

**Submission
No 655**

INQUIRY INTO COAL SEAM GAS

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Submission to the Legislative Council Inquiry into Coal Seam Gas

To whom it may concern

I am writing to this enquiry to express my graves concerns, concerns which have been expressed to me by a large number of my constituents and other citizens from across NSW, about the growth of the coal seam gas industry.

You will be well aware of the various concerns surrounding CSG extraction, but to reiterate, the main concerns revolve around:

- *draining and contamination of aquifers
- *health impacts of chemicals utilised and mobilised in extraction
- *degradation of agricultural land
- *surface infrastructure compromising the utility and amenity of suburbs

Given these issues, many feel that this industry should be much more strictly regulated and that landowners and Councils should have a much greater say over whether extraction projects can occur on their land. However, before these issues are resolved, there should be a moratorium placed on CSG extraction to allow time for necessary research to take place to determine whether CSG extraction should take place in NSW at all.

Clarification of uncertainties

A moratorium on extraction (including from areas covered by current exploration licences) is needed because of many uncertainties surrounding CSG extraction. While there are a wide range of uncertainties in terms of environmental and health effects, that are very much in need of investigation, I wish to focus on the issue of greenhouse gas emissions, as this strikes at the heart of one of the CSG industry's main reasons for being.

Proponents of CSG claim that it is a cleaner fuel than coal and is thus preferable as an energy source. While natural gas does have the potential to be more efficient than coal as a fuel for power generation, fugitive emissions of methane may negate the greenhouse benefits entirely. While there has been little in the way of research into fugitive emissions from CSG extraction, research into the similar process of shale gas extraction has shown that fugitive emissions make this process comparable to coal in terms of CO₂ equivalence (see <http://graphics8.nytimes.com/images/blogs/greeninc/Howarth2011.pdf>).

A moratorium should therefore be placed on any new CSG production projects until appropriate research into these emissions can be carried out. Should the research find that CSG does not perform significantly better than coal in terms of greenhouse gas emissions then the industry should be shut down entirely – we may as well stick with coal as an energy source until it can be replaced with renewables.

Without a significant greenhouse gas benefit the other environmental risks of CSG, such as aquifer drainage and contamination, cannot be justified.

Extraction approvals

If CSG extraction is to occur in NSW, either in spite of calls for a moratorium or following positive findings of comprehensive research, it needs to be regulated far more stringently than it has been in the past.

The practice of the previous NSW government of having Industry and Investment NSW (now Industry, Business and Trade – IBT) assess approvals for CSG projects without the input of the environment department (under its various incarnations) must be changed and an independent assessment of environmental risks needs to be carried out for each project by appropriate experts from the Office of Environment and Heritage (OEH). IBT is charged with supporting industry in NSW and is therefore inherently conflicted when it comes to assessing resource extraction proposals and its staff likely lack the relevant expertise.

Transparency and consultation

In carrying out an assessment of the environmental risk of a CSG project OEH staff need full and open access to all relevant information held by the proponent and this information needs to be made public. Previous cases of CSG proponents regarding the list of chemicals used in their operations as trade secrets are entirely unacceptable.

Further on the matter of availability of information, Councils and nearby land owners need to be informed as soon as an application for CSG exploration is received. The lack of transparency currently involved in the process means there is less public scrutiny over potentially hazardous gas drilling operations than there is over benign projects like an individual adding an extension to their house.

This lack of information has resulted in unacceptable situations such as Landcom offered residential land in south western Sydney for sale without informing potential buyers that the area is also subject to CSG exploration. Current weak regulations mean that properties to be built in the area could be as little as 20m from a future CSG well, yet currently potential buyers are completely in the dark about this.

Unsuitable locations

The public outcry over proposed CSG extraction in St Peters epitomises many of the issues discussed above. The use of a wide range of dangerous, and in some cases unidentified, chemicals along with processes with the potential to cause land subsidence in a densely populated urban environment is completely unacceptable to a large proportion of the population.

While highly urbanised areas are patently unsuitable places for CSG extraction operations, many less urbanised areas are no better. The recent attention surrounding the ejection of an unidentified foamy substance from a CSG well in Camden caused understandable alarm with the public when it became known how close such operations were to water supply infrastructure and to residential properties.

Even locating CSG wells in completely rural environments, such as the Liverpool Plains, does not adequately resolve many of the issues involved as agriculture is

highly dependent on healthy aquifers. The risks that CSG exposes our water supplies to, as well as the above ground footprint of pipelines and other surface infrastructure, also makes many rural areas unsuitable for CSG operations.

Given the problems with CSG operations taking place in such a wide range of pre-existing land uses it seems as though the area of NSW across which exploration licences exist seems far too great. Consideration should be given to creating legislation to revoke a large proportion of these licences and seriously curtailing the granting of further CSG exploration licences.

Thank you for giving your consideration to this important matter.

Regards

Councillor Irene Doutney
City of Sydney Council