

**Submission  
No 453**

## **INQUIRY INTO COAL SEAM GAS**

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The Director  
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**RE: Inquiry into Coal Seam Gas**

General Electric (GE) welcomes the opportunity to comment on the Legislative Council General Purpose Standing Committee No. 5 Inquiry into the Coal Seam Gas.

GE employs more than 6000 staff in Australia across its finance, energy, transport and healthcare businesses. Since 1902, when GE provided electric motors for gates on the Pyrmont Bridge in Sydney, GE has worked with local partners, customers and governments to provide technologies and expertise for a range of industries and major projects in New South Wales.

GE has been an active partner with companies in the production of coal and coal seam gas, the sustainable supply of water and energy to underpin this production, the management of associated water and the development of local skills for the industry's continued growth.

The world has relied on natural gas as one of the primary sources of energy for many decades. As supplies of gas from traditional (or conventional) reserves have come under increasing pressure and efforts around the globe to de-carbonise economies in the face of climate change concerns led to an increasing interest in renewable energy, it has become increasingly apparent that some form of fuel connectivity is required.

Recent technological advances and geological discoveries have led to a huge increase in new methane fuel sources, collectively known as unconventional gas. Because unconventional gas is trapped in shale and coal formations, traditional exploration and production techniques do not release the hydrocarbons. The combination of potentially vast new quantities and increased use of gas resources have focused industry, public and government attention once again on this fossil fuel.

GE notes the Terms of Reference for the Inquiry focus on “the environmental, economic and social impacts of CSG activities, including exploration and commercial extraction activities, allowable under the NSW *Petroleum (Onshore) Act 1991*”.

### **GE position on unconventional gas production**

GE supports the safe and environmentally responsible development of unconventional gas resources, including coal seam gas in Australia.

More specifically, GE supports ongoing industry programs to develop and use best practices to mitigate environmental concerns. These best practices should include:

- the elimination of routine surface disposal of produced water;
- the reduction of freshwater consumption by economic recycling of produced water for beneficial use; and
- the implementation of controls to reduce methane emissions during completions and well-lifting.

GE also supports the deployment of best available technology to further reduce environmental impacts. Use of advanced technologies can:

- reduce the size of the drilling footprint;
- reduce fugitive methane emissions;
- reduce greenhouse gas emissions from drilling sites; and

improve the sustainable treatment of CSG produced water and management of associated brine

In addition, GE supports increased transparency by the broader unconventional gas industry to improve understanding of the impacts of unconventional gas production and its contribution to the energy mix.

Finally, GE believes that a collaborative effort by government, industry, non-governmental organizations (NGOs), universities and the private research community to develop and deploy additional technologies will help to strike the proper balance between our environmental concerns and energy imperatives.

### **NSW Coal and Gas Strategy**

GE acknowledges the projected growth in coal production and the future development of the coal seam gas industry in NSW, and commends the NSW Government on the development of whole-of-government strategies to inform and guide the sustainable development of these industries.

Significantly, GE notes CSG-LNG projects undertake comprehensive environmental impact statement (EIS) processes under State legislations and the where applicable the Australian Government's *Environmental Protection and Biodiversity Conservation Act 1999*.

GE welcomed the opportunity to work with the NSW Government on the development and delivery of the NSW Coal and Gas Strategy.

## **GE recommendations for NSW Coal and Gas Strategy**

In May this year, GE made a series of recommendations to the NSW Government regarding the further development and implementation of the Strategy. These recommendations included:

- broadening membership of Ministerial Subcommittee of Cabinet from the original membership from the Ministers for Planning (chair), Primary Industries, Health, Climate Change and the Environment, the Treasurer to include Deputy Premier, Minister for Trade and Investment, Minister for Regional Infrastructure and Services; the Minister for Planning and Infrastructure, Minister Assisting the Premier on Infrastructure NSW; the Minister for Resources and Energy, Special Minister for State; and the Treasurer; the Minister for Primary Industries, Minister for Small Business; the Minister for Local Government; the Minister for Environment and Minister for Heritage;
- preparing a separate CSG Strategy in recognition that the exploration, production, natural resource use, investment, employment and marketing profiles of CSG and coal commodities vary significantly, and the Strategy and underpinning regulation needs to accommodate these differences and avoid a “one size fits all” approach. The Queensland Government developed a separate LNG Strategy and it has updated the Blueprint; and
- establishing a Departmental “One-Stop Shop” to oversee the implementation of the Strategy, co-ordination of policy development and act as a “one-stop shop” for industry, project proponents, stakeholders and communities.

## **Incorporating related issues in the ToR for Subcommittee and Strategy aims**

According to the Subcommittee’s terms of reference, the Strategy will:

- “Facilitate sustainable development of the coal mining industry and associated activities (including coal seam methane) in identified mining regions alongside continued development of existing industries including agriculture;
- Minimise any adverse health, environmental, food production and land use impacts, including cumulative impacts associated with the development of the industry;
- Ensure the industry is regulated efficiently and effectively; and
- Strengthen communication between Government, industry, and the community on mining related matters”.

The Scoping Paper acknowledges these issues, but the Subcommittee should ensure the Strategy incorporates:

- water supply and management of associated water and brine
- land-use management
- workforce planning and skills development
- associated infrastructure planning

### **Industry and community consultation**

The provision for wide-ranging industry and community consultation will allow for ongoing dialogue between proponents, industry participants, communities and stakeholders.

It is critical the Government maintains contact with interested groups and residents about the industry’s development, new initiatives and regulation, as well as opportunities for further input and consultation.

The establishment of formal and standing industry and community consultative groups should be considered to maintain dialogue on the industry’s development and adherence to the Strategy, and the need for further review or refinement.

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