

**Submission
No 230**

INQUIRY INTO COAL SEAM GAS

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To Whom It May Concern.

I am a farmer from the central west of NSW and didn't expect to be affected by the boom in gas use.

However, the proposal for a gas pipeline to a proposed power station at Wellington has changed that. Pipelines are a substantial part of the development of coal seam gas reserves in NSW.

If my experience in dealing with the planning process and with the company planning to build the gas pipeline is any indication of the competence and understanding displayed by other companies involved in gas production and transmission during the planning process, then rural Australia will be seriously damaged.

I would welcome an opportunity to meet the committee and expand my comments, here I will concentrate on:

1. My interaction with the public service and their administration of the planning process and the pipeline act;
2. The EIS prepared by ERM Power;
3. Failure to Act Honourably or Manage Risks in Surveying for the Easement Agreements; and
4. Some observations of better practice in the US and Canada, and the consequent better community relations.

I will leave the issues of the risks to aquifers to those better informed on that issue than me. The risk imposed on aquifers is part of a wider issue. That is, the failure of governments and companies to provide iron clad guarantees of full restitution to local communities in perpetuity for damage resulting from the construction, operation and abandonment of infrastructure.

If such guarantees were fully funded from the commencement of the projects the investment in the science of these risks would be much more rigorous and the controls and rehabilitation processes would be a substantial component of the project from day one.

1. Regulators Performance

In the case of the Young to Wellington Gas Pipeline the EIS process barely paid any attention to the Agricultural Industries along the route.

The Director General of Planning's Requirements made a reference to requiring mapping of agricultural soils. There was no other reference to interaction with infrastructure except roads.

Issues such as interference with agriculture, the nature and future uses of land and even risks of the construction process were not addressed in the DG's requirements. The DG's requirements for more

recent projects have a slightly expanded reference to agriculture with references to evaluations of other possible corridors such as stock routes (see Narrabri to Wellington Gas Pipeline).

ERM Power did not even adhere to the DG's requirements for soil mapping in their EIS. This apparently carried no weight in the approval of the project.

When public submissions to the EIS highlighted conflict with agriculture, ERM were invited to comment. Substantially, their response was "we will consider this in the detailed design stage".

The Planning Department has a requirement to consider the "built environment" but have ignored this responsibility in respect to agriculture.

The administrators of the Pipelines Act similarly have no knowledge of the likely impact of the pipeline on agriculture either now or in the future. They are even further divorced from the impact of pipelines on agriculture than the Planning Department.

The administrators of the Pipeline Act are remarkably poorly informed about existing pipelines. When I raised the issue of the depth of recent pipelines compared to the original Moomba to Sydney pipeline and its branches in this area, I was contradicted in my claim that it was buried in a 2.4 metre trench. It transpired that the representative's only authority was an observation of some repair work in western NSW.

The people of NSW are poorly served by the administration of gas infrastructure in NSW.

2. The EIS from ERM Power re Young to Wellington Gas Pipeline.

The route was selected as a desk top exercise by ERM Power without more than a cursory search of the available literature about the route.

As mentioned above, even the DG's requirements were not met in respect of soil mapping. Because ERM Power failed to develop a knowledge of the soils or geology of the region, management units on farms and farm infrastructure, ERM Power is now facing many requests for re-routing of the pipeline.

ERM Power initially offered to talk with farmers and councils about rerouting options. This involved considerable unpaid effort by farmers, land holders, council staff and even the commissioning of geologists reports. Alternative routes were discussed at meetings of the affected communities and participants had assumed these routes were acceptable to ERM Power.

However, without any explanation or apology, the Easement Agreements were distributed in respect to the original route. When asked for an explanation ERM Power claimed that the resulting amendments to the approval would take too long to be processed and they would then have to renegotiate with the land holders' neighbours to realign the route. This ERM has refused to do. This is effectively an admission by ERM that the EIS was not properly prepared.

The issue of the suitability of the route was raised with ERM Power by landholders during ERM's preparation of the EIS. ERM claimed that that these issues would be dealt with later at the "detailed design" stage.

ERM even went to the extent of denigrating agriculture in their EIS by selectively quoting other documents.

The companies exploring for and developing gas reserves should be required to provide a series of funds and guarantees to provide for rectification and removal of infrastructure at its end of life.

Overseas, we have seen companies abandon pipelines and hand in the easements, leaving the subsequent problems with water flows, settlement and toxic residues from the collapsing pipes to the landowner. This problem should be addressed by the preparation of plans and the provision of funds to secure the facilities at the end of their use.

3. Failure to Act Honourably or Manage Risks in Surveying for the Easement Agreements

The Easement and Vesting Agreement is an attempt to encourage farmers to sign away the rights given them by the conditions of consent. The planning approval imposed conditions in the development consent including a requirement to discuss the depth of the pipeline and the use of a mediator should the land holder and ERM Power fail to come to an agreement.

There are no checks by the Planning Department that these conditions are being met. It is left to individual landholders to ascertain that conditions are being met and, if necessary, take legal action at their own expense.

The law needs to dictate that the Planning Department has an active role in ensuring that conditions of approval are met and in taking action if conditions are ignored.

Some landholders along the proposed route of the Young to Wellington gas pipeline have already had the experience of ERM's personnel entering their properties without permission. In one instance, the landholder had on two previous occasions taken ERM personnel around his farm to explain how noxious weeds could be transferred to his land by their actions.

ERM Power has demonstrated that they do not have the management expertise to control the risks occasioned by their staff and representatives entering farming properties.

4. Observations of good practice in the US and Canada and the resulting good community relations.

I have and stayed with farmers in the US and Canada who have gas wells or wind-farms on their properties, or on nearby properties.

They are positive about these industries but not because of the upfront cash payments.

- They show you with pride the all-weather, heavy duty roads on their farms designed and located to enable haul out bin use during harvest, provided and maintained by the wind farm company.
- There are jobs available to farmers and farm workers on turbine maintenance during the winter when little work is available on the farms.

- There is the local Drainage Board pipe that came in at 60% of the budget because of the co-operation with a company who designed a gas pipeline to be co-located with the drainage pipeline.
- Gas, electricity, water and optic fibre connection to the farm houses were provided free to the householder by the pipeline company with some government assistance.
- There is a \$30,000 annual payment for the 10 gas wells on the farm.

Australian gas companies have missed the opportunities to adopt the successful practices from overseas. They have a lot rebuilding of relations with farming communities in front of them.

Australian gas companies can start with a change from waving a large up front cheque in front of individual farmers. Significant annual payments spread the benefits to the whole community. Subsequent owners also benefits and so the goodwill from payments is ongoing.

Before choosing the site of any infrastructure companies should finance a whole farm plan. This will allow them to plan the location and access routes for the maximum benefit of the farm.

Rural people place much more value on the future of their rural communities than these companies realize.

In Conclusion

Acceptance by rural communities of infrastructure projects can be improved. The companies need to provide substantially more funding towards enhancing all industries in the regions where they operate.

Communities and landholders are much more forgiving of the inconveniences occasioned by infrastructure development when they see that their communities having a long term future with growth and prosperity.

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Canowindra