

**Submission  
No 372**

## **INQUIRY INTO COAL SEAM GAS**

**Name:** Mr Greg White  
**Organisation:** Wyong Shire Council  
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Mr Greg White  
D02767873  
F2004/11916

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The Director  
General Purpose Standing Committee No. 5 - Coal Seam Gas Inquiry.  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Madam

**Submission - Coal Seam Gas Inquiry.**

While the Coal Seam Gas (CSG) industry in NSW is small at present, it is understood that there has been a significant increase in CSG exploration which could result in a substantial increase in CSG production in the next 25 years. Much of the production is expected to be in the Hunter Valley and the Gunnedah Basin, but CSG production is likely in most coal mining areas and that includes the Wyong Shire. In any industry that experiences significant rapid development, for example the growth of irrigated cotton in the 1980s in NSW, significant environmental and social impact is usually experienced before the industry understands the unsustainable consequences of its rapid development and commits to proper and sustainable management and incorporates effective safeguards. I consider that the CSG industry is in a similar situation at present.

In Wyong Shire there have been CSG proposals and exploration wells in the Dooralong and Yarramalong Valleys in the past with Sydney Gas Ltd which raised significant community concerns at the time. It should be noted that Sydney Gas Ltd abandoned the wells around 2005 after significant community pressure and action by both the community and Council.

The major concerns raised at that time included in relation to the Terms of Reference:

1. CSG mining represents a significant threat to water resources in the area. The Dooralong and Yarramalong Valleys form the catchment area for Wyong and Gosford's water supply. Water is now pumped during periods of both low flow and high flow from the Wyong River to various reservoirs for eventual use as town water supply. At times of low flow the Wyong River is fed by shallow aquifers (which

provide the base flow) and whilst Sydney Gas indicated through their REFs that there would be no impacts to surface aquifers, the fact remains that there was no certainty to this statement as very limited specialist hydrogeologist information was supplied and it could not be substantiated by reference to other affected areas. Information relating to the connectivity between aquifers (deep and shallow) and the impact of the fracking process was not provided and no backup methodology was provided should one of the surface aquifers be breached. In such a situation where the water supply for 250 000 people is at possible risk, the precautionary principle should apply or significant groundwater and surface water monitoring should occur prior to and during exploration activities.

2. Similarly, significant concern was raised over the lack of a water balance in the groundwater systems with the removal of high volumes of water in the dewatering process and any impacts on surface aquifers. The fate of this water (dewatering), its treatment in relation to any contaminants from contact with the coal or any additives applied during the fracking process, and any discharge to the receiving environment was also of concern, including impacts on marine and terrestrial flora and fauna. Future trends of applying methanobacteria to the coal seam to increase production of methane will need to be investigated at length as to the possible risks should they be discharged to the environment.
3. Should there be discharge of contaminated waters from the site, then the risks to human and stock health are increased. Determining the fate of waters and contaminants and their likely effects can be very difficult, time consuming and expensive and would normally be undertaken within an EIS process with significant consultation and scrutiny of information. Currently, only projects over 5 PJ fall within a regulatory role of the NSW Office of Environment and Heritage (OEH) and many projects will escape such scrutiny. Similarly, CSG mining appears to be exempt from a number of environmental statutes including the Water Management Act 2000 and the Native Vegetation Act 2003 and Local Government and local communities are currently largely excluded from the planning process. It is difficult to explore the potential impacts and develop appropriate safeguards when the industry is exempt from legislative controls and does not involve the stakeholders in consultation.

4. Local experience also indicates the complete failure of remediation, even at the exploratory stage.
5. The original REFs for the Sydney Gas exploration wells also did not consider the cumulative impact of all production wells only the exploration wells. Consequently, consideration was not given to the potential impacts of the full production activity including construction impacts, operation impacts and social and economic impacts on local farmers or landholders. As indicated earlier, the impacts on the local community from the brief period of exploration bores was enough to incite the community to action and bring sufficient social and political pressure on Sydney Gas to abandon the sites. Landholders face the prospect of losing control of their land for primary production, property values would be degraded and options for re-sale lost. The social fabric of local communities can also be compromised.

In summary:

1. There is still much to understand about CSG mining and the potential impacts on the local environment and community. This can be achieved if Environmental Impact assessments are required as part of the approval process and appropriate monitoring is carried out.
2. The regulatory processes, including assessment, approval and compliance and the legislative control of the industry is inadequate and given 1 above, will lead to a number of disasters (if not already) or serious impacts on our environment and local community if allowed to proceed on the current basis. In effect, the current process will privatise the profits and socialise the costs, which is not sustainable.

Yours sincerely

Greg White

Manager Environment and Natural Resources

Wyong Shire Council