of any such application, the Minister and/or the Inquiry shall, where the weight of the evidence and representations are evenly balanced, attach more significance to the effect on the local population and the environment (including water), than to the lure of the money the grant of the licence may represent either to the Government or the applicant for the licence.

(f) that, where, during the moratorium, it appears that any existing licence has not commenced operations, and should not have been granted in light of the effect on the local population and the environment, it shall be revoked without compensation other than the refund of any licence fee paid for it to the State.

The purpose of our Strategy is to ensure that: (i) no further risks to the health of the people is created by mining; (ii) all natural water courses and sources are kept pure and clean; (iii) agricultural and tourist activities are fostered; (iv) existing businesses are not harmed; and (v) that wild life, whether in the rivers, the sea, the air, or in or on the ground, is protected.

We are therefore against any expansion of CSG mining until a comprehensive study has been carried out by a Royal Commission to lay down proper laws and regulations to control the industry and impose the strictest possible safety requirements as regards water and the environment, and suitably stringent punishments.

**THE WORSHIP OF MONEY SHOULD NOT BE ALLOWED TO TRASH  
AUSTRALIA FAIR.**