

**Submission
No 283**

INQUIRY INTO COAL SEAM GAS

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We represent 450 water user members- dairy farmers, beef producers, canegrowers, small crop growers, hay producers, orchardists, tea tree growers and others who use surface and ground water for stock, domestic, industrial and irrigation purposes. These industries have proven long term sustainability since European settlement.

Our submission arises from a concern to keep these industries viable- socially, environmentally and economically.

RWCWUA believes that a strong aquifer interference policy must be developed, extended to all water sources, be of regulatory strength (not simply policy) and rigorously implemented and enforced.

We need a strong Government Department to implement checks and balances and inform the public.

1. Coal Seam Gas water extraction should be licensed under the Water Sharing Plan.

Examples of issues to be addressed under the licence could include;

- a. Fracking or other chemical injection into the aquifer or incidental extraction of chemicals naturally present with the gas and water.
- b. Production of toxic chemical should result in shut down until containment and control can be proven to regulatory authorities.

- c. Interference or contamination of other aquifers by way of quality or quantity.

2. Coal Seam Gas industry waste water management plan should be compulsory and tied to granting of extraction licence.

Examples of issues to be addressed;

- a. Evaporation ponds may not be efficient. In high humidity and high rainfall areas such as ours there may be insufficient evaporation and overtopping of ponds through extreme weather events resulting in chemical and/or saline contamination of adjacent land and waterways.
- b. Currently water extracted incidentally is not allowed to be sold for irrigation or other uses as it is not extracted under the water licence system. This needs to be addressed and could be achieved if included in the Water Sharing Plan and licensed.
- c. Chemical recovery from extracted water may be possible and such chemicals may have commercial value.

3. There needs to be monitoring so that there is no negative impact on a third party by Coal Seam Gas extraction.

Examples of issues to be addressed;

- a. Monitoring of al. bores both private and government to gauge any changes to water flow and quality (benchmarking). Gas bores may pass through those higher water bodies before reaching the level at which gas is found and the concern is that there may be leakage from one level to another.
- b. Random/spot checks of bores and ponds.

- c. Monitoring should be undertaken by an independent body e.g. Government agency.
- d. Full cost recovery principle from the Coal Seam Gas Company is envisaged.

4. Substantial Security Bond should be provided by the Coal Seam Gas Company on granting of a licence to mine to cover potential litigation or damages arising from extraction.

Examples of issues to be addressed;

- a. Breaches of any licensing conditions result in forfeit.
- b. A fund similar to a builders insurance fund- these funds need to be held for quite a period in case there should be a major negative impact on a third party discovered in the future.
- c. Companies need to show a track record e.g. poor track record higher bond – good track record lower bond.

5. Adequate compensation to landholders.

- a. A mechanism needs to be in place to assist landholders to negotiate suitable compensation for loss of: value, quiet enjoyment of own property, visual aesthetics, agricultural capacity and changes to management practices.
- b. There needs to be access to a low cost arbitration system if agreement can not be reached.

We would have great pleasure in addressing your committee and could give more detail about specific issues.