

The Independent Planning Commissions
Assessment of the proposed Narrabri Gas Project.

“Neotsfield”
1512 Willala Rd

Boggabri 2382

I wish to offer a submission in opposition to a potential Narrabri Gas Project (NGP).

My name is Alistair Donaldson, and I am a partner /manager of a grazing and cropping business , located 25 klms W/SW of Boggabri. I am a fourth generation farmer, with our family farming in the Willala district for in excess of 140 years.

I am president of our local hall committee, and captain of our local Willala RFS brigade. I have a particular interest in sustainable agricultural practises, and a healthy respect for aboriginal culture and practises.

From the very outset I want to establish that myself and my family are affected stakeholders re the NGP.

We are wholly reliant on ground water to maintain our business.

We live equidistant between the Santos NGP (Pel 238) and the Santos Kahlua Pilot production facility (Pel 1) west of Gunnedah.

We are attempting to operate a business in an extractive industry area , in an increasingly toxic business environment.

I am a RFS captain of a brigade adjoining the NGP.

As Australian farmers, we are the most affected community from carbon emission induced climate change.

My initial exposure to the unconventional gas industry occurred 10 years ago , when a” state significant “ project gas pipeline was proposed to run for a distance of 5 klms through my property. Of course it was really only significant to Eastern Star Gas as a means of transporting gas from the Pilliga to a potential LNG facility in Newcastle. Since then I have taken a particular interest in this industry, including travelling to Queensland twice, specifically to observe the CSG” experiment”.

What is plainly obvious is the capacity of the CSG industry to rapidly expand , with seemingly no boundaries. Production seems to often start within state forest areas and has extended from there , to a situation now where operational and decommissioned wells number around 16,000 (and rising).

Hence there is much angst in the community in NSW , given that Santos has vast interests in Petroleum Exploration Licences that surround the Narrabri Gas Project area. The NGP is a foot in the door for the unconventional gas industry.

I strongly believe that the IPC assessment of the NGP needs to be made in the context of a huge expansion of the industry, outside of the project area. Cumulative effects with the adjacent Narrabri Coal Mine and coal mines further to the East, should be considered also. Given the expense of construction of pipeline infrastructure (Hunter Gas Pipeline or Western Slopes pipeline) it is hardly likely that Santos will be content with just one gas field.

Economic and social benefits?

Much of the justification of this project concerns potential employment opportunities, and ‘social and economic benefits’.

Sadly there are as many losers as winners, as the unconventional gas industry propagates in a community.

The gas industry employs relatively few people , mostly in the development stage. There is a heavy reliance on Drive In Drive Out, and Fly In Fly Out employees. Generally speaking, these workers contribute little if any to the local economy and community. The Queensland experience has shown that indifference of workers to local communities (sometimes described as the “dead-shit factor) causes much friction between the two groups.

Any local employment opportunities will not necessarily be available to the unemployed. Santos needs, (and will seek) skilled workers from throughout local businesses. On two previous occasions, in discussions with Santos’ Community Liaison Officer Mark Rodgers , he admitted to me that Santos has had a” substantial impact on the agricultural workforce in their area of operations around Roma and Injune” (QLD). Studies suggest that for every 1 job “created” in the unconventional gas industry , 1.8 are lost from agriculture.

I have for a number of years purchased concrete troughs from a Chinchilla business. Chinchilla is the epicentre of the CSG industry in QLD. At around 2014 these troughs became unavailable, so I decided to contact the owner of that business. She told me that most of the employees, of most of the businesses (not supplying the gas industry) were now working for CSG companies, including from her own business. She was forced to effectively mothball the business, and other businesses that tried to match the high wages of the gas companies, weren’t in business for very long before they closed.

At this time three bedroom rentals in Chinchilla were costing \$8-900 /week, resulting in the socio economic cleansing of the town. Pensioners , council workers and lower paid workers lost the ability to remain in town. Within 18 months, oil prices crashed and major construction jobs terminated, resulting in massive job losses (of 1000’s) in Dalby, Chinchilla and Roma. In 2015 there were as many as 300 empty houses in Chinchilla. The boom/bust cycle typical of the CSG industry is such a damaging phenomenon. . I remain rather perplexed when I hear the Narrabri Chamber of Commerce tout the “social and economic benefits “ of the NGP.

During 2016, an economic forum (held in Narrabri to examine CSG effects), hosted the president of the Miles Chamber of Commerce as their main speaker. His message was that Miles had suffered an even worse fate than Chinchilla. The current head of the Narrabri Chamber of Commerce was invited to attend but chose not to. Such a pity.

Industry crowd-out by extractive industries is not a new concept to any business owner living near coal mines. In order to retain staff, Ag machinery companies are charging \$140/hour for mechanical services, and this is not a cost we as farmers, can pass on to the consumers of our food. The Gunnedah Shire council loses 8 out of 10 newly trained grader drivers to the coal mining sector. As a result our gravel roads are in a very poor state due to inexperienced grader operators. An extra extractive industry in our district is certainly not going to help our cause.

Cheaper , plentiful gas for us all?

Natural gas is a very important component of many manufacturing processes, both as an energy source and main input to petro chemical industries. It is also used extensively in domestic heating and cooking applications.

Australia is now exporting more gas than any other nation, more than tripling gas production over the last decade. Australia is also the only country amongst the top 20 gas exporting nations that does not have some sort of domestic gas reservation mechanism, in order to supply our domestic users with cheap affordable gas. Hence we as consumers now pay some of the highest gas prices in the world. This is widely seen as a regulatory failure of subsequent governments, a result of aggressive influence exerted by exporting gas companies, most notably Santos. Santos has repeatedly stated that the NGP 'could ' supply up to 50% of NSW 's gas requirements. This is NOT a commitment to supply gas at a reasonable price or availability. This is NOT a reservation policy!

In the years prior to the commissioning of the three massive LNG plants at Gladstone, no long term gas supply contracts were made available to local industry , in anticipation of much higher gas prices to come.

I would suggest that the NGP IPC Panel of Commissioners refer to the 2014 NSW Legislative Council Inquiry into *'supply and cost of gas and liquid fuels in NSW'*

Paragraph 4.52 states:

"With gas now being produced in Australia on a scale that completely eclipses any demand by domestic or industrial users ,any difficulty with supply or increased price can only be as a result of rent-seeking by private interests , allowed by market and regulatory failures ".

Six years on and we have seen that devastating effect on local manufacturing, unable to compete globally due to ridiculously high gas prices.

Paragraph 2.32 states;

The Australian Workers Union argued that the net flow –on loss to the Australian economy of the move to export LNG ,and the subsequent domestic gas price rises, will be \$101 billion , including the loss of approximately 235,000 jobs economy wide'.

Santos say that the NGP is critical to fulfil the gas requirements of the manufacturing sector in NSW. I would suggest that the actions of this company (and foreign owned LNG company cronies) have caused more job losses, than it will ever create, and hence should definitely not be rewarded with another production licence !

The Narrabri Gas Project will at best produce less than 2% of Australia's total gas production. The NGP will not make the slightest difference to local gas prices.

Santos (CEO Kevin Gallagher) has said that NSW needs to develop its own domestic supply gas supply , and not rely on other states for supply thereof. Oddly enough, until recently, Australia had a substantial car manufacturing industry, none of which was based in NSW. We were still able to purchase locally made cars in NSW.

Paragraph 3.55 states;

"the more impartial economic evidence before this Committee leads us to favour the proposition that increased supply of gas will not by itself lead to reductions in gas prices, or even a reduction in the rate of price increases. This is because the predominant driver of domestic gas prices will be the international gas price and an indigenous NSW gas supply would be very small in the context of the world market and will not impact on the world price. This means that Government regulation of the gas market will be necessary to have a significant impact on price or to guarantee domestic supply".

It has been six years since the findings of this committee were presented , and they are as relevant now as they were in 2014. Sadly, in the absence of any real energy policy being implemented , and the continued existence of the gas company cartel, natural gas remains increasingly unaffordable to NSW consumers.

Fire Risks

My main concern is for the safety of gas workers in the event of the projects approval. Drill sites/ well pads are potential death traps with big fuel loads literally overhanging crowded work sites . Single access roads to each well pad contribute to a dangerous situation. I observed a Dewhurst pilot production drill site (no 24?) in the summer of 2014 (approx) and was horrified with the risk that workers were exposed to .Drill sites are around 100 metres square , packed full of machinery and potentially flammable liquids. Fuel loads, that overhung crib rooms and bulk diesel storage tanks , would have generated flame heights in excess of 25m. The singular access road of approx 400m would potentially be rather problematic in an emergency

situation. On that day, a young safety / security worker rather nervously enquired whether there was any escape routes to the East , the direction our group had travelled from. I sensed that he had no idea of what to do in the event of a fire situation. . There are effectively no escape routes to East , with the bulk of well site access to the west , into the prevailing wind direction. One of the potential ignition sources in the Pilliga comes from the Newell highway (accidents/arson/cigarette butts etc) and the bulk of the NGP infrastructure is located east of the Newell. Increased industrialization means more potential ignition sources. Santos will say that they have been working in these environments for a long time, but I think that they have underestimated the Pilliga

Gas flaring , regardless of the fire conditions, and of fuel loads in the immediate vicinity, remains a contentious issue. Flaring continues even during catastrophic fire conditions, apparently the only naked flame allowable in these conditions, statewide.

Santos' strategy in the event of an imminent fire threat (as described in their EIS) is as I see it, to telemetrically shut down the gas field and evacuate the gas field, leaving all infrastructure unattended.

This strategy was poorly received by both RFS and State Forests in their submission responses to the projects EIS.

From our Brigades perspective, almost all of our active members have no interest in attending a callout within the Narrabri Gas Project area. If Santos has no intention of looking after its own assets , then why should a volunteer organization step up to the task. Locally this industry is very unpopular (our district was community surveyed, with 93% saying they had no interest in living in a gas field). There are bound to be a variety of risks, known and unknown, with dealing with a fire in a gas field.

Regardless though, fire within the potential NGP area needs to be controlled. I believe that, in the event of the approval of this project, Santos needs to step up to the plate, and to provide a vastly more active role in dealing with wildfire within its area of operations (and beyond). This should involve the provision of skilled personal and equipment, and not the usual throwing money at a volunteer organization (RFS?).

These opinions are mine as captain of the Willala fire brigade, and not necessarily that of the RFS as a whole.

Taken with a grain of salt...

The average Total Dissolved Salts content of NGP' produced' water is around 14000 ppm , or roughly 14 tonnes in an Olympic swimming pool. This type of water is never brought to the surface in any extraction for agriculture. Salt is very toxic to food production systems. Santos apparently has "MOU" with a mythical American baking soda company , to utilize some of this by-product.

They have different plans for produced salt in QLD. On our last trip to QLD, between Roma and Injune (one of Santos' main CSG fields),we noticed numerous signs in paddocks protesting against a Santos project proposal. The signs emphatically read..."No salt and sewerage dump in our district, Santos!!"

Social license ?

I have been personally involved in a community survey process that was done to gauge the level of support for the CSG industry. People of rural communities (and some of the towns) that lie within Santos' PEL's (millions of hectares) were asked the question "do you want your community gas field free". These are the communities that will be expected to live in a massive industrialized zone in the event the unconventional gas industry propagates in NW NSW. Approximately 96% indicated they wanted their community's gas field free, the remainder mostly unsure, and rarely a supporter of the industry.

In the early days of the expansion of the CSG industry in QLD, gas companies would force their way onto private property offering as little as \$250 per well head , per year. Almost a decade on and Santos, sensing dissent in the community , offered as much as \$30,000 /well head/year, with the landholders permission. Such is the dislike for this industry that, despite the huge increase in well compensation, minimal access agreements have been signed since.

Water, water everywhere?

Underground water is a critical input for our farming business. The recent drought has highlighted the limitations of using surface water (dams) as a reliable water source. We utilize low yield (but very important) aquifers and any depletion of the bore yield or quality will have a huge impact on our business. We reside and farm in the Gunnedah / Oxley basin, an area , by Santos'own admission that will suffer aquifer drawdown as the NGP progresses.

The Narrabri Gas Project is a significant risk to one of Australia's greatest natural assets, namely the Great Artesian Basin.

A lower emission energy source?

It is becoming increasingly accepted worldwide that the unconventional gas industry is not as carbon emission friendly as the industry would have us believe. Fugitive emissions via infrastructure leakage and by natural connectivity between the dewatered coal seams and the atmosphere, are the real elephant in the room.

The following is an experience of colleague as he travelled south of Condamine ,QLD. There had been substantial rainfall previously, and as he travelled he came across road works .There were a number of CSG well heads in proximity. He pulled up next to the traffic control man, and saw that the flooded table drains were noticeably bubbling a lot of what was obviously some

sort of gas. He asked the man what was happening in the table drain, and the reply was “that is just the way it is in a gas field”. The lollipop man also commented that he was a QLD fire brigade member, and that “in places in a gas field, fires keep burning long after the visible fuel load has gone”.

Thank you for the opportunity to express my opinions about this project.
Alistair Donaldson