

Submission
No 14

**INQUIRY INTO PETROLEUM (ONSHORE) AMENDMENT
(CANCELLATION OF ZOMBIE PETROLEUM
EXPLORATION LICENCES) BILL 2021**

Organisation: Country Women's Association of NSW

Date Received: 15 June 2021



Country Women's Association of NSW

*Incorporated in 1931 by an Act of NSW Parliament
Constituent Society of the Associated Country Women of the World*

ABN 82 318 909 926

15 June 2021

SUBMISSION

Legislative Council Portfolio Committee No.4 - Industry

RE: Inquiry into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021

We write in relation to the abovementioned inquiry, and specifically in relation to the issue of expired or "zombie" petroleum exploration licences ("PELs") in NSW.

The CWA of NSW is NSW's largest rural issues advocacy group. With well over 8000 members and close to 400 branches across NSW, there is no other member-based organisation that has the breadth and depth of membership on matters affecting country people. Our policy positions and prioritised advocacy areas are determined by our grassroots members, via a robust democratic process.

CWA policy on the issue of coal-seam and unconventional gas extraction is clear and unequivocal. After years of calling for moratoriums, increased regulation and better information, our members have now clearly told us that enough is enough. The CWA of NSW supports a complete ban on unconventional gas exploration, extraction and production. As such we support completely the provisions of the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021 with no amendments.

There are 12 PELS that have expired, in the North West of the state. Whilst ever these titles remain in place, there remains uncertainty within the communities that are covered by them. Investment decisions are delayed, and concern and worry for the future of a community lingers. This has grave impacts on our regional communities that have faced successively unprecedented drought, floods, and more recently the mouse plague.

It is our understanding that all of the expired PELs fail to meet the Minimum Standards and Merit Assessment Procedure (Incorporating the Use It or Lose It Policy) for the Petroleum (Onshore) Act 1991 [implemented in the NSW Gas Plan](#). We acknowledge and understand most of these PELs were handed out without detailed forethought as to the implications by a previous government. However, now is the time to rectify this wrong.

Now that the Narrabri Gas Project has been given conditional approval, the NSW Government proposes to expand gas exploration in NSW including the issue of new exploration licences in Far West NSW following a Preliminary Resource Issues Assessment. The CWA of NSW objected to the lack of consultation and poor advertising of this initiative and subsequently the Government announced an extension of time for public input.

From February 2017 when the Narrabri Gas Project environmental impact assessment was submitted to the Department of Planning Industry and Environment, the proponent Santos denied having expansion plans for coal seam gas mining elsewhere in the State. Santos told our members who attended a bus tour of Leewood and Bibblewindi facilities in October 2019 that the company's intention was a "boutique gas field".

However, this was a blatant mistruth to deflect calls for cumulative assessment of the entirety of Santos' plans for gas extraction and the entire associated infrastructure that would accompany expansion throughout NSW in multiple Local Government Areas.

The lack of cumulative assessment is a fundamental failing of the planning process where gas mining is concerned.

In any other industry, under any other regulatory framework, these expired PEL's would have been extinguished a long time ago. Instead, we are responding to a parliamentary inquiry on the issue when this very short, simple and straightforward Bill could have been being simply debated and passed.

The relevant legislation has clear requirements outlined for any decision maker to take into account when considering the approval or renewal of any PEL. When reviewing all the PELs across the north west area, the owners have not demonstrated the most basic requirements and activities needed to retain a PEL. The joint ventures in which Santos is a party are speculative players and the NSW Government has, over time, refused to deal with this issue.

We note with interest the NSW Government's recently released (November 2020) document outlining the Strategic Opportunities for Gas in Regional NSW. We also note that at the time of the release of this document, the NSW Government stated it was "*scoping investment opportunities to support the market over the long term. This includes releasing a comprehensive strategy and action plan to support the domestic gas market in mid-2021.*"

It is now mid-2021 and there is no comprehensive strategy and action plan to support the domestic gas market in mid-2021.

It would be a huge oversight to release this strategy without addressing the issue of expired PELs across NSW.

Our reasons for seeking the cancellation of the expired PELs reflect many of the concerns which have been expressed by the CWA of NSW collectively and by individual Branches which are most affected, and the Namoi Group which takes in the Liverpool Plains. Accordingly, we are obliged to once again set out the objections that our members have towards expansion of the gas industry in NSW. These include:

- Public health concerns and a growing body of epidemiological peer reviewed literature is not being considered, and the "framework" undertaken by GISERA assumes that Stage 1 (Narrabri Gas project) is a kind of test for Stage 2 of gas expansion in NSW rendering the people of Narrabri as guinea pigs;
- Groundwater impacts have not been adequately understood, including particulars about known geological faults (Bohena fault) and the potential for other faults that could lead to leakage of drilling fluids, methane or naturally occurring radioactive materials into groundwater;
- Project justification has not been made out to our satisfaction and is currently the subject of a judicial review in the NSW Land and Environment Court;
- Social impacts have been understated, and based on lived experience of many of our members evidence by the gas industry to the NSW IPC did not reflect the reality of what occurred in Queensland, such as the depopulation of some towns like Tara which was one of the first areas to be targeted by the coal seam gas industry.

Our concerns grow as we see that the NSW Government is intent on proceeding with wholesale expansion of gas exploration and mining without a satisfactory regulatory scheme in place, and no "comprehensive strategy".

Undertakings were made by former governments that the coal seam gas industry would not proceed in NSW until such time as the Chief Scientist's recommendations were satisfied. This did not eventuate. Several Chief Scientist recommendations remain unfulfilled, one of the most problematic concerning insurance. In place of insurance, the Government is seeking to rely on a scheme of compensable losses, which creates an intolerable burden on regional families who might experience losses as a result of gas mining.

It is worth noting that the CWA of NSW is a member of both the Narrabri Gas Project Community Consultative Committee and the GISERA NSW Research Priorities Committee, and

to date we are not aware of Santos or the NSW Department of Resources and Energy addressing some of the pressing issues, including widespread and persistent concerns about deviated drilling. Consideration should be given to the question of whether deviated drilling could constitute a trespass or at the very least is contrary to the Gas Industry's Principles of Land Access Memorandum of Understanding 2014.

So far, the regulatory scheme for the Narrabri Gas Project has yet to be tested but despite being widely described as "strict" conditions it appears that most of the most important performance criteria are contained in Management Plans which can be changed without public exhibition or an environmental impact assessment at the discretion of the "satisfaction of the Planning Secretary".

Our organisation has had the benefit of consulting with the Gas Branch of the Department of Resources and Energy about the proposed Gas Strategy for NSW and we wish to make some further observations.

1. The Gas Branch does not appear to be giving due regard for the complexities of regulating the unconventional gas industry, some of which listed above; the Government appears to be looking to set up a body like the Queensland Gas Fields Commission;
2. The Government will reply on 2013 recommendations from the NSW Independent Pricing and Regulatory Tribunal;
3. Forcing landowners into a compensation scheme with the gas industry has proven consistently to be in the interests of the gas industry.

We request that the issue of expired and unused PELs be addressed at the earliest opportunity, and extinguishment of those inactive PELs occurs once and for all. Given that there is an inescapable movement away from the fossil fuel economy, to endanger NSW regional communities by permitting expired gas PELs to persist with the aim of enlivening them is bad policy not in the interests of the food and fibre growing regions of the State, including farmers and townfolk.

Yours sincerely,

Danica Leys
Chief Executive Officer