

**Submission
No 904**

INQUIRY INTO COAL SEAM GAS

Name: Ms Katrina Hobhouse

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The Chairman

General Purpose Standing Committee No. 5

Legislative Council

Parliament of NSW

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Dear Chairman,

I live on the property Mount Gilead, which adjoins the Coal Seam Gas Compressing and Odourising Plant that operates at Rosalind Park, Menangle.

When Sydney Gas proposed locating this facility at Rosalind Park I vigorously objected and the matter culminated in a court case in the Land and Environment Court.

At the time I objected strongly to this heavy industry being located in a rurally zoned and environmentally sensitive area on the banks of the Menangle Creek. It was contrary to all local planning laws and the gas company's track record and reputation did not inspire confidence.

To give a brief history, Sydney Gas Operations Pty Limited applied to the Minister For Infrastructure and Planning under DA No. 282-6-2003-i for approval of The Camden Gas Project Stage 2. The Minister Assisting the Minister, Diane Beamer, approved this in February 2004, subject to conditions set out in Schedules 2 to 8 of the Development Consent. It stated on Page 1 of the Consent:

“The reason for these conditions is to:

- (i) Prevent and minimise any adverse environmental impacts associated with the development;.
- (ii) Set standards and performance measures for acceptable environmental performance;
- (iii) Provide for regular monitoring and reporting on the development; and
- (iv) Provide for the on-going environmental management of the development.”

The Camden Gas Project Stage 2 proposed Development included:

Construction and Drilling of 20 wells on the Elizabeth Macarthur Agricultural Institute Site(EMAI)

Operation and production of gas from existing (drilled) 23 wells & 20 wells to be constructed.

Construction and operation of the gas gathering system.

Construction and operation of the gas treatment plant, associated workshop and office facilities; and

Production up to 14.5petajoules per annum from the gas treatment plant.

Development Consent for the plant, wells and gas gathering lines was granted in June 2004 by the Land and Environment Court but with some changes. In affirming the Minister's approval, the court relied on the Environmental Assessment that this was going to be a 'state of the art' modern facility and that any past problems at other plants in the Camden area would not be repeated.

The Environmental Assessment assured that the noise and gas emissions from the plant would be kept within certain specified limits and there would be no adverse environmental affects to the surrounding area from the plant.

The well drilling would be undertaken in such a way that all ground water and water used in the drilling process would be caught in ponds and disposed of so it did not contaminate the land.

The actual fracking of coal seams was to be undertaken using sand and water only and we were told no chemicals were used in this process.

It is with great dismay that I have read and watched television reports that show there have been serious breaches of practices and breaches of the specified emissions limits under which this Development Consent was made.

Further, I think it is even more concerning that the Office of Environment and Heritage (OEH) has allowed some conditions to be changed so that AGL could meet those conditions. (see Attachment 2; *A Message from Mike Moraza*)

The initial compliance levels, set in 2004, reflect the EPA's concern for the environmentally sensitive rural location of the Rosalind Park plant and also that there were assurances from the gas company that those levels could be met with their 'new' plant.

To alter those levels because they are not being met destroys confidence in AGL's competence and integrity and also destroys landholder and community confidence in any approval processes.

Of course this is not the first time that AGL's integrity has been brought into question. The most recent issue that comes to mind is the case of AGL's Leaf s Gully-Gas Fired Power Station near Appin. This development borders our Mount Gilead property on the southern boundary. After enormous community concern about air quality and general disapproval, AGL withdrew their DA before the 2007 State election, reportedly saying that they now realised that it was an inappropriate location and that they would find somewhere else. Within a year of the election, AGL re-applied to have the power station put in exactly the same location in a smaller size but with the proviso that it could be increased in size if certain conditions were met. This Power station was approved by the Keneally Government as a 'peaking' power station. In other words, it could operate in times of peak electricity use only and not as a base load power station. The story was that as soon as this approval had been achieved, AGL sought to convert it to a base load station to make it economically feasible. I understand that the Keneally Government made it known that this was not acceptable and to this day the site is vacant.

What is most unsatisfactory is that a significant amount of our Mount Gilead property is in the shadow of a potential power station, sterilizing values and making decision making difficult.

Another instance relating to integrity and directly involving the Camden Gas Project is to do with the access road to the Rosalind Park plant. I mentioned above that the

Court granted Development Consent for the project in June 2004 but with some changes to what the Minister approved. Notably, the Court did not allow a pipe storage yard next to the plant. Also, there had been much argument in the courtroom in 2004 about an additional access road into the plant from the north, and when it became obvious that there was little sympathy in the Court for the second road, Sydney Gas withdrew their requirement for that additional road before the judge could make a decision upon it.

I was stunned when I was informed that AGL and Sydney Gas had reapplied to have the road built in April 2007. (See Attachment 3 *Road Moved*) It was not possible to prevent this without another court case and the road was approved. It cuts through some extremely steep and scenic hills above the Nepean Valley.

Other issues relating to Coal Seam Gas that need to be addressed:

Salty Water in Menangle Creek.

My family acquired Mount Gilead during the Second World War and to our knowledge there has been no salt problem.

In October 2006 I noticed that cattle were refusing to drink from the Menangle Creek, which forms the boundary between Mount Gilead and Rosalind Park. Water samples proved to be highly salty in various ponds on Menangle Creek and in creeks on Rosalind Park. At one point I saw water bubbling up through a crack in the rock of Menangle Creek bed. It was at a point near where the Moomba gas pipeline crosses Menangle creek and about 50 metres further up on the Rosalind Park side of Menangle Creek there was an operating gas well.

I contacted AGL about the salination in Menangle Creek but they denied any responsibility for causing it and suggested it must have been caused by “the prolonged drought”. From memory the matter was reported to the Department of Primary Industry and they took water samples which confirmed that the Menangle Creek and other creeks on Rosalind Park had a salt problem but I was unable to get anywhere with it and the matter was dropped.

One of the problems is that there was never a baseline study done before gas drilling commenced and when there is a problem, everyone ducks for cover. To my knowledge there has been no follow up to determine if csg mining is responsible and the salt water continues to ooze down Menangle Creek to the Nepean River.

Preserving Heritage areas from the affliction of gas wells is another extremely important area that needs to be dealt with. Since I have had anything to do with AGL, they have promoted these wells on the basis that ‘after 20 years they are removed’ as though that is the end of the matter. What is now being found is that there are other long-term affects and not least the possibility that the land is permantly damaged by salination and chemicals used in fraccing.

I was horrified that even historic land such as the Elizabeth Macarthur Agricultural Institute at Menangle, which was part of our old family property, Camden Park, was not immune from having wells. I understand that the EMAI did not want the wells but being a government run organisation was unable to reject them. One thing that should happen is that government bodies should be able to make public submissions free of the pressure to conform to political masters.

Monitoring and reporting on the development is another area that needs significant adjustments. In the court decision over the Rosalind gas plant the judge ruled that there needed to be noise monitoring to ensure that noise levels at Mount Gilead homestead were within designated limits. The monitoring was to be conducted by independent assessors, which was good, but they were being paid for by AGL. When I questioned the 'independence' of such an arrangement I was informed that this was standard practice.

Over the last few years of monitoring, the practice has been that AGL informs me when the assessor is coming to Mount Gilead to do a reading. I have noticed that when readings are being taken the noise from the generators/compressors seems to be noticeably less and have commented upon this to various assessors who have arrived, but to no avail.

The monitoring and recording process needs to be funded independently of AGL or any gas producer to be meaningful. It would also do much to enhance gas producers' credibility

Landholder Rights need to be revisited and clarified in light of the aggressive stance being taken by some csg operators. At the moment the possibility that wells will be put on property keeps the landholder in limbo and this is unacceptable. Landholders need to be able to say 'no' if csg extraction sterilises the land for other purposes, causes long term damage or significantly risks the health of people or animals. There is an urgent need to find out exactly how harmful csg extraction is and the matter is not made any easier by csg operators not being forthcoming about, for example, the chemicals used in drilling and fraccing.

I note that the National Water Commission has warned that many of the impacts may not be known for a long time and at the moment it appears that there may be significant long-term effects that are not even known at this stage.

The information coming out of areas of the United States where shale and csg have been mined for much longer than in Australia, is not encouraging. We do not want the sort of problems in Australia that appear to have been created in the United States.

In conclusion, more needs to be known about all aspects of csg extraction before this industry is allowed to expand.

Yours sincerely

Katrina Hobhouse