Submission opposing the Narrabri Gas Project

Given that Santos is seeking to extract resources in the Narrabri region belonging to the people of Australia to sell for its own benefit then it is only reasonable that the people of Australia will be materially better off for Santos having done so.

There are a number of reasons I believe this application falls short of being a net benefit to Australians. I will outline only some of them here.

1 The proposal will adversely impact other industries in the area. Agriculture in particular will be affected as the drilling will disturb crop and livestock as paddocks and fields are taken. Run-off containing chemicals from the extraction process will affect both of these activities as well as flora and fauna in the area. An estimated 37 billion litres of groundwater will be extracted by this project which will then not be available for other uses. Additionally, the processes used for extracting the gas are widely recognised as causing toxic contamination of groundwater even long distances from the point of extraction of the gas. For these reasons a majority of landholders near Narrabri oppose the santos coal seam gas proposal. On environmental grounds, this project is not good for Australia.

2 Fossil fuel is a heavily subsidised industry sector for which Australia receives inadequate returns. The IMF estimates that in 2015 this largesse on a post-tax basis was $US 29b in Australia - $US 1,198 on a per capita basis (Global Fossil Fuel Subsidies Remain Large: An Update Based on Country-Level Estimates - May 2, 2019: David Coady ; Ian Parry ; Nghia-Piotr Le ; Baoping Shang <https://www.imf.org/en/Publications/WP/Issues/2019/05/02/Global-Fossil-Fuel-Subsidies-Remain-Large-An-Update-Based-on-Country-Level-Estimates-46509> at p35). While it has not been possible to isolate the amount Santos benefits by on an annual basis, it is a large player in the fossil fuel industry and this amount must be considered significant. Notwithstanding receiving heavy subsidies from Australian tax payers Santos and other gas producers have repaid the kindness by acting as a cartel to extract extraordinary prices domestically while selling gas at a fraction of the price to overseas buyers (*How Australia is being screwed over its gas* - Charis Chang March 17, 2017 <https://www.news.com.au/finance/economy/australian-economy/how-australia-is-being-screwed-over-its-gas/news-story/4187e60617aec18e87d57453cfca0167> ). This is not a benefit to Australian consumers of gas or taxpayers who have to fund these subsidies.

3 The ATO’s *2017-18 Report of Entity Tax Information* Updated 12/12/2019 (<https://data.gov.au/dataset/ds-dga-c2524c87-cea4-4636-acac-599a82048a26/distribution/dist-dga-69b1061c-3769-48bd-b5a1-05e725543f6c/details?q=>) shows Santos had income of $A3,498,043,596. Yet, it paid no tax. In 2016-17 the report showed the income of Santos was $A3,715,263,715 and again it paid not tax. In 2015-16 income was $3,476,002,729 and again no tax was paid. Nonetheless, each year Santos has paid dividends to its shareholders.

Because Santos has shirked its tax obligations for years, this burden falls onto Australian taxpayers to make up the shortfall and/or fewer government services than would otherwise be provided.

4 The fossil fuel industry has been a corrupting influence on the polity globally and in Australia. The practice of donating to political parties has led to “the capture” of these parties. Santos is the second biggest fossil fuel donor to the Coalition parties donating $1m in the last decade ([*Reshaping Oz*](https://www.crikey.com.au/coronavirus/reshaping-oz/)

*What lies beneath must be resurfaced — or the media is not doing its job to expose power and corruption*: Bernard Keene May 22, 2020 <https://www.crikey.com.au/2020/05/22/political-reporters-not-doing-their-job-power-corruption/> ). The provision of subsidies, the reluctance to insist on Santos paying tax and imponderable rejection of climate change science and/or unwillingness to implement policies to address it are prima facie related to the donations.

This scenario was played out in the area of water quality integrity that is threatened by the process of fracking Santos employs to extract gas. Aquifers are put at risk by this process to the detriment of farmers that use this water. Since fracking has become an issue, Santos has increased its donations to the National Party (<https://www.theguardian.com/australia-news/2016/jun/09/tony-windsor-accuses-barnaby-joyce-of-self-interest-over-santos-nationals-donations>). It is becoming an increasingly held perception amongst rural folk that the National Party, the party established in order to represent the farm sector, has sold them out. Allowing Santos to extract gas at Narrabri will only reinforce these morally bankrupt practices.

Parliamentarians that put their own and their political partys’ interests in front of the nation’s as a result of receiving donations from corporations such as Santos is not good for the people of Australia.

5 It is asserted that this Santos project will create numerous jobs as has been asserted for earlier fossil fuel industry proposals. But we must look at the cost of each of these jobs in terms of the government subsidies paid to create them. In *Matt Canavan says Australia doesn’t subsidise the fossil fuel industry, an expert says it does* June 3, 2020 (<https://theconversation.com/matt-canavan-says-australia-doesnt-subsidise-the-fossil-fuel-industry-an-expert-says-it-does-131200> ), Jeremy Moss calculates, “If we divide the IMF subsidy figure by the number of direct jobs, the governments of Australia spend A$730,000 each year for every direct job in the coal, oil and gas industry.” This is a high price to pay for Australian taxpayers to pay Santos for each job it creates.

The number of jobs gas producers claim they will create never stack up and Santos has been an offender of overegging the number of jobs its projects will create in the past. Indeed, for the present proposal Santos claims manufacturing jobs will increase. This is at odds with “Advice provided to the NSW planning department by ACIL Allen, which was commissioned by Santos, estimates the proposed project will have a net negative impact on manufacturing jobs, both at a local level in the Narrabri-Moree region in the state’s north-west, and in the state as a whole.” (David Llewellyn-Smith in *NSW inhales cartel gas rather than producing it* June 23, 2020: <https://www.macrobusiness.com.au/2020/06/nsw-inhales-gas-rather-than-producing-it/>)

This shows that Santos cannot be trusted to make truthful statements in relation to its proposals. In fact, if this project does not go ahead the case for more job creating renewables investment is more compelling. This would most likely be a better outcome for Australian jobs than the Santos proposal for Narrabri as fracking is less labour intensive than building renewables projects.

6 Damage to the environment can be expected from this project which Santos almost certainly will not remediate. As David Llewellyn-Smith points out, “It (the project) will be produced with NO environment safeguards and will be free to dump cadmium-rich toxic salts directly into water tables amid huge fugitive emissions. How does that make gas the transitional fuel to lower environmental impacts?”

Further, fugitive gas escaping at the point of extraction is many more times worse in terms of adding to the greenhouse effect than carbon dioxide. Then once the gas has reached the consumer it will be burnt further adding to global emissions with all of the well-established dangers that flow from the resulting climate change. Indeed, this proposal is inconsistent with Australia’s Paris Agreement undertaking to pursue policies that would limit global temperature rise to 1.5 °. Australia is already not on target to achieve the agreed targets and this project will make in even less likely that they will be met. Scientists and other experts have assessed that the extent and intensity of the recent bushfires were exacerbated by climate change. Australian communities may never recover from these events. It is significant that a significant proportion of the owners of Santos are concerned about the lack of social responsibility the compant displays with respect to climate change. At the Santos AGM earlier this year, “a shareholder resolution requesting Paris-alignment, with 43% of investors voting in favour” was put up. (Gas major Santos shows why it doesn’t deserve investment - 3 April 2020 <https://www.marketforces.org.au/santosagm2020/>**).**

For these reasons and more I call upon the Independent Planning Commission to reject the Santos proposal.

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