

Submission
No 795

INQUIRY INTO COAL SEAM GAS

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Submission to the New South Wales Government Enquiry into Coal Seam Gas Mining

7 September 2011

This submission urges caution in relation to coal seam gas (CSG) mining in the Illawarra. There are several major reasons for caution, particularly in relation to CSG mining activities that involve hydraulic fracturing (or 'fracking').

First, CSG mining, particularly where fracking is involved, may result in contamination of water supplies such as aquifers. Contamination may result from both the chemical used in fracking, and from contaminants released by the fracking process. This type of contamination would be difficult to manage or control. Many of the chemicals involved have not yet been assessed by Australian or NSW chemical regulators for safety.

Second, power produced from CSG, particularly but not only where fracking is involved, may not produce fewer greenhouse gases than does coal. At present there is not enough research available on this subject to reach a definitive conclusion. However, one study in the use on shale gas mining suggests that the greenhouse gases released by this process could be far greater than conventional gas, because of the amount of methane released during the extraction process. We are not aware of similar studies for CSG, but there is evidence that CSG extraction does release methane, a potent greenhouse gas, into the atmosphere. If CSG does not reduce greenhouse gas emissions much, or at all, relative to coal, then there is no reason for urgency in the exploration or exploitation of CSG resources in NSW.

Third, fracking of CSG requires huge amounts of water. Water is a very scarce resource in Australia, and extreme caution should be applied before making a decision to use large amounts of it to extract CSG.

Fourth, there is currently no appropriate legislative framework for CSG in New South Wales. Existing legislation for coal and petroleum extraction do not reflect the particularities of CSG extraction, which involves an extensive network of above-ground extraction points and pipes. This material can amount to a huge imposition on affected landholders, and can reduce the productive and resale value of their properties. This is particularly unfortunate in relation to land used for farming, given that one of the likely impacts would be an increase in food imports to Australia with an associated increase in greenhouse gas release associated with transport.

These reasons for caution also lead to this submission's call for a number of specific actions in relation to CSG, as follows:

1. There should be a full moratorium on all forms of CSG drilling until the environmental, social and health impacts have been rigorously and independently assessed. The findings of such independent assessments should be decisive in regulating CSG extraction.
2. CSG exploration and mining must be made subject to all relevant environmental legislation, including the native vegetation and water management laws. There is no good reason to permit exemptions.

3. The community must be given full legal rights to challenge and enforce environmental laws under which CSG companies now operate or may operate in future.
4. The provision of a right in the Petroleum (Onshore) Act, or any superseding act applicable to CSG exploration and extraction, to allow landholders to refuse consent for CSG exploration or production on their land.
5. A prohibition on coal seam gas exploration and mining in important bushland, valuable farmland, groundwater aquifers, residential areas and public lands. In relation to the Illawarra, this should include at a minimum the Sydney Catchment Authority Special Areas and the adjoining and nearby State and National reserves and green corridor areas, which should be declared CSG exploration and mining exclusion zones. This is essential to protect the native environment, human health and precious water resources.
6. A requirement that all chemicals used in CSG drilling or fracking must be assessed by the chemical regulator for use for that purpose before being approved for use.