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14th June 2020

Independent Planning Commission
Panel for the Narrabri Gas Project
Level 3, 201 Elizabeth Street
Sydney NSW 2000

Submission objecting to the Narrabri Gas Project

Dear Commissioners,

I strongly object to the Santos Narrabri Gas Project based on the evidence of an audit of the regulation of the CSG industry in Queensland. The report shows compliance management was ineffective and legislative function poor. Given the NSW gas plan has not been rolled out (despite 5 years to achieve it) I believe the same compliance, regulation and legislative issues will occur in NSW. For that reason alone, let alone the environmental impacts and risk to precious ground water the project should not go ahead.

The audit found "At present, no-one is providing transparency and certainty that regulators of the coal seam gas industry are performing their roles effectively."

Why will this be any different in NSW.

I refer you to the ABC Southern Queensland news report from Nathan Morris dated 9th March 2020 which lays out the case that there is not enough transparency, regulation or compliance of the CSG industry.

Lack of regulation is endemic in this industry, and suggests the regulator is in bed with the industry. NSW will not be exempt and states like Victoria and Tasmania have for good reason put a holt to this industry. In your determination I ask you to take these things into account. This is an industry we can do without (Australia has enough gas for domestic supply if we halt its export via a reservation policy) and it brings with it so many risks in so many ways. Already there is evidence that it has significantly impacted aquifers in The Great Artesian Basin. The precautionary principle should be brought to bear, and the Narrabri project should be rejected.

Here is a link to the audit report. As commissioners this is something you should be across. [The report](#)

The audit states;

Concerns from landholders and other stakeholders persist regarding the effectiveness of the framework in managing issues such as priority agricultural areas, offsite impacts, and the long-term environmental effects of coal seam gas activities. The regulators need to continue to refine their engagement and regulatory processes, procedures, and systems in response to concerns and the changing environment.

Here is the ABS News report.

'No-one is providing transparency': Audit questions compliance in Qld CSG regulation

ABC Southern Qld

By [Nathan Morris](#)

Updated Mon at 7:20am Mon 9 Mar 2020, 7:20am

A lack of transparency, ineffective compliance management and data, and failures of legislative function are just some of the criticisms levelled in a new audit of coal seam gas (CSG) regulation in Queensland.

Key Points:

- An audit has found Queensland's Gasfields Commission has not been performing its legislated oversight function
- The report says the number of petroleum leases and environmental authorities for CSG activities could not be verified
- It also found landholders were being disadvantaged in negotiations with gas companies because of a lack of information

[The report](#), tabled in State Parliament in late February, examined the two industry regulators, the Department of Natural Resources, Mines and Energy (DNRME) and the Department of Environment and Science (DES).

It also audited the Gasfields Commission, which is not a regulator, but has legislated responsibility to provide oversight and advice to all stakeholders.

"[The DNRME and DES] do not identify coal seam gas activities separately from their other regulatory activities, do not coordinate their planning and regulatory activities, and have disparate systems and data practices," the audit report found.

"These limitations make it difficult to assess the overall effectiveness of the regulatory framework specific to coal seam gas activities."

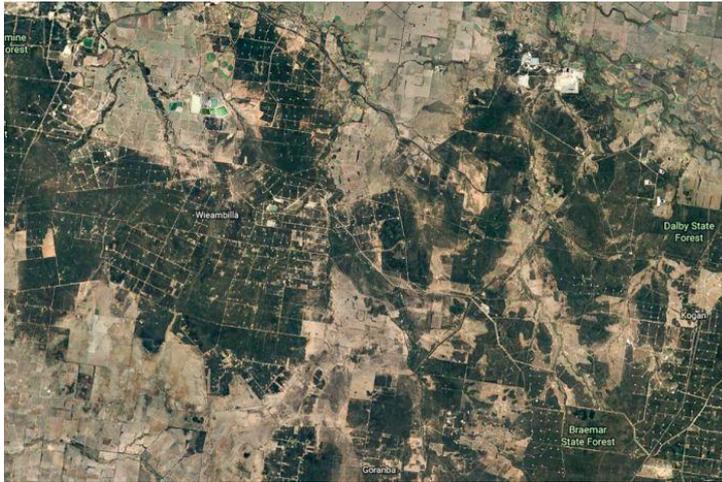


PHOTO: [Around Chinchilla, 300km west of Brisbane, there are hundreds of coal seam gas wells crisscrossing farming land.](#) (Google Earth)

The audit also found that under the current legislative framework, the controversial technique of fracking gas wells was not on its own "environmentally relevant."

"Hydraulic stimulation/fracturing is not an environmentally relevant activity on its own under the Environmental Protection Regulation and, therefore, DES does not report on it separately," the audit said.

[Fracking](#) involves pumping a mixture of water, sand and chemicals down gas wells under pressure to release trapped gas. Coal seam gas is natural gas formed within coal seams, usually 400-1,000 metres underground.

To extract CSG, wells are drilled into coal seams and water is pumped out to allow the trapped gas to flow.

Commercial CSG production began in Queensland in 1996, and has rapidly grown since then — there are now 11,444 CSG wells in Queensland.

Liquefied natural gas is the state's second biggest export commodity, valued at \$15.2 billion.

Legislated function 'not performed'

The Queensland auditor-general also questioned transparency and the oversight of the CSG industry.

Currently the Gasfields Commission Act 2013 — the GFC Act — sees the Gasfields commission required to "review the effectiveness of Government entities in implementing regulatory frameworks that relate to the onshore gas industry."

"The commission is not performing this legislated oversight function," the audit said.

["At present, no-one is providing transparency and certainty that regulators of the coal seam gas industry are performing their roles effectively."](#)

Then there was the discovery that straightforward information about the number of petroleum leases and environmental authorities to mine CSG was not available because of how data was gathered.

"It is not possible to identify an accurate and reliable number of audits or inspections the regulators have undertaken of the coal seam gas industry," the audit said.

"The regulators do not identify coal seam gas activities as distinct from other petroleum and gas activities in their databases.

"Consequently, we and the regulators were unable to verify the complete authorities and leases for coal seam gas activities with any degree of confidence."

The DNRME has advised it will transition to a new online system that will allow more specific identification of gas-related activities.

Landholders run second to gas

Under current Queensland law, once land has been released for gas exploration landholders are forced to negotiate with the gas companies that own the petroleum leases and have a right to the underground resource.

The audit report uncovered issues around landholders being disadvantaged in negotiations with gas companies.

"Some landholders say they have been unable to obtain information relevant to their land from the two regulators and from industry," the audit said.

Landholders reported that the cost of obtaining information was inhibiting, and that they did not have access to the same level of information as the gas companies.

"This puts them at a disadvantage when negotiating with industry," the audit said.

The audit recommended that the DNRME, DES and the Gasfields Commission "facilitate ways to further enhance the exchange of information between industry, Government and landholders in situations where landholders have not been given the information to make an informed decision."



PHOTO: [Proposed gas exploration in Beaudesert, west of Brisbane, was met with protests from the local community.](#) (ABC News: Tom Forbes)

Regulators accept all recommendations

Both regulators responded to the report by accepting all recommendations.

"The DES supports the recommendations in the report and is committed to continuous improvement in its regulatory approach to all industries, including the coal seam gas industry," DES Director-General Jamie Merrick said.

"The department has committed to a number of actions ... that will provide for increased information sharing between relevant agencies and improved transparency of the department's regulatory approach for both industry and the community."

DNRME director general James Purtil said the Queensland regulators were "leaders in onshore petroleum regulation".

"DNRME acknowledges the report's conclusions that greater data sharing, particularly with DES and the Gasfields Commission Queensland (GFCQ) will lead to improved regulatory outcomes for the departments, industry and community stakeholders," he said.

"DNRME will work closely with DES and the GFCQ to implement the report recommendations."

The Gasfields Commission Queensland said it had "already embarked on a major renewal program".

"The purpose of this program is to ensure the Commission delivers all of its legislative functions and engages effectively with key stakeholders," it said.

The Gasfields Commission also said it was "well advanced in developing a new strategic plan".

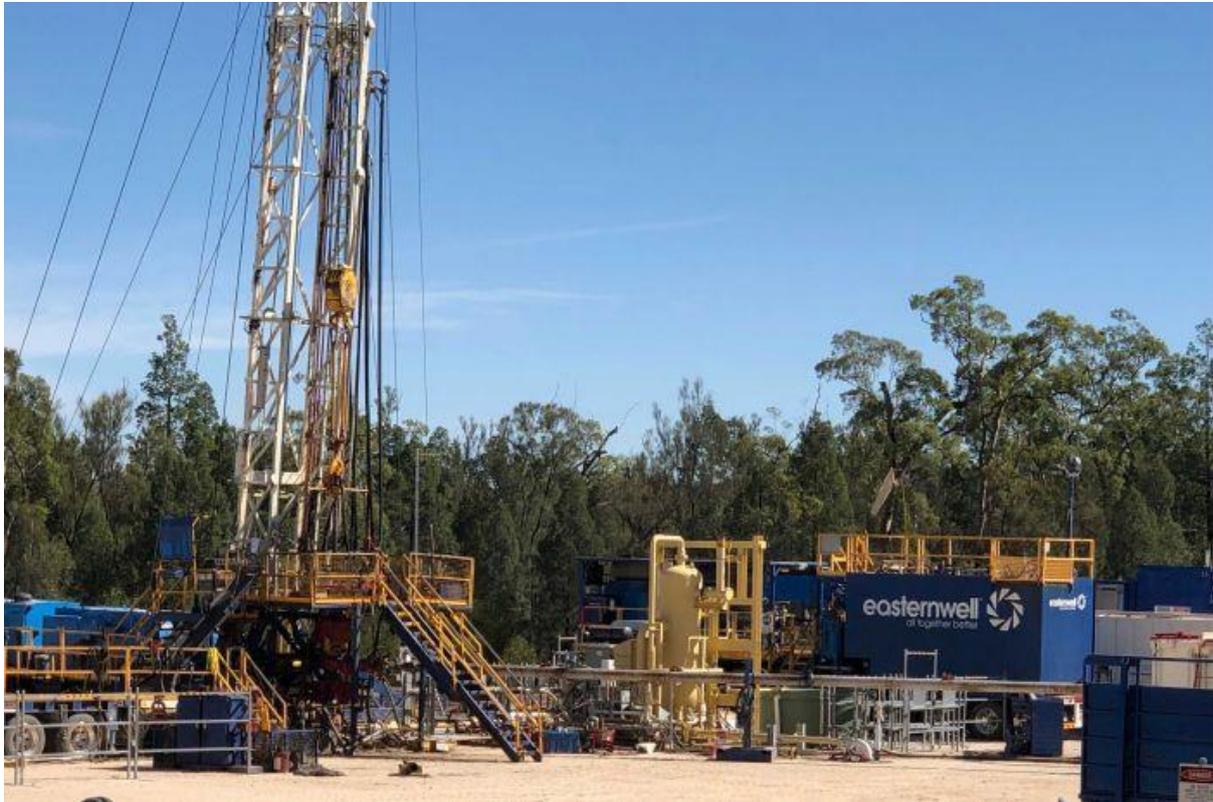


PHOTO: [Drilling unconventional gas wells is heavy work. Multiple pieces of machinery are needed, often in remote locations.](#) (Supplied: Shay Dougall)

'Firmly in bed with resources sector'

Environmental scientist and a former general manager at the DNRME Tom Crothers said the audit report vindicated the concerns landholders had been raising for years.

"I think it also clearly demonstrates that the Government agencies — DES, DNRME and also the Gasfields Commission, as well as the Queensland Government — are firmly in bed with the resources sector," he said.

["It's an unlevel playing field when landholders are faced with prospects of a gasfield on their property."](#)

He said the current regulatory framework favoured gas companies and resource development over landholders and the environment.

"[They're] not taking into account the overall impact on the landholders or the long term impacts on the groundwater resources," Mr Crothers said.

["We're seeing certainly some significant impacts on the Great Artesian Basin aquifers."](#)

Mr Crothers said since the introduction of the 1999 interstate [Great Artesian Basin \(GAB\) Sustainability Initiative](#), where previously uncapped bores were capped, pressure and water levels had returned to much of the GAB. But that is not the case in Queensland's Surat Basin, where much of the state's CSG industry operates, extracting large quantities of water during gas extraction.

"That's because around about 65,000 megalitres a year of water is pulled out of those aquifers," Mr Crothers said.

"And it's impacting on landholders' bores.

"Even the Office of Ground Water Impact Assessment report last year, admitted in some cases, of the very heavy impacts, it could be 1,000 years, if ever, that the aquifers recover."

I sincerely hope that as commissioners you take the role of evaluating this project seriously. If it goes ahead it will have serious consequences for land holders, local communities our water and the environment.

Yours sincerely

Sally Kennedy