

## **INQUIRY INTO COAL SEAM GAS**

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## NSW: FOSSIL OR BALANCED FUTURE?



**Total Environment Centre Inc**

[www.tec.org.au](http://www.tec.org.au)

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*There's a new mining boom in New South Wales and a new state government too. So what now for coal mining and coal seam gas extraction, the environment and agricultural lands around Sydney, the Hunter Valley, the Illawarra and beyond?*

Mining has had a privileged position in land use and policy decisions for many decades. This was based on the perceived importance of minerals to the productive capacity of the economy and society's standard of living. Today the industry continues to echo those basic values highlighting itself as a key player in continued economic growth and prosperity in its marketing campaigns.

This privilege was retained while it could show delivery of those benefits did not harm other fundamental industry, community and environmental values. Certainly the first major challenge to the industry's power and extent came from the environmental movement in the years after the 1960s, when major battles broke out along the coast where sand mining was underway and with uranium mining in the nation's north.

Industry responded with new environmental management regimes and partnerships. In some cases governments decided to ban mining to protect conservation values, overturning the traditional mining veto over proposed national parks.

Industry took the latter move hard and claimed loss of jobs and income to the economy as well threatening a capital strike ('you won't be attractive to investors if you stop us'). Some would even suggest they would pack up and leave Australia. We saw such rhetoric in the recent controversy about the super profits mining tax.

There is a certain arrogance in the mining culture emboldened by years of privilege.

Now in New South Wales, coal and gas mining are under attack because of the vast extent of the future industry and threat to two crucial activities – farming and environmental services such as water supply. The same arguments are being proffered in

defence: financial gain to the community and government; full blown commitments to quality environmental performance; and a belief that harmony can be achieved. And a new theme from the gas industry – that it is a transitional fuel to the low carbon future where greenhouse gases pose far less threat to the earth's climate.

But this time we need to learn the lessons from past conflicts where after a relatively brief period of dispute, mining continued to expand and cause unacceptable damage. Mine by mine site – the cumulative impacts grew.

Exploration permits have continued to be granted pre-empting balanced land use planning. And while the gas industry has added an environmentally responsible chord to its chant – the evidence is lacking to support the case it has a significantly lower carbon footprint than coal. The suggestion it is a 'transitional fuel' meaning it would phase out as quickly as possible to make way for zero emission energy generation is also unconvincing. In fact the gas industry actively casts doubt on wind farms and other renewables, seeking to retard their progress.

The future environmental, agricultural and rural fundamentals of major NSW regions are under severe attack. Land use and energy policy are being written by exploration permits and case by case mine development decisions.

The recently elected New South Wales government says it is committed to strategic land use planning; stricter environmental controls and where appropriate, excluding mining. Intensive work is underway inside government by several agencies and a large stakeholder advisory group is being consulted. Decisions on a land use framework and the most urgent regions are expected early in 2012.

This time, real gains need to be made in protecting environmental and agricultural values and balance restored. Otherwise the social licence to operate won't exist for the mining industry. Nor will government decisions be accorded community and political credibility and respect.

# 01

### Coal

In 1994 a report prepared by the Coal Resources Development Committee (whose members comprised NSW Government departments, the coal industry and an energy provider) predicted that the state would face a “serious shortage of economically mineable coal in the future”. The reason cited was not an exhaustion of existing coal resources but that approximately half of the resource was compromised by other land uses, “particularly National Parks and prime agricultural land.”

The report’s authors accurately predicted the multiple land use conflicts between communities and the industry that have come to a head across the state in recent times. In essence the industry knew what it wanted and why there would be conflict over it.

Their problem list included urban expansion around the foreshores of Lake Macquarie; subsidence impacts upon flood-prone land; intense open cut mining close to Hunter Valley towns and on prime agricultural land in Gunnedah; mining in Sydney’s water supply catchment; urban expansion around Campbelltown and Camden; and the threat of a proposed National Park in the western coalfield.

In 2011 damaging underground mining is taking place around the foreshores of Lake Macquarie. Creek diversions, tainted tank water, proposals to erase entire villages and giant pits that are collectively visible from space are driving Hunter Valley and Mudgee farmers from the land. There is community outcry over serious health impacts from mine dust in towns like Singleton and Muswellbrook. Farming communities on the Liverpool Plains are taking unprecedented action as foreign coal interests buy up farms in a region the coal industry calls the “new frontier”.

South of Sydney the bedrock of rivers and swamps across the city’s water supply catchment are being systematically cracked, drained and polluted, while to the north-west across the Blue Mountains a decision must be made as to whether 1100 hectares of old growth forest will become a national park or an open cut coal mine.

The 1994 Committee also proposed some solutions to avoid conflict. But they were their solutions to protect their interests:

New mines will need to be developed on the high quality resources which are not currently held under title by mining companies. Importantly most of these are under threat from some other form of land use or could attract strong community opposition if mining were proposed. Action is required to ensure that these high value coal resources will be available to meet the future needs of the coal industry, community and State.

Among the industry’s key strategies were multiple use land policy in conservation areas; land to be set aside as coal reserves; increased community liaison and information flow; and promoting the philosophy that mining and agriculture can coexist.

The next seventeen years saw mining in conservation areas through the creation of state conservation areas where logging is prevented but mining allowed; and the wholesale issuing of new leases and exploration licences. Just as importantly, the intensity of mining grew across all coalfields leading to bigger open cut pits and more dramatic subsidence from larger underground longwall panels.

Meanwhile the ports of both Newcastle and Port Kembla are currently undergoing major expansions to allow the 70% of all coal mined in NSW to be exported at a faster rate. Frequently described as

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"grid locked" these port expansions best demonstrate how rapid and successful the industry strategies have been.

Under electoral pressure from a growing and increasingly diverse section of the community the NSW Labor Government announced a Coal and Gas Strategy in 2010. In packed forums held across all the major coalfields the Department of Planning told the community that "the pendulum had swung too far".

In 2011 the incoming Coalition Government decided to keep the strategy process in place. They face an enormous challenge and a diversity of issues across all coalfields, along with an expectation from farmers, environmentalists and local communities both remote and urban that the pendulum will swing back. Prior to the 2011 NSW Election the coal industry was in damage control. Its strategy was familiar – land to be set aside as coal reserves (via Strategic Regional Land Use plans), increased community liaison and information flow, and to advocate the philosophy that mining and agriculture can coexist.



NSW Coal Titles

### Coal Seam Gas

The Coal Resources Development Committee also foresaw the emergence of the coal seam gas (CSG) industry in NSW especially in the light of the threat posed to the coal industry where titles from two industries overlaid one another. Until 2007 CSG developments in NSW were stymied largely because the techniques being used (derived from practices that were established in the United States), were not working under Australian geological conditions. However since then the issuing of Petroleum Exploration Licences (PELs) has increased exponentially.

PELs have been granted to the point where they cover over one quarter of the area of the state including the major urban centers of Sydney, Newcastle and Wollongong. The vast bulk of CSG reserves are believed to lie in the Clarence Moreton Basin in the far north of NSW but the highest concentration of PELs is in the Gunnedah Basin which is entirely covered in exploration licences stretching inland from Sydney and Newcastle in a wide band right through to the Queensland border.

Apart from a conflict in 2005 between the community and Sydney Gas in the Wyong Shire over the attempted development of a gas field in the Central Coast's water supply catchment (the company eventually withdrew the proposal), the establishment of the CSG industry passed largely unnoticed by both the community, land use and environmental policy developers. However there was a warning with an incident in 2002 where a storage pond in the Pilliga State Forest failed and released a flood of toxic water that killed all vegetation in its path.

The current debate about CSG revolves around some similar issues to coal – the rights of landowners, the use of environmentally damaging techniques (such as fracking) and their impact upon water resources, the chemicals used in the fracking process, but also the validity of CSG as a "transitional" source of energy. There is no question however, and it has been acknowledged at both state and federal government levels, that the industry is running ahead of both regulation and the science.

The development process has become controversial. A company which has been granted a PEL will undertake studies which may involve drilling holes to take samples. They actively engage landowners who may or may not be amenable to



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hosting a drilling rig on their land. These initial wells are unlikely to produce much gas until the coal seam has been stimulated by hydraulic fracturing (fracking). This is done by pumping fluids into the coal seam at pressures sufficient to crack open the rock. This enables the gas to more easily flow to the well. The chemicals used in fracking fluids are now being revealed after a phase of secrecy. Following fracking the coal seam is “depressurised” by pumping out water. This is generally saline and contains a range of toxic properties along with some of the fracking fluids. Water then has to be transported from the site for disposal.

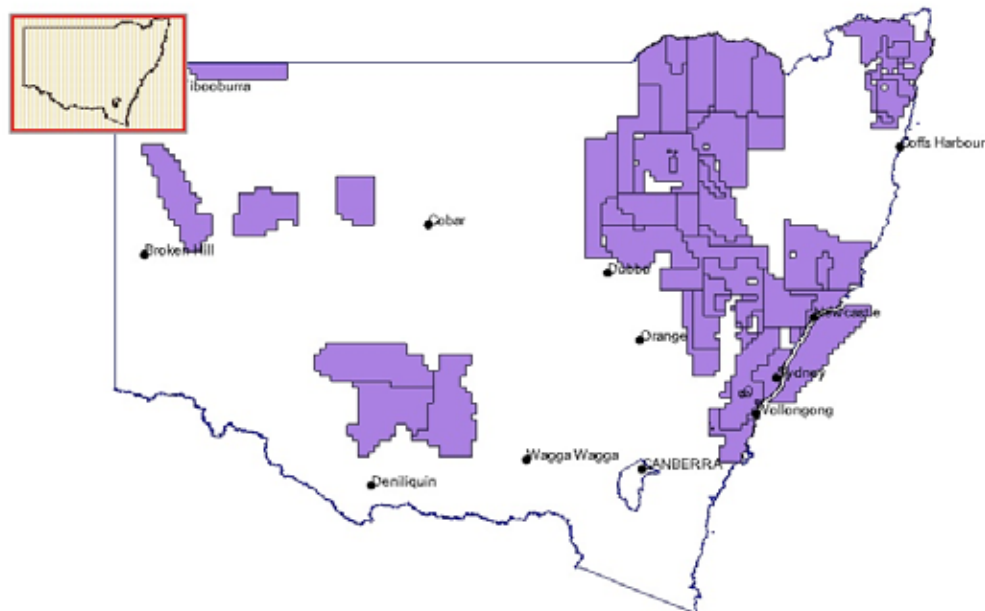
If the company decides to proceed they will apply for a Petroleum Production Lease (PPL). Ultimately for the gas-field to be viable, the company must install a high density of well-heads along with large storage ponds, processing facilities, major pipelines, roads and other associated infrastructure – creating a matrix across rural and forested lands.

Fire and explosion risks occur with a significant percentage of wells known to leak methane. There

are well documented instances in the United States and in Queensland of methane being found in water bores and tap water. Volatile organic compounds, poly-aromatic hydrocarbons, heavy metals and other compounds may be brought to the surface during the extraction process.

When burned, methane produces up to 40% less greenhouse gas than coal. Unburned it is at least 20 times more polluting than carbon dioxide. As with underground coal mines a significant amount of fugitive methane leaks into the atmosphere, adding significantly to carbon emissions. This calls into serious question the role the CSG industry has claimed as that of a provider of a lower carbon ‘transition’ fuel while a green energy sector develops.

It is clear from the area handed out in PELs to gas companies over the past four years that the CSG industry has more than transitional intentions.



NSW Coal Seam Gas Titles

# 02

### New South Wales Begins Reform

The NSW Government won power in March 2011 with a strong position on mining and water catchment issues while in opposition and further announced during the election campaign.

After having opposed CSG mining in the Central Coast's water supply catchment, the Coalition also opposed the development of a proposed longwall mine on the grounds that longwall coal mining "might impact on the water catchment or affect the water quality." The Coalition committed itself to not permit any coal mining in the Central Coast water catchment district and was prepared to introduce special legislation if necessary.

The Coalition also promised action in the southern coalfield proposing that Dharawal State Conservation Area be upgraded to National Park status to protect it (to the 'centre of the earth') from proposed longwall mining by BHP Billiton. In July 2010 the Planning Assessment Commission (PAC), the powers of which will be significantly increased under the new government, had rejected the proposal on the grounds that:

... the level of impacts proposed in the Project Proposal for some significant natural features are no longer acceptable practice. A simple example will suffice to make the point. The level of subsidence-induced damage to Waratah Rivulet (Woronora Catchment) that was allowed to occur in 2004 was determined to be not acceptable in the Approval issued for the Metropolitan Coal Project in 2009. The Panel's assessment is that there are more than 50 km of streams in the Study Area with similar stream characteristics to Waratah Rivulet.

... The Panel is of the view that it is no longer a viable proposition for mining to cause more than

negligible damage to pristine or near-pristine waterways in drinking water catchments or where these waterways are elements of significant conservation areas or significant river systems.

The Coalition went to the election promoting its Strategic Regional Land Use Policy as a solution to growing unrest in rural districts. Key elements of the policy were:

- 1 strategic land use planning to better understand the constraints to, and opportunities for growth;
- 2 reforms to the planning assessment process to improve monitoring, compliance and cumulative impact assessment;
- 3 reforms to mining and coal seam gas legislation to protect strategic agricultural land and associated water resources; and
- 4 tougher planning assessments while strategic land use plans and planning reforms are developed.

The policy included the introduction of an Aquifer Interference Regulation, an agricultural productivity impact assessment, improved monitoring and compliance, adequate resourcing for key agencies, and a role for the Department of Primary Industries to consider and report on potential cumulative impacts of a development at each major stage.

Specifically to CSG the policy included a 10-point plan:

- 1 where CSG activities involve interference with groundwater systems, we will require that proponents must obtain an Aquifer Interference Approval under S91 of the Water Management Act 2000;
- 2 review relevant petroleum well construction and fracing standards to ensure that inter-aquifer

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leakage is prevented; and develop better standards;

3 ban the use of benzene, toluene, ethylbenzene, and xylene (BTEX) in fracking fluids;

4 require CSG proponents to report on the location of wells to be stimulated by fracking, details of chemicals used, the toxicity of ingredients and mixtures, and demonstrate that fracking activities won't result in environmental harm, including inter-aquifer damage and contamination.

5 reform the project approvals system in NSW so that there is enhanced cooperation across all relevant departments and agencies. Planning approvals for CSG exploration and pilot testing must be timely, consistent across the State, appropriate to the level of impact and take into account the different requirements for project development when compared to conventional petroleum projects, while also maintaining the existing environmental standards;

6 review existing arrangements for land access for mining and petroleum industries to ensure they achieve our goal of facilitating good relations and timely access. This will include promoting the use of crown land, such as Travelling Stock Routes, for pipeline routes where viable and the establishment of energy and transport corridors;

7 review the Water Management Act 2000, the Water Act 1912, the Petroleum (Onshore) Act 1991 and related legislation to ensure aquifers are protected;

8 review environmental regulations for the natural gas industry to ensure they are safe and environmentally appropriate for coal seam gas development;

9 examine options to protect prime agricultural land so that natural gas development exists in a balanced manner so that the commercial activities of both industries are not compromised;

10 ban the use of evaporation ponds for mining and petroleum production activities; and

11 support the continuation of the Namoi Catchment Water Study.

Since winning office the new state government has announced its intention to introduce a ban on certain toxic chemicals or BTEX chemicals, greater public consultation, stronger environmental requirements and a moratorium on fracking until the end of 2011 after an initial 60-day ban.

A regulation requiring extractors of more than 3 megalitres of water per year from groundwater sources to hold a water access licence will also be introduced, along with a ban on the use of CSG evaporation ponds, and new public consultation guidelines.

Input into many of these new measures will be undertaken by the Stakeholder Reference Group, which was established by the Labor Government in 2010 as part of the NSW Coal and Gas Strategy and continued by the Coalition after it won power in 2011. Other influences on CSG policy include a Senate Inquiry and a NSW Upper House Inquiry.

### Key Issues

As a result of the Strategic Regional Land Use Policy there are strong community expectations for the government to deliver in areas which have been at the center of growing conflict between farmers, environmentalists and regional communities, and the coal and coal seam gas industries.

A fundamental change required in government policy is to upgrade the intent to 'minimise' (an oft quoted term in government policy documents) environmental damage to also allow 'avoid'. It must be accepted that some mining should not occur because the risk is too great. This may be an anathema to the mining industry but there is little point in land use planning to retain key values, if the fiction that all mining can be accommodated prevails.

There is also a necessity for the government to produce a long term energy strategy for NSW that does not hinder the rapid transition to renewables. Currently the responsible department has the following view as expressed on the 9 September to the Senate Rural Affairs Committee Inquiry into Murray Darling Basin – CSG. Mark Paterson, Director General, New South Wales Department of Trade and Investment, Regional Infrastructure and Services said:

I think that you have to be prepared to contemplate the potential use and not just look at it as if 'Oh, well we don't need to do this because it is only a short-term industry'.

**CHAIR:** No, no. The known reserves, through the length of the inquiry, have been somewhere between 35 and 45 years.

**Mr Paterson:** And with regard to proven reserves of petroleum products around the globe, people have been talking about peak oil



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for as long as I have been alive, and people will continue to talk about those issues. As further exploration is undertaken we will prove up the resources.

However, if exploration permits are not withdrawn and export terminals not sized accordingly, then attempts at strategic land use planning will be doomed. The sheer weight of economic momentum will overwhelm planners and the community.

Additionally the recent Orica incident at Stockton has demonstrated a complacent pollution control system that took a less than vigorous approach to reporting incidents of environmental harm and dramatically reducing pollution. But it was not an isolated case.

There are over 50 operating coal mines in New South Wales in five designated coalfields. Each year hundreds of breaches of Environmental Pollution Licenses (EPLs) are recorded by the NSW Environment Protection Authority. The mining industry claims that many of these breaches are minor but there is also evidence of an under reporting of non-compliance. Before 2004 the EPA did not require companies to report instances of non-compliances separately, so the same breach being made repeatedly could be recorded in one report.

The CSG industry has been accused of a similar culture and three recent incidents in different parts of NSW has furthered these claims.

In September 2010 energy company AGL was accused of dumping contaminated water near Broke in the Hunter Valley. The company had been asked by the NSW Government to remediate a site near the town of Broke, after 120,000 litres from a groundwater monitoring program was expelled into a paddock owned by the company. The company also received a formal warning from the NSW Office of Environment and Heritage in August 2011 over a leaking well in Camden southwest of Sydney.

In February 2011 two wells at Bentley, north-west of Casino, were found to be leaking methane. CSG operator Metgasco said only a small amount of gas had leaked, but could not quantify it as the company had problems detecting the highly flammable gas. The company said it inspected its wells every six months but could not confirm if any of its other 45 wells in the region were leaking. The Department of Industry and Investment confirmed it was investigating the leaks but would not commit to an inspection of all wells.

In each case the incident was reported by community members and not the CSG company. In the future such incidents are likely to increase if the industry expands. Nor is the current pollution licensing system able to adequately account for cumulative impact. This may be addressed by strategic assessment but it is an ongoing key problem that must be addressed.

### The Queensland Experience



Chinchilla, Qld - typical landscape coverage of coal seam gas mining

For two years Queensland environment groups have been campaigning against open cut coal mines on agricultural land and environmentally sensitive areas. There have since been more recent demands for a moratorium on further coal seam gas developments.

Previous land clearing issues had often pitted farmers and conservationists against each other however the rapid expansion of CSG in southeast Queensland has seen the establishment of an alliance between farming groups, environment organisations and other community bodies.

As in NSW the rapid expansion of open cut coal mines and the entry of the CSG industry was running ahead of regulation and scientific understanding. It presages a radical transformation of both landscape impacts and Queensland's contribution to greenhouse gas emissions. Some estimates put the increased emissions at 30% or more, along with the impacts from depressurising areas within the Great Artesian Basin and health impacts.

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The Queensland Government has responded by releasing the 'Protecting Queensland's strategic cropping land policy framework' aimed at:

- 1 protecting the "best of the best" strategic cropping land from open cut coal mining;
- 2 Introducing guidelines, amendments to legislation and policies to improve landowner rights, consultation and communication with landowners and residents and accountability by the gas companies; and
- 3 Strengthening the regulatory regime and enforcement mechanisms to bring an end to many of the cowboy practices being employed by some gas companies.

However conservation groups believe that in its current form the policy would only prevent one out of about 20 coal mines proposed in the Surat Basin and are concerned about a lack of detail in other proposed protective measures. Landowner agreements are still seen as being heavily weighted towards mining and gas companies.

NSW has to do better than Queensland, which is facing very significant rural landscape and environmental deterioration from coal and gas mining.

# 03

### Agricultural Areas

Although the Strategic Regional Land Use policy focuses largely upon the conflict between agriculture and mining, farming organizations are yet to be convinced that it will be sufficient.

Peak umbrella bodies such as the NSW Farmers Association (NSWFA), while welcoming the new policy as “a balanced and far more transparent approach to mining”, believed that little progress had been made towards understanding the impacts and long term intentions of the industry and successfully conduct vigorous lobbying to get the initial 60-day moratorium on new exploration licences extended from July to the end of 2011.

Key to farmers’ expectations is a regulatory regime protecting the sustainability of the Great Artesian Basin as a provider of water to the state’s key food growing regions. Major concerns are held for the future of food production in the Gunnedah Basin and the Hunter Valley and the 2011 NSWFA Annual Conference voted to prohibit mining and CSG operations on what is defined as “prime agricultural land”.

Farming groups welcomed the NSW Government’s announcement of an audit of all existing coal and CSG exploration licences and the removal of huge up front exploration fees paid by mining companies to the state which have long been suspected of pre-determining approval outcomes. The introduction of the Aquifer Inference Policy and Agricultural Impact Statements have also been welcomed.

Other issues include mining access agreements, fair compensation and the buying up of farms by foreign mining entities as has occurred in the Shenhua / Watermark mining lease on the Liverpool Plains.

### Natural Areas



Mining of Leard State Forest - much more is proposed

The new government faces some important early tests of its commitment to improve regional planning. Environment groups applauded the stance taken by the Coalition on proposed longwall mining in the Wyong water supply catchment and Dharawal State Conservation Area. However in regard to important natural areas the Strategic Regional Land Use Policy remains ambiguous. The policy does not contain a clear approach to river and wetlands protection which was a critical policy failure of the previous government. These concerns have been articulated in recent meetings with government.

A major issue is that if regulation is tightened around the agricultural impacts, mining and gas companies could be more inclined to apply for mining permits in forests and/or water supply catchments. For Strategic Regional Land Use Plans to work it is essential that areas of key conservation and water values are identified and protected from coal and CSG mining.

## 03 IN THE FIRING LINE

Open cut mining in public forests is a major challenge. Mining activities in Leard State Forest on the foothills of Mt Kaputar, near Narrabri is one such example. As the largest block of remnant native vegetation left on the heavily cleared Liverpool Plains, Leard SF is of vital conservation importance. It is home to 26 threatened plant and animal species, two endangered ecological communities including one of the largest remaining stands of the nationally endangered Grassy White Box ecosystem; and contains a range of newly-discovered and unique freshwater invertebrates that are dependent on a healthy groundwater system.

The Boggabri Coal Project initially cleared and mined 400 hectares of forest but there is much more mining proposed. Along with an extension being sought by the Boggabri mine, there are three other open cut coal mines whose leases lie in or adjacent to Leard SF including the Maules Creek mine which is currently seeking to clear and mine the north-western section of Leard. It is estimated that these mines would eventually destroy nearly half of this critical remnant ecosystem.

It can be reasonably argued that the open-cut mining of state forests is completely unsustainable, releases unacceptable amounts of CO<sub>2</sub> into the atmosphere and amounts to the wholesale destruction of a public asset that is impossible to restore or offset.

Another challenge faced by the government is the expansion proposal by Coalpac to extend open-cut and highwall mining of 1088 hectares into the Ben

Bullen State Forest near Lithgow. This area of forest is largely old growth and is the subject of a long-standing proposed addition to the Gardens of Stone National Park. The area contains 32 threatened native animals (five of which are nationally listed) and stands to be completely destroyed.

The CSG industry also has major plans in areas of key conservation significance. Eastern Star Gas (recently acquired by Santos) has declared a plan to establish a large gas field across the largest temperate woodland remaining in eastern Australia. Half a million hectares in size the Pilliga has been federally identified as one of 15 national biodiversity hotspots. As documented earlier CSG exploration has been taking place for some time in the Pilliga with unfortunate results. The proposed 1100 CSG wells will fragment over 80,000 hectares of forest with roads, pipelines and other infrastructure. In addition an export facility for the proposal threatens RAMSAR wetlands near Newcastle. Conservation groups also believe the current activities have been operating outside federal guidelines and have called for the project to be subjected to the Environment Protection and Biodiversity Conservation Act 1999. Environment groups see the proposal as failing all key aspects of ecologically sustainable development.

Another problematic aspect of Coalition policy is the promotion of Traveling Stock Routes (TSRs) for gas pipeline installation and the establishment of energy transport corridors. TSRs are extensive corridors of vegetation gazetted prior to clearing to facilitate the droving of stock. Unlike the lands making up the conservation estate, many TSRs traverse low-lying and ecologically productive areas, and comprise several threatened ecological communities, such as critically endangered Grassy Box Woodlands.



Pilliga - current proposed CSG development



### Water Supply Catchments



Waratah Rivulet - cracked by longwall mining

The Strategic Regional Land Use Policy does not specifically mention mining in designated water supply catchments. This issue is of particular concern in the Southern Coalfield where numerous longwall mines exist within the Sydney Catchment Authority (SCA) administered Special Areas but also arises in the Western Coalfield around Lithgow. Under its governing act the SCA is required to ensure that any development in the Special Areas is of "neutral or beneficial" impact and public access is prohibited. In theory this gives Sydney some of the strongest water supply catchment protection mechanisms in the world.

In the eyes of the NSW PAC the damage to the Waratah Rivulet by Peabody's Metropolitan Colliery was seen as a 'game changer' as far as new mining proposals in the Southern Coalfield were concerned. The PAC's view of departmental oversight in regard to the destruction of the Waratah Rivulet was as follows:

In 2002 the then Department of Mineral Resources granted approval to undermine Waratah Rivulet (Woronora Catchment) knowing the level of damage that would occur. This position was maintained in 2005 despite

substantial and obvious damage to this key element of Southern Sydney's water supply. However, by 2007 this was seriously under challenge and in 2009 determined to be not acceptable in the Approval issued for the Metropolitan Coal Project by the then Minister for Planning.

It is essential that when dealing with mining in water catchments the new government bases a regulatory regime around the PAC's position that "it is no longer a viable proposition for mining to cause more than negligible damage to pristine or near-pristine waterways in drinking water catchments or where these waterways are elements of significant conservation areas or significant river systems ... this level of damage would not be acceptable in any other assessment of water resource use."

The PAC also stated that there is a problem with allowing proponents to assess what is of special significance.

The SCA has estimated that under current industry plans 91% of Sydney's southern supply catchment (the Metropolitan and Woronora Special Areas) will be undermined. Water security is a critical issue for Sydney. A key to successful policy being implemented is that the same standards applied by the Coalition to proposed longwall mining in the Central Coast's water supply catchment be applied in the larger Sydney water supply area.

Ongoing questions over water levels in the Woronora Dam since the damage to Waratah Rivulet was sustained are yet to receive adequate answers and the SCA is currently of the belief that the watercourse is losing several megalitres of water a day, despite the proponent's claims that the rivulet has been repaired. To meet acceptable sustainability levels new policy must reject the position that remediation adequately addresses mining damage to water catchments and natural areas.

The eastern side of the Woronora Plateau (where mining is most intense and expanding) is covered by over 1,000 upland swamps that are critical to the hydrological integrity of the Hawkesbury-Nepean, Woronora and Georges River systems. The NSW Scientific Committee recently supported the listing of Coastal Upland Swamps as an Endangered Ecological Community. The proposed listing named longwall mining and CSG extraction as a principal threat to the integrity of the swamps and their conservation is also paramount.



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The CSG industry has also moved to establish itself within the special areas. Fifteen CSG wells have been approved for development in the northern Illawarra and further wells in the region are being applied for by Apex Energy. CSG and its associated impacts are incompatible with water supply objectives and any attempt to establish a gas field inside the Special Areas will be opposed by conservation groups.

### **The City**

Dart Energy holds a Petroleum Exploration Licence for an area covering 2385 km<sup>2</sup> of the Sydney Basin from Gosford on the Central Coast to Coalcliff south of Sydney. The NSW Department of Industry and Investment granted Dart Energy permission to drill an exploration well in the inner city Sydney suburb of St Peters triggering a major community campaign.

Extensive gas mining in the city is highly problematic. In addition to truck traffic, there will be the issues of disposal of polluted water and local air pollution from flaring and leakage. The industry has not explained to the community how it would undertake extensive production in a city environment.

# 04

The development of strategic regional plans is undoubtedly a complex task. Government agencies are accustomed to working in silos and an effective plan requires integration of decision making powers, advice and data. It has also become apparent that the quality of information (other than for mineral resources) required to make decisions is lacking and agencies are scrambling to develop it. This is a reflection of the failure of past governance of land use planning per se and between mining and other values.

Total Environment Centre and Nature Conservation Council are participating in the reference group for the strategic planning and have expressed concern about the progress and capacity of the government effort. They informed the government that a growing sense of frustration with the current process is developing amongst stakeholders arising from:

- lack of information about the timeline and decision making framework for the reform process;
- inadequate data from key agencies on which to base planning and development decisions;
- a failure to have genuine interaction with the reference group on key policy issues;
- the need for a process for dealing with urgent issues without setting inappropriate precedents; and
- the limited resources available to stakeholders to engage effectively with complex issues and generate informed perspectives.

and,

Noting that iconic and irreplaceable agricultural and natural areas are under immediate threat from mining and gas proposals, we call on Government to:

- 1 present a clear timeline for the reform process, including key milestones and opportunities for stakeholder input, consistent with the Strategic Regional Land Use Policy;
- 2 commit to meaningful engagement of the reference group, including timely, informed and substantive deliberation on high level policy goals and outcomes;
- 3 undertake genuine community consultation in each planning region, including public forums, to provide an opportunity for local communities to have meaningful input in the planning process;
- 4 declare a moratorium on the grant or renewal of exploration licences, mining leases and mining-related planning approvals until the strategic planning process is completed; and
- 5 commit to implementing the outcomes of the strategic planning process through legally binding instruments, including regulations and statutory planning instruments.

(letter to Minister for Planning, 9 September 2011)

These are fundamental requirements for not only effective public participation but also the ongoing credibility of government decisions. The basic requirements are good information across all values; assured protection of values where trade-offs are inappropriate and risky; and adequate resourcing for community interests to participate when arraigned against wealthy interests. They also lay the foundation for an enduring 'triple bottom line' approach for social benefit, rather than utilising a prism that says all mining is good for the society in general.

A key mechanism to achieve this will be to develop a traffic light approach to decision making about mining. Thus areas of high value, whether for environmental, water or agricultural reasons should

## 04 CAN STRATEGIC PLANS BE DEvised?

be accorded a red light; while other areas where such values are as yet undefined or the risk may be manageable (based on independently proven evidence) are orange lights. The tendency in the past has been to delineate all areas (even underneath national parks) as orange and accept a degree of risk based on conditions such as remediation and offsets. However a lesson from longwall mining proposals and their development decisions has been that such management techniques are often far from failsafe and lead to a serious loss of non-mining values. They are simply greenwashing.

A strategic process means fundamental no go areas are delineated because the risk is too great and assurances about protective management are unconvincing, rather than a case by case process under an orange light. This delivers certainty to all stakeholders and in fact is no different to the practice of zoning for every other land use.

Chris Eccles, Director-General of the NSW Department of Premier and Cabinet recently highlighted the loss of trust in government. He extolled the virtues of designing mechanisms that connect government and stakeholders; the public service being outward looking rather than insular and inward looking; and improving the quality of policy advice by increasing transparency and stakeholder partnering. Or as he put it more simply - government officials need to be imbued with the philosophy – ‘I’m from the government and I need and want your help.’

The current process of strategic planning has some distance to go before it can be trusted and effective.

### **DMR: 1994**

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**Total Environment Centre Inc**

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Suite 2, 89 Jones Street. Ultimo. 2007.

P 02 9211 5022 F 02 9211 5033

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