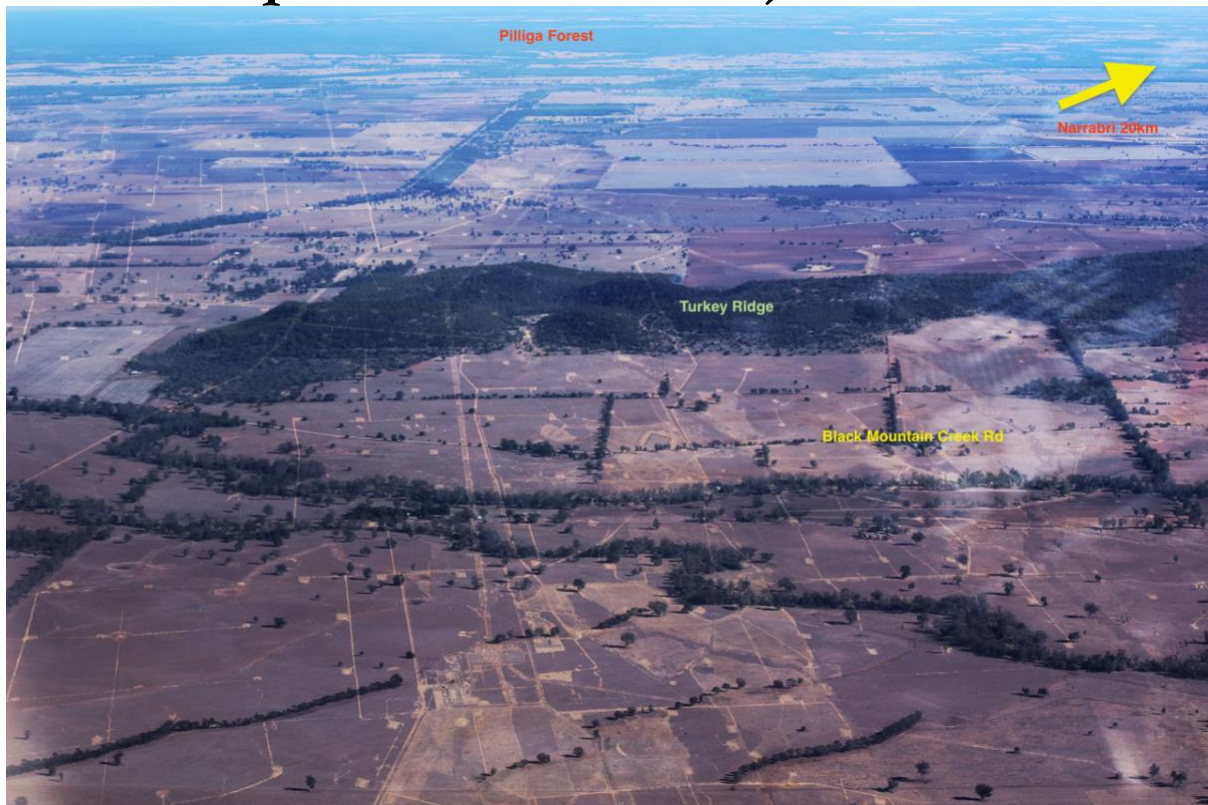


**INQUIRY INTO PETROLEUM (ONSHORE) AMENDMENT
(CANCELLATION OF ZOMBIE PETROLEUM
EXPLORATION LICENCES) BILL 2021**

Organisation: Maules Creek Branch of the Country Women's Association of
NSW

Date Received: 15 June 2021

Submission to the NSW Legislative Council Inquiry into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021



Artist impression of Maules Creek with PEL 1 gas wells. If built, this gas field would have to be connected via pipelines to Santos's processing centre. The Hunter to Wallumbilla (Qld) gas pipeline (developer Hunter Gas already has planning approval) has indicated its intention to go ahead, the community has learned that the said pipeline route runs up the Kamilaroi Highway which runs S-N along the border of the Pilliga East Forest (see top of pic), and could be connected via the Travelling Stock Route via Hunter Gas's 50mm pipeline.

14th June 2021

KEY ISSUES

- “Staged” rollout of unconventional gas, including coal seam gas and more recently tight sands gas in the Far West of NSW reflects a “salami slicing” strategy to avoid the full cumulative impacts of this industry being assessed.
- The Narrabri Gas Project was assessed in isolation from the full extent of gas mining expansion intended by Santos and its joint venture partners, and the NSW Independent Planning Commission refused to consider evidence that actually Narrabri Gas Project is a mere “foot in the door” to encourage investment and make the Hunter Gas pipeline appear viable.
- Cumulative impacts of these projects not being assessed
- Passing this legislation will ensure that our region is supporting and positively contributing to improving the global climate as well as community and environmental cohesion. Any gas expansion from reactivating these PELs will exacerbate global warming of which there is no safe level. Every fraction of a degree matters. Global warming is already severely damaging Australia and exacerbating drought and water scarcity in our region and across an already stressed Murray Darling Basin.
- Water is essential to life, whereas the gasfields are the wants of corporations. Renewable make gas a risk not worth taking.
- The precautionary principle and intergenerational equity principle alone should be applied through this decision to protect water and communities from the risks posed by the gasfields.
- The long-term vision for communities is for an environmentally sustainable landscape and water region. Protecting our complex natural systems make these project outliers to these long-term goals.

1. Introduction: Maules Creek community threatened by Petroleum Exploration Licence PEL 1

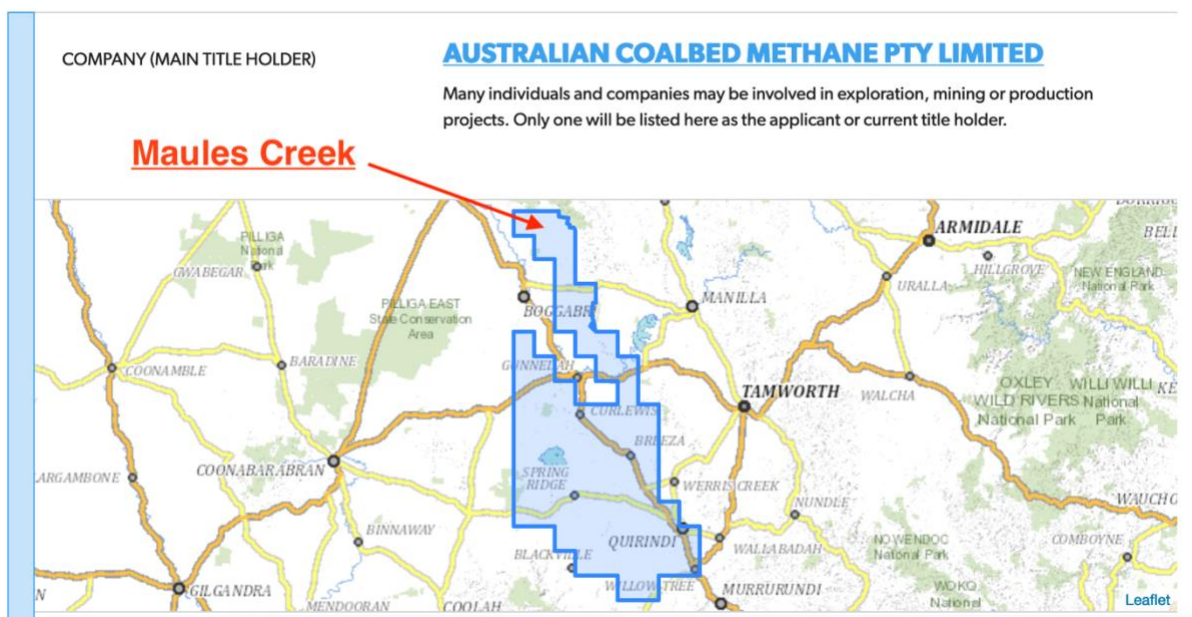
The Maules Creek Branch of the CWA of NSW wishes to make its own unique submission to the Inquiry into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021. We urge the Legislative Council to support the Bill which would cancel expired Petroleum Exploration Licences, dubbed the “zombie licences”. Maules Creek is geographically located within one of the expired licences, PEL 1.

Maules Creek is a beautiful valley at the north eastern corner of the Liverpool Plains, through which flows the Namoi River. Not only is the Namoi River an important tributary of the Murray Darling River system, but it also provides sustaining water for downstream communities which rely on river water for critical human water needs.

Maules Creek also has a fragile and complex groundwater system which has already been severely impacted by coal mining, particularly at the Maules Creek megamine and the nearby Narrabri Underground coal mine at Turrawan has also resulted in severe groundwater depletion to bores.

Santos Ltd has a joint venture partnership with a company called Australian Coal Bed Methane Pty Ltd, and together they have an expired Petroleum Exploration Licence PEL 1 which poses a real risk to the survival of agriculture in our region and is also a threat to the liveability of Maules Creek. Already suffering from population loss and the influx of Drive In Drive Out Workers, we envisage that if the unconventional gas i.e. coal seam gas industry proceeds, irreparable harm is certain to result, just as it has overwhelmingly in Queensland’s Darling Downs.

TITLE OVERVIEW: PEL 1



Owing to our geographical vulnerability to fossil fuel expansion in NSW, the Maules Creek Branch has direct experience of the regulation of coal and gas mining, We take this opportunity to raise our experiences with the Honourable Members of the Legislative Council.

As Maules Creek is in the Shire of Narrabri, and the town of Narrabri is the main shopping and service town for many, we have always been concerned Narrabri Gas Project is a direct threat via social impacts likely to occur in the district, including property price rises and rental hikes, influx of transient work crews, social problems arising from male dominated workers away from their families, increases in heavy traffic resulting in more serious traffic accidents, and many other impacts. However, the town of Narrabri itself does not have a PEL over it. We do.

We also have experience of groundwater depletion and pollution impacts which have been dealt with ineffectively, even raising questions of misfeasance in office on the part of NSW department of Planning Industry and Environment, Resource Assessments Branch. It is this same department that is given the role of lead regulator which will assess all management plans. We urge the Honourable Members to take a few moments to read this Editorial from The Northern Daily Leader concerning the conduct of Resource Assessments which we hope will enlighten them as to the reasons why we have no confidence that the so-called “strict” conditions imposed by the NSW Independent Planning Commission will be effective in protecting our communities from the anticipated harms that will follow from the spread of gas wells in north west NSW.

Our say: Whitehaven Coal pipeline backflip reeks of 'easier to seek forgiveness than permission': <https://www.northerndailyleader.com.au/story/6547204/mine-pipeline-backflip-reeks-of-easier-to-see-for-giveness-than-permission/> (attached)

What this means is that planning conditions are meaningless and the DPIE will stand in the way of proper scrutiny. During this outrage discussed in the NDL, the DPIE insisted to the public and the media that Whitehaven’s construction of a water pipeline many kilometres from its mine was lawful, in the face of strong legal advice to the contrary. Once the pipeline was constructed, the DPIE admitted that it had not sought a legal opinion to support its preposterous support for the mining company and was relying solely on the word of the mining company itself!

The above story is more about the behaviour of the DPIE Resource Assessments than it is about the proponent company. The regulator has demonstrated repeatedly during the past 8 years of close contact with our community that it is almost impossible to get DPIE to enforce any planning conditions.

As we will discuss below, management plans are the mechanisms by which coal and gas mines are regulated. This is where the detail is. The “strict” conditions are not strict at all, because they can be changed without public exhibition, with no environmental impact statement, and rely only on the “satisfaction of the Secretary”, a subjective standard of performance that can only be challenged by court challenge which is obviously a bar to remedy due to the prohibitive cost of taking the gas company and NSW Government to court, and the information asymmetry that exists.

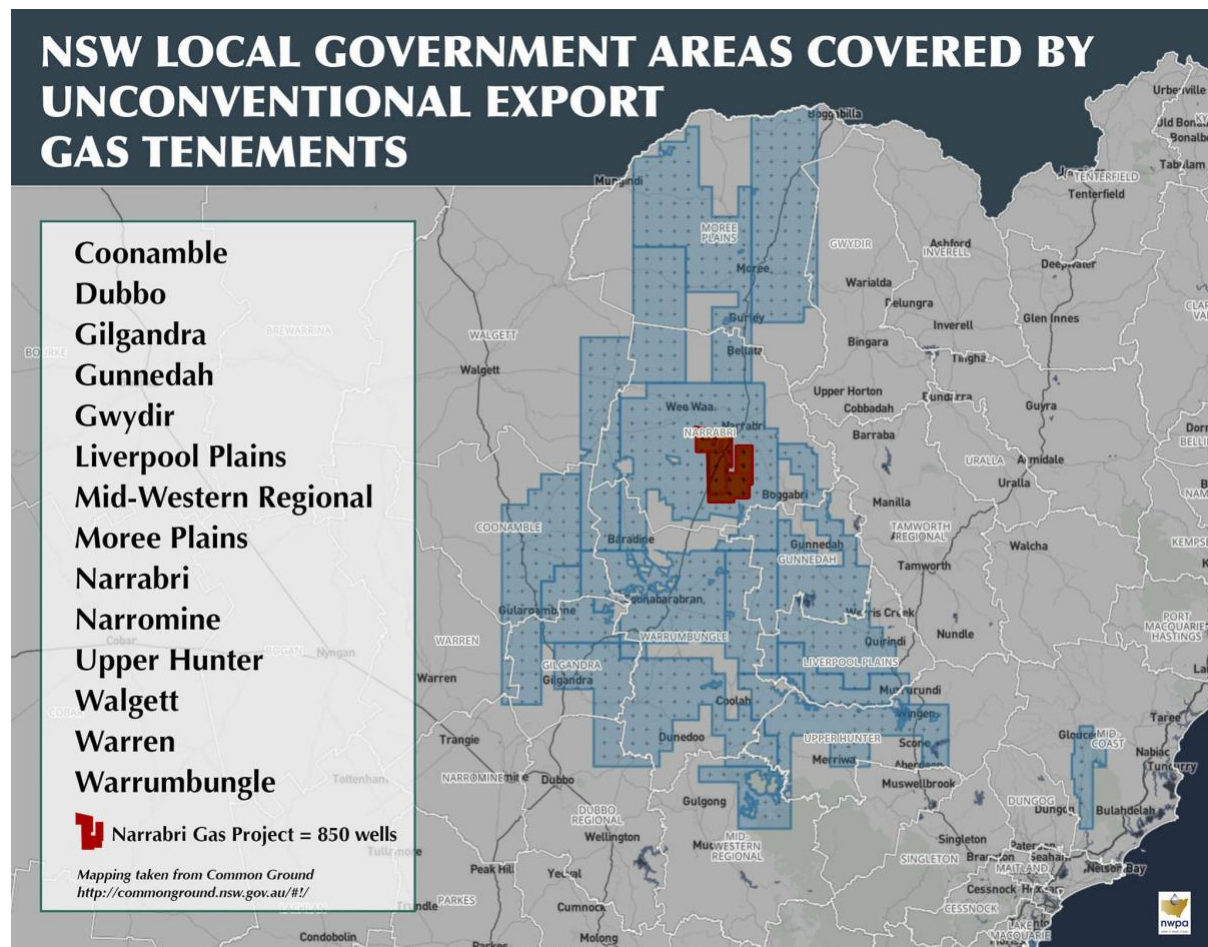
2. Expired PELs must be cancelled

Expired PELs must be cancelled, as their time has come and gone. CWA of NSW endorses a policy of transitioning economies away from fossil fuels, not only for their obvious links with greenhouse gas induced climate change, but for the damage they are known to cause to groundwater, pollution, and harm to landscapes, property rights and social cohesion.

CWA of NSW has policies in place:

- Rejecting the unconventional gas industry for the reasons that it poses irreversible risks to groundwater, human health, climate change and social cohesion.
- Opposing the divestment of Travelling Stock Routes (TSRs) for the purposes of gas pipelines or for sale at all, for the reasons that they are the grazing areas of last resort during drought and hardship, they are relics of the ancient Aboriginal songlines and have unexplored cultural and archaeological significance. Further, TSRs are also the biodiversity refuges left after farming, mining and other land uses have destroyed species habitat.
- Favouring an immediate transition plan to enable rural communities with coal dependent workforces to have a future when the export markets for fossil fuels collapse, which is increasingly apparent will happen in a shorter time than the gas industry would have us believe.

Santos has three Joint Ventures covering PELs in 14 Local Government areas, they are with Australian Coal Bed Methane, Carbon Minerals and Comet Ridge. The Narrabri Gas Project is just the small red patch.



At least one salvation for Maules Creek is that the gas in our locality is said to be of poor quality, with high levels of CO₂ which is unsaleable and renders the gas expensive, and the greenhouse gas emissions on a par with coal. Please view this article about the greenhouse gas emissions from the nearby Narrabri Gas Project in Michael West Media: [Battle for Narrabri: report claims Santos gas field emissions approach coal](#) Apr 2, 2020

Fellow members of the CWA Namoi group further to the south we believe are being targeted first because of the “Biogenic Fairway” that exists, according to Santos gasfield assessments. This is an area of gas closer to the surface which contains methanogenic bacteria which produce methane above and beyond what is present in the coal seams. The Liverpool Plains is, we believe, the “casket of gold” that is lacking in the Narrabri Gas Project. The Liverpool Plains is also the premier agricultural region of NSW owing to its famed vertisol black soil.

Hence we are of the view that Narrabri Gas was always the introductory phase of a widespread gas invasion which would render the north west in a similar state of disruption landholder disadvantage, rivers bubbling with fugitive methane gas, an unfair compensation scheme in which farmers and land owners are at a severe disadvantage, severe damage to the social fabric, groundwater drawdown far in excess of what was predicted and in many smaller localities infested with gas wells, high point vents, low point drains, compressor stations, evaporation dams, and gas pipelines, a flight from the area leading to depopulation (the town of Tara, near Chinchilla, is a perfect example of this).

CUMULATIVE IMPACT ASSESSMENT WAS AVOIDED BY “SALAMI SLICING”, also known as “PROJECT SPLITTING”

Treating the Narrabri Gas Project as a stand-alone project has been a convenient device to avoid assessment of the entire gasfields contained in Santos’ Joint Ventures with Australian Coal Bed Methane, Carbon Minerals and Comet Ridge.

As the above map shows, the 850 gas wells proposed in the Pilliga Forest and surrounds is a very small part of the entire gas expansion strategy. Therefore, the NGP environmental assessment is deficient in predicting the true cumulative impacts if the entire north west were to be opened up to gas mining.

We believe this strategy, also known as “salami slicing” was a deliberate one. Following the Queensland strategy, the gas industry first gained a foothold in the Pilliga State Forest and a small number of gullible land owners who did not study the industry’s full impacts on Queensland farmers and were wooed by promises of a handsome passive income that would co-exist with farming, plus cheap water deals to irrigate using Santos’ reverse-osmosis produced water, a substance that the company has a huge challenge in disposing of and has yet to declare its disposal strategy. Regarding such waste disposal, no conditions were imposed other than the production of a Waste Management Plan to be signed off by the NSW DPIE and that waste disposal must be within 100km.

However, we are aware that Santos has struck an arrangement with the Inland Rail to take the produced water off its hands using a Resource Recovery Order, which means the waste water will no longer be defined as “waste” and therefore could be disposed of further afield. All of this would be at the discretion of bureaucrats and has evaded environmental impact assessment.

Here in Maules Creek, we know the “salami slicing” strategy well, although we usually refer to it as “approval creep”.

Wikipedia defines Salami slicing thus:

“**Salami** tactics, also known as the **salami-slice strategy** or **salami** attacks, is a divide and conquer process of threats and alliances used to overcome opposition. With it, an aggressor can influence and eventually dominate a landscape, typically political, piece by piece.”

The use of salami slicing strategy in land use planning has been documented, e.g. here in this UK article 'Salami slicing' to avoid environmental impact assessment:

<https://www.lexology.com/library/detail.aspx?g=1a6c135a-79c5-431a-890a-b9ae0a0f126b>

Also we refer to: “**Project splitting in environmental impact assessment**”, by Alavro Enriques de Salamanca, in Impact Assessment and Project Appraisal Journal Volume 34, 2016.

There, the author states:

“Environmental impact assessment (EIA) aims to anticipate the effects of projects on the environment. Project splitting may lead to circumventing the need to carry out an EIA or underestimating the environmental impact, affecting the decision-making process.”

A test of whether salami-slicing been undertaken by the gas industry in relation to the PELs is that many interdependent sub-projects have not been included in the assessment, including ancillary infrastructure particularly the extent of gas pipelines, compressor stations (highly impacting infrastructure) etc that would accompany the Narrabri Gas field.

In other words, the Narrabri Gas project is a Trojan Horse, an abuse of the NSW planning system to gain approval by bypassing the full environmental assessment.

3. The people of NSW reject the Queensland gas field experience

Going down the path of Queensland’s Darling Downs is very much what we wish to avoid. The Honourable Members might be aware that there is a MOU called the Principles of Land Access, in which the CWA of NSW, Santos, the Minister for Resources and other parties are signatories. This was formulated for the specific reason that NSW regional communities were aware of what was happening in Queensland and reject the coal seam gas industry precisely because of the Queensland experience. Ever since then, the gas industry has sought to rid NSW communities of their negative opinion of the coal seam gas industry and have monumentally failed, as the huge numbers of opposing submissions to the Narrabri Gas Project demonstrated.

Since that time, opposition to gas has grown, not diminished, as awareness that methane mining is the greatest risk to climate stability and is a far cry from the “transitional fuel” it has attempted to convince us it is. It is now 2021, and the time for new gas fields is over.

We are not stupid! We have relatives and friends north of the NSW-Queensland border and have direct knowledge of the tragic outcomes that have followed the gas industry.

We, the Maules Creek Branch of the CWA of NSW even supported a conference in August 2018, “Coal Seam Gas and Public Health” held in Narrabri to which NSW Health was invited to attend. Speakers and attendees included doctors, academics, health workers among others. The NSW Health representative refused to acknowledge the merit of research presented at the conference, telling organisers “we will choose the experts we will listen to” i.e. cherry picking the

research and placing reliance solely on research from the Gas Industry Social and Environmental Research Alliance (GISERA). This is indicative of scientific bias and we deplore the lack of responsibility from NSW Health which has ignored the growing epidemiological evidence that living in or near a gas field makes people vulnerable to a host of health problems including psychological harm.

Added to that is the fragmentation of the workforce and influx of FIFO workers whose lifestyles, habits and transient nature impact negatively on the social fabric.

Now we have learned that the NSW Government scheme for dealing with the absence of insurance against coal seam gas causing environmental damage (eg loss of groundwater) includes a GasFields Commission similar to Queensland's. This, we totally reject.

The GasFields Commission, despite being established in 2013 has not been successful in resolving the grievances of landowners. A case in point is happening at the moment, concerning the practice of deviated drilling. This involves tunnelling under a person's land without any approval or consultation and has been decided by the UK Supreme Court to constitute trespass if no consent is given. We do not know how the Australian courts will decide this issue, but whether or not trespass can be claimed in our jurisdictions, there are plenty of other issues of concern for people living above ground when drilling is going on under their land.

Concerns like methane migration resulting from deviated drilling, land subsidence, vibrations, and impacts to present or future bores are the kinds of issues that landowners would face in an uneven battle, an unfair contest of information asymmetry where they try to live, farm and raise families whilst battling for their survival against unconscionable gas industry practices perpetrated by Land Liaison officers who intrude on their lives and use trickery and deceit in their attempts to turn neighbour against neighbour in their efforts to gain advantage.

No GasFields Commission

We strongly oppose the establishment of a GasFields Commission, whose statutory powers are largely public relations, designed to overcome widespread perceptions of the gas industry and has no powers to support or resolve communities problems faced when dealing with gas industry proponents.

Right now, a perfect case in point is the recent developments at Hopelands, in the Surat Basin (also known as the Darling Downs). Arrow Energy, a joint Shell-PetroChina owned gas company is attempting to open up a new gas field called the Surat Gas Project. They propose deviated drilling under farms, some of which are located near the plume of the Linc Underground Coal Gasification pollution no-go area. The Queensland government proposes to allow this horrific risk to proceed. The GasFields is not there to assist in preventing this harm.

And we remind the Honourable Members that this is the very area where the Late George Bender, a farmer whose pigs were poisoned, and under whose land Origin and Arrow both operated to damage his bore and pollute his farm, lived and farmed.

Literally, the gas industry has no shame, and as result of this and its failure to fulfil the recommendations of the NSW Chief Scientist (especially, we mention the failure to ensure that risks are able to be insured against), the unconventional gas industry has no social licence to operate.

There is no way that schemes of compensable losses can substitute for insurance against harm. They are not the same in any way, and in any case there is no detail provided from the NSW Government as to what such a scheme might look like other than vague indications they want to follow in the Queensland example, which is exactly what we oppose.

IPART 2013 gas pricing

We have also heard that the NSW Government relies on a 2013 IPART report on gas pricing. What idiocy is this! The gas market has changed dramatically since 2013, and is changing rapidly. To rely on any economic recommendations from 8 years ago is incompetent.

4. The regulatory scheme is weak, and no commitment from NSW DPIE to properly regulate

The NSW Government has imposed a suite of conditions on the Narrabri Gas Project, which we at Maules Creek know from experience of major mining projects in this region can change substantially from what was approved, with no environmental assessment, no public notification, no opportunity for public comment and no scrutiny of the .

Although Santos, the NSW Government and the media widely reported that the NSW Independent Planning Commission has imposed “strict conditions” on the Narrabri Gas Project, we call on the Honourable Members to consider the facts which betray the fact that the conditions are in truth very weak.

Baseless hype about “strict conditions”

The following is just a brief snapshot of searches showing how the public has been misinformed about the standard of regulation of the gas industry, in this case the approval conditions of the Narrabri Gas Project, approved in August 2020.

However, the facts are much opposed to what the hype says about so-called “strict conditions”. The gas project is in fact regulated by other subsidiary mechanisms that most people are unaware of how they operate. These are the Management Plans (eg Waste Management Plan, which defines where Santos will dispose of its toxic salt waste, or spread its toxic produced water), and the EPA Environmental Protection Licences which are the “licence to pollute”. The gas producer also (in theory) has to abide by the conditions of its Petroleum Production Licence.

Fact: the project is not regulated in detail by the planning conditions. If you read them, you can see that the matters being regulated are dealt with in detail by the Management Plans, which can be changed at will, simply upon the subjective satisfaction of the Planning Secretary. The discretion of the Planning Secretary receives no guidelines as to its exercise, and the only way there can be any recourse is to take the Planning Secretary to court to challenge his decision. There is no necessity for an environmental impact assessment. Even Planning Conditions can be easily changed by decision of the Secretary by calling it a “minimal” impact modification. We have plenty of experience to back up this assertion based on the conduct of the DPIE Resource Assessments branch at mines local to us in the Narrabri Shire (Maules Creek, Tarrawonga).

Fact: The Environmental Protection Licence is regulated by the NSW EPA. This can be changed without public exhibition, and there is no public right to challenge aspects of the licence.

Fact: Santos Gas and its joint venture partners Carbon Minerals, and Comet Ridge, have obligations under the Use it or Lose it provisions of to As these are conditions of having a Petroleum Exploration Licence. Despite this, the evidence is that Santos and its JV partners have not provided this information. Presumably this is to avoid a cumulative assessment of the entire 12 PELs. Whether or not this is the case, or Santos and its JV partners are simply economising on exploration costs, the fact remains that they have not fulfilled the Minimum Requirements for holding a Petroleum Exploration Licence.

Nevertheless, here is a selection of fake news that appeared following the approval of the Narrabri Gas Project:

<https://www.amsj.com.au/3-6-billion-narrabri-gas-project-under-strict-conditions/>

The NSW government's Independent Planning Commission has imposed **stringent conditions** on a multibillion-dollar **Narrabri Gas Project**.

[Santos gets approval for Narrabri gas with strict conditions - AFR](https://www.afr.com › Companies › Energy)

<https://www.afr.com › Companies › Energy>

30 Sept 2020 — The ruling from the NSW Independent Planning Commission will allow a phased approval of the proposed \$3.6 billion coal seam **gas project** ...

[Narrabri approved pending strict conditions – The Australian ...](https://www.pipeliners.com.au › 2020/10/05 › narrabri-a...)

<https://www.pipeliners.com.au › 2020/10/05 › narrabri-a...>

5 Oct 2020 — Santos has been granted a 'phased' approval of its \$3.6 billion **Narrabri Gas Project** from the New South Wales Independent Planning ...

[MEDIA RELEASE - Independent Planning Commission](https://www.ipcn.nsw.gov.au › pac › determination)

<https://www.ipcn.nsw.gov.au › pac › determination>

30 Sept 2020 — GAS PROJECT COMES WITH **STRICT CONDITIONS** ... The Applicant has claimed its \$3.6-billion **Narrabri Gas Project** will create up to 1300 ...

[Phased approval of Narrabri project comes with strict conditions](https://petroleumaustralia.com.au › projects › ipcs-phas...)

<https://petroleumaustralia.com.au › projects › ipcs-phas...>

30 Sept 2020 — Santos NSW (Eastern) Pty Ltd sought development consent for up to 850 **gas** wells and associated infrastructure across a 95,000-hectare **project** ...

[What impact could the Narrabri gas project have on the ...](https://www.nsenergybusiness.com › narrabi-gas-project)

<https://www.nsenergybusiness.com › narrabi-gas-project>

1 Oct 2020 — Australian state authorities have approved plans for the **Narrabri gas** ... be “effectively mitigated with **strict conditions**” (Credit: Facebook/Santos).

[Narrabri coal seam gas project gets green light from NSW ...](https://www.abc.net.au › news › santos-narrabri-coal-se...)

<https://www.abc.net.au › news › santos-narrabri-coal-se...>

29 Sept 2020 — The IPC said Santos would need to meet "**strict conditions**" as the **project** proceeds; There is no right to appeal the decision under NSW planning ...

[Community Consultative Committee - Narrabri Gas Project](https://narrabrigasproject.com.au › community › consul...)

<https://narrabrigasproject.com.au › community › consul...>

... with **strict conditions**. A condition of the IPC consent for the **Narrabri Gas Project** is the establishment and operation of a Community Consultative Committee in ...

[Narrabri gas project in NSW gets green light with 'stringent ...](#)

<https://www.theaustralian.com.au/news/latest-news>

30 Sept 2020 — Phased approval has been granted for the **project** with 134 attached **conditions**. Santos has said the **project** will create up to 1300 construction ...

5. NSW Government uses flawed assumptions

We are aware of some assumptions that the NSW Government uses in its economic modelling from two consultancies (unnamed) one of which is that gas from NSW would not be exported because there is no way of getting it to Curtis Island.

This is a ridiculous assumption, when the Hunter-Wallumbilla (Queensland) gas pipeline will do exactly that! We consider it disingenuous for the NSW Department of Resources to spread such blatant mistruths, in the hope that NSW regional communities are too stupid to realise this.

We also understand that the NSW Gas Strategy Branch assumes both the Port Kembla gas import terminal and a further second gas import terminal in Newcastle will be developed. We are unaware of this second purported gas import terminal but if this is really a prospect, it is very hard to believe that with so much competition for cheaper and higher quality imports from Western Australia, South Australia or overseas, Narrabri Gas can compete.

In summary, the cancellation of these PELs will be a great benefit to not just our local communities but all of NSW, Australia and the world. The faster our state can cut its gas emissions contribution and embrace our huge potential for renewable energy and new clean industries and clean jobs, the better the outcome for all of our children and families. We urge you Honorable Ministers, to support this bill. Through this action, you will demonstrate that you are ensuring we are not going to be left behind when it comes to the clean energy economy.

Thank you for the opportunity to submit to this very important Inquiry.

Yours sincerely

Maules Creek Branch of the Country Women's Association of NSW

Attached:

<https://www.northerndailyleader.com.au/story/6547204/mine-pipeline-backflip-reeks-of-easier-to-seek-forgiveness-than-permission/>