

Submission

No 501

INQUIRY INTO COAL SEAM GAS

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Thank you to the members of the General Purpose Standing Committee Number 5, for allowing me to participate in the democratic process and widening the depth of material received into the NSW Parliament by members of the wider public.

I wish to re-iterate some of what I contributed earlier in the previous governments NSW Coal and Gas Strategy process but also mention some of the community concerns on coal seam gas I have heard in recent meetings and casual conversation.

The community generally has a better knowledge of what coal seam methane is and what it can be used for, due in part to the advertisements that have been running on television as well as the information provided by NSW Farmers Association and energy companies including Santos and Eastern Star Gas operating in my area. I attended a meeting last night in Mullaley Hall with the Lock the Gate Alliance, a group formed in Broke with just 6 people, now encompassing, up to 100 community and industry groups. The Lock the Gate Alliance presented a number of the current challenges including accessing landholders property for the purposes of drilling, as well as the resultant web of wells, that results when an area moves into full production, as well as the fact it reduces the wealth considerably of the affected landholders and it spoils the community cohesiveness, due to the nature of energy companies negotiating with landholders and adding confidentiality clauses to the access agreements, so in effect neighbours are prevented from sharing their experience of coal seam gas extraction on their property with their neighbour.

All those points were well made at last nights community meeting in Mullaley. On the other hand I believe we are living in difficult economic times and diversification in our exporting base can only help move us from being in a depressed or semi-depressed state economically, into a more regionally-focused export-earner with fluctuations in the Aussie dollar factored-in. Agricultural exports have never been and never will be the sole export-earner and it is worth reading the balance of trade statistics from time to time to remember how important minerals and metallurgical coal and uranium and potentially Liquefied Natural Gas are to the country's economy. I mentioned last night that the balance of trade statistics had been released for the June quarter and it was a deficit of \$7.6 billion. Owing in part to our summer of natural disasters, with some of the production of coal coming back on-line.

The International Energy Agency predicts that Australia is set to become No.2 in the World, behind Qatar, in production of LNG, by the year 2016. 6 projects are currently committed including Gladstone LNG Facility, or under construction which will achieve an extra 60 billion cubic metres of new capacity.

In 2010 alone, trade in LNG increased by 21%, which represented 9% of the total global demand for LNG. Australia is considered a significant exporter on the world stage, along with Indonesia and Malaysia and Algeria.

The Fukushima Crisis in Japan showed us quite clearly what heavy investment in one form of electricity generation can do to an economy and the IEA have a couple of predictions about the possibilities if all nuclear reactors fail to regain production.

I believe coal seam methane can co-exist however there are still some complex legal hurdles that need to be overcome and explained to the general population, as well as some more safeguards placed on the industry.

I believe putting a price on carbon is not the correct public policy response for greenhouse gas emission mitigation alone.

The Lock the Gate Alliance would like to see a full Royal Commission into the impacts before they can agree with any further expansion of the industry into NSW for example.

The Environment Minister Tony Burke is on record describing the process of reverse-osmosis and re-injection and making it sound all very plausible and low-impact, however concerned landholders still have a number of worries about the resultant water and beneficial re-use principles as well as the operation of

evaporation ponds in the Bibblewindi (Pilliga State Forest). Some authorities are calling the future years the golden age of gas, however I cannot see the water issues being resolved easily without considerable scientific rigour and lots of political will, as well as more information from the Namoi Catchment Water Study as well as others being disseminated to the wider public.