

A further submission in response to the documents provided by the Department of Planning, Industry and Environment and Santos in turn responding to submissions to the inquiry.

The DPIE says that the project,

*is important for energy security and reliability in NSW and consistent with current government policy which **is seeking to establish a safe and sustainable gas industry in NSW.** (emphasis added)*

To me, an ordinary member of the community, it seems odd that the Department of Planning, Industry and Environment (DPIE) speaks of 'sustainable development' of a fossil fuel where the argument in favour of that development rests on:

- A predicted gas shortage for NSW (because other gas developments will run down);
- The limited period in which this project will be productive before packing up its wells and moving to a new field because it too runs out of gas to extract;
- The reduced use of coal, a related fossil fuel, because of pollution and greenhouse gas emission threatening life as we know it on this planet;
- The economy being boosted by having more and cheaper gas to burn, thereby producing yet more greenhouse gases.

There is nothing sustainable about the extraction and use of fossil fuels.

At best the production can try to avoid damaging the environment, communities and their economies other than minor ways that can and will be repaired.

So most of what the DPIE speaks of is about trying to reassure us that those risks are minor, strategies are available and will be in place to avoid any significant events happening and remediation and rehabilitation will be following close as each stage and step rolls through.

The statement above also raises the question of whether 'sustainable' is intended to refer to the longevity of the gas industry rather than the way it operates. The wording leaves it open that this project is development creep by the industry in concert with the Government as it seeks to establish a gas industry in NSW. The IPC needs to be assured that it is being provided with a true representation of the project.

In any case, it is clear that the DPIE wants this project to go ahead so much it is prepared to not see the contradictions and weaknesses in its own arguments. Examples of this include the following.

The arguments are that gas is needed it says as a transition fuel and for energy security as coal fired power stations close and until alternative supply options address any issues for continuous supply.

It will they say, allow for less greenhouse gas emissions and assist NSW to meet targets for carbon dioxide emissions. Conventional gas was argued to be cleaner and greener than coal because it takes energy to the point of use and so less loss and associated emissions occur than with electricity. However this current project is for coal seam gas and we now know that there is much more methane emitted than previously admitted in the production.

They say, the emissions from gas use in NSW would in effect not be changed as the demand is relatively stable, and it is merely replacing the source of that gas.

Further, it is argued the project will place downward pressure on gas prices and allow for longer term secure supply for industrial users. As welcome as a cheaper energy bill would be to low-income consumers, it is likely the benefit will mostly go to industrial users. Yet cheap prices are known to delay developments in energy efficiency and encourage use.

The project they say will provide for a growth in industrial activities in the Narrabri region including a plant that, we learn, would use 20% of the gas produced by the project. Regional development is good but if this is a net increase in gas using industry in the state then more gas will be needed than the current demand and hence there will be more emissions.

They also note that the direct emissions of the project are about 17% of the total emissions, which means that NSW, even if demand does not change, will be producing more emissions from its gas use.

The gas sourced outside NSW which it would not now use will simply be used somewhere else in the world, at cheaper prices than in Australia it seems according to the ACCC, while still adding to the costs of living and doing business in Australia as it adds to climate change globally.

The DPIE runs a further argument that Santos should not be responsible for how the users of the gas reduce their emissions. However governments regularly prohibit or regulate manufacture, sale and distribution of goods where they consider community safety is at stake.

Meanwhile, the DPIE sees no need at this stage to have complex data analysis and risk assessment across extractive industries for cumulative effect, yet this project is happening, for instance, in the same structure as the Maules Creek coal mining, also drawing on ground water.

They state the produced water as being too saline for most use and therefore within the water plan there is water available for Santos to acquire a license. However they would be competing with other users for their induced water, which would come from the upper aquifers where approved usage is fully allocated already. This means either Santos cannot operate or some other current user of the water will have to go without. As this competition is likely to force the cost of water up, the likely candidate to lose will be food production affordability.

There was reference to the requirement to find a productive use for by products such as the salts produced during the process but no safe answer for this long term if the bi-carb soda plant does not eventuate. In this case the plan is still to take it to landfill of where it will have to be managed over time to prevent it re-entering aquifers or scalding land.

As to the Santos response to issues raised in submissions, one can say they are smooth, refer to science, studies and assessments, and like many industries before them, seek to raise uncertainty about any arguments raised against them. It is difficult for an ordinary member of the community such as myself to pick my way through them. However the tobacco industry use of science, to obscure known risk, springs to mind. The following is part of the Santos response about fugitive emissions. It illustrates

something of a sleight of hand, a brush away of the overseas experience, an ignoring of recent information about fugitive gas emissions, and a quick reference to saying the existing regulation is in place so go with that (regardless of whether that regulation adequately identifies emissions). Then it reverts to talking points about any what appears to be an entirely different set of emissions unless they are admitting that in fact fugitive emissions do and are incurring significantly along those supply lines.

As there is national emissions reporting legislation in place for all industries, it would be inconsistent to use any other emissions forecasting methodology to estimate emissions for the Project.

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Direct comparisons to international examples are inherently flawed due to differences in geology, regulation and development standards. CSIRO ('What does science tell us about fugitive methane emissions from unconventional gas?' May 2017) has explained that:

Gas production in the US has many differences compared to Australia due to history of gas development, size of the industry, dominance by shale gas over CSG production, differences in environmental regulatory controls and laws governing landowner rights over resources.

It is important to recognise that, in the absence of the Project, there is, and will remain for the foreseeable future, a demand for energy generation to meet the basic needs of the Australian population. That demand will remain irrespective of whether the Project is approved and, if the Project is refused, the demand will simply need to be met by other energy sources including but not limited to LNG import into NSW via approved and planned facilities. These alternative sources of gas could be expected to have higher emissions impacts due to transportation requirements including liquefaction, transportation, regasification and other sources of emissions.

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Those who on our behalf should be taking a critical look at the responses, the DPIE have themselves already, as noted above, shown themselves ready to be persuaded.

As to the economic update provided by Santos, it appears to be on shifting ground and does not provide great assurance of the benefit of the project for NSW. The recent ACCC interim report adds to doubts about the Australian gas market's dealings with the domestic market.

And yet they ask us to trust them.

Thank you for allowing the opportunity to further respond and for your consideration of this additional submission.