

Submission - objection in response to:

1. Department of Planning, Industry and Environment response to Independent Planning Commission Questions
2. Santos Submission to IPC following public hearing
3. Conclusion

I will leave matters better responded to by experts to them

1. Department of Planning, Industry and Environment response to Independent Planning Commission's Questions

1.1 Ecologically Sustainable Development (ESD)

1.1.1 In the face of overwhelming evidence to the contrary the Department has concluded

'that the project represents a safe and sustainable use of the State's natural gas resources that would promote the social and economic welfare of the community without compromising the needs of any future generations.'

- Drilling for coal seam gas has not been proven to be safe and it is not sustainable as gas is a finite fossil fuel.
- Santos has driven a wedge in the local community and only a few who support the project are likely to benefit financially.
- Wells will disintegrate with time, causing water tables to drop, leaving future generations to deal with this problem.
- Water is going to be the most sought after resource of the future and this project risks contamination and depletion of our water resources. This is what I call *'serious or irreversible environmental damage'*.

1.1.2 that the project *'would not significantly affect the environment, including protected conservation areas such as the Brigalow State Conservation Area and Brigalow Nature Reserve and listed threatened species and communities (Object d);'*

The region will change from a rural to industrial landscape with many more roads, traffic, fences, pipelines, clearing, light and noise fragmenting the forest. This will minimise wildlife habitat or put up barriers to it, limiting the animals' potential to find food and water sources.

1.1.3. *'These conditions include requiring Santos to establish and operate a Community Consultative Committee, Water Technical Advisory Group and Aboriginal Cultural Heritage Advisory Group for the project. They also require Santos to make all relevant information on the project publicly available.'*

- Santos have been unable to operate a Community Consultative Committee successfully up until now.

- At the Hearing we were told that prominent Aboriginal groups had not been consulted.
- The NSW Government continues to ignore that Santos has no social licence to proceed with this project. This will not change, only strengthen.
- The government struggled to obtain information from Santos last year.¹

1.1.4. *'Santos would be liable for meeting all the costs associated with avoiding and/or minimising the impacts of the project, with monitoring and reporting on its environmental performance during operations, and with fully rehabilitating the site following operations.'*

Santos will be self-regulating and monitoring its own work. The fox is in charge of the hen house! This gives Santos the opportunity to reduce costs substantially. Its record stands - no monitoring, no data, no problem!

2. The Precautionary Principle

The government ignores the

- risk of contamination and pressure drop of the Great Artesian Basin
- affect from fragmentation of the forest on wildlife and threatened species
- additional emissions as it frees up more gas to be exported

3. Intergenerational Equity

1.3.1. The future is electricity not gas. The government policy "seeking to *establish a safe and sustainable gas industry in NSW*" is out of step with the community and the future generation who will pay for the damage and infrastructure for many years.

AGL is one of the biggest suppliers of domestic gas in NSW. On 14 August AGL announced it had lodged a proposal to build as much as 500 megawatts of batteries at its Liddell power plant and has plans of doubling that total across the nation.²

"Battery prices are coming down so they are starting to compete with gas peakers," said AGL CEO Markus Brokhof. "We want to be part of this energy transition" away from fossil fuels, he said.

The demand for gas is falling in NSW and, as it falls, more gas will become available for the few industry sectors which need it. There is no such thing as a safe and sustainable coal seam gas industry.

1.3.2. *"the project would use a very small amount of the region's water resources"*

The risks to soil and water resources from human error or equipment failure are undeniable during gas extraction from coal seams.

1.3.3. *"all wastes associated the project would be properly managed"*

¹ www.smh.com.au/politics/nsw/i-won-t-be-pushed-around-resources-minister-warns-santos-over-gas-20190624-p520r2.html

² <https://www.smh.com.au/business/companies/right-moment-agl-unveils-plans-for-at-least-1000mw-of-batteries-20200814-p55l1nn.html>

Prof Khan has revealed NSW's regulatory guidelines for waste is not fit for purpose when dealing with the salt and toxins brought up to the surface from the coal seam.

1.3.4 *"all the gas wells would be plugged and abandoned strictly in accordance with the Well Integrity Code to ensure they do not create a liability for future generations or create a potential pathway for polluting the region's beneficial water resources;"*

The Water Expert Panel in an email to Steven O'Donoghue on 5 June 2020 on page 390 of the NSW Government's Assessment Report says 'Clearly, there is no engineering activity, including drilling, completing and abandoning a well, that can be absolutely guaranteed to remain effective in perpetuity.'³

1.3.5. *"The likelihood of the project increasing the fire risk of the region during operations remains remote (the lowest possible rating under the relevant risk criteria); if anything, the project is likely to increase the fire-fighting capability of the region during operations;"*

If the above is true why did one of the most respected fire fighters in the country, Greg Mullins say the project should be rejected on bushfire risks alone? Why do so many fire fighters refuse to enter a gasfield to fight fires? The belief that Santos can contain fires with their own workers on site proves that they have no idea about the complex issues around fighting a bushfire.

1.3.6. *"there would be several safeguards in place to protect the local community – including those provided in the recommended conditions – and ensure that they are not burdened by the project and that Santos is responsible bearing the costs associated with the project."*

If Santos pays all the costs associated with this project - monitoring, compliance and enforcement to comply with the conditions, the cost of the gas would skyrocket so it won't, and the environment will suffer as they cut costs.

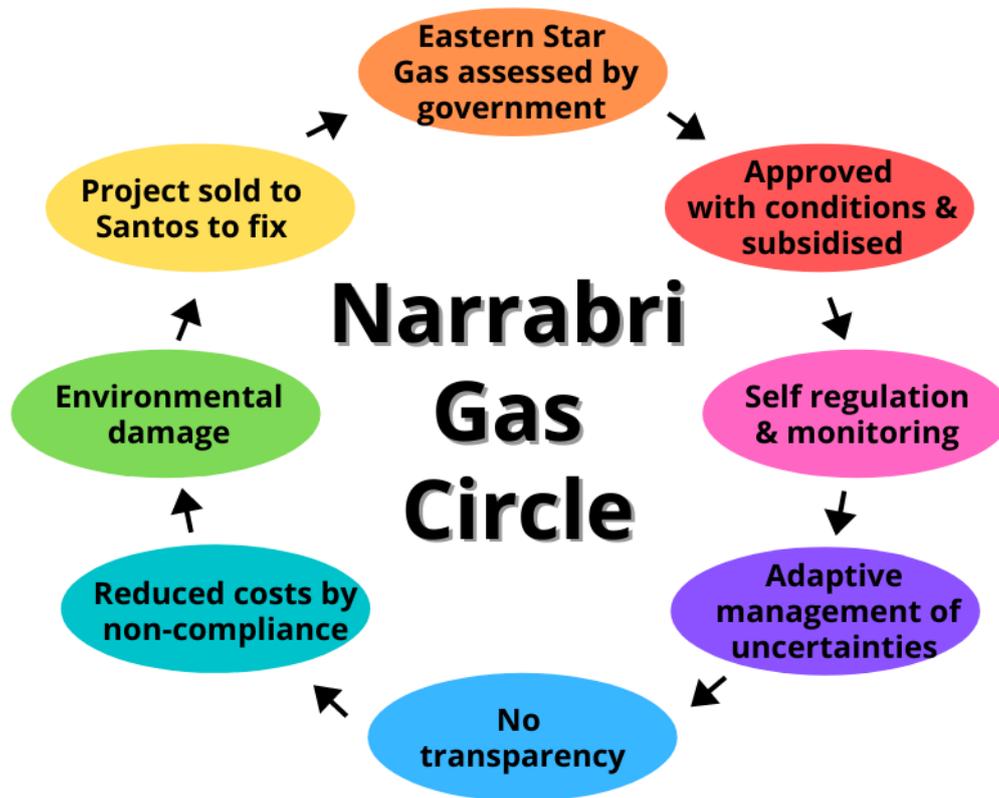
The process of extracting coal seam gas is much more expensive than conventional gas. Non-compliance is one way to reduce costs, and paying a fine is way cheaper than complying.

1.3.7. After the recent prolonged drought followed by unprecedented bushfires then floods, the public are determined to transition away from fossil fuels to reduce emissions. This is evident in AMEO's Integrated System Plan which says Australia is *experiencing "what is acknowledged to be the world's fastest energy transition"*.

Therefore *"the ongoing use of gas in NSW over the next 20-25 years by heavy industry, business and over 1.4 million households"* is reducing and will continue to reduce due to less demand and new technologies. As governments talk of subsidising and approving gas projects, community opposition grows. People will long remember the fires and floods of 2020 and want to do something to help. As consumers they can and this will result in

³ <https://www.ipcn.nsw.gov.au/resources/pac/media/files/pac/projects/2020/03/narrabri-gas-project/referral-from-the-department-of-planning-industry-and-environment/dpie-final-assessment-report.pdf>

stranded assets with no one but the government to clean them up. The Narrabri Gas Project would have come full circle as that is why Santos took over the project in 2011 – to clean it up.



Gas is a fossil fuel and has nearly as much emissions as coal so it is not a transition fuel. Recently, in a sign of the times, even the Reserve Bank changed its terms of its energy tender from 10% to 100% green energy.⁴

1.4. Conservation of Biological Diversity and Ecological Integrity

The government requires “all residual biodiversity impacts to be fully offset in accordance with the government’s Major Projects Offset Policy.”

The NSW system of offsets is a fundamentally flawed and broken system. There is no auditing of effectiveness, no guarantee land is available, and if not, the proponent just pays into a government fund and habitat is lost elsewhere.

1.5 Salt Management

⁴ <https://reneweconomy.com.au/reserve-bank-modifies-energy-tender-from-10-pct-to-100-pct-green-energy-26624/>

Queensland has been trying to find a beneficial use for this salt for over 10 years and has not found one. Converting the waste to a solid product so it can be put in landfill will use huge amounts of electricity and when exposed to water it will dissolve.

If the Government was truly transparent and compliant with community consultation then they should disclose the location of where brine and salt can be safely disposed of “away from sensitive receiving environments and good quality agricultural land”.

To approve yet another project and to start a new gas industry in NSW while this issue has not been solved is INSANE.

Recommendations – Chief Scientist & Engineer Review

The Government has subsequently responded to 15 of the 16 recommendations and is currently finalising its response to the last recommendation (cost recovery for regulatory).

The Sydney Knitting Nannas and Friends received a letter from Environment Minister, Matt Kean dated 17 August saying the following.

The outstanding recommendation relates to cost recovery mechanisms for the regulation of the industry. While the recommendation does not specify a timeframe for implementation, the NSW Government is working to respond to this recommendation as a priority.

As far as I am aware the NSW government has not recovered any costs for this project. The government has paid for the drilling of monitoring bores, the set up and staffing of EPA office in Narrabri, site inspections, upgrading of roads, expert and community meetings for the project and the pipeline, scientific reports, grants etc. Forestry workers have lost their jobs, police and court time has been taken up with protesters.

During the parliamentary review of the implementation of the Chief Scientists recommendations the NSW Government did not know their annual budget for regulating the industry and Santos and the government had not agreed on cost recovery for regulation. Since then we learnt that EPA’s gas regulation budget for 2019/20 was \$3.75 million.⁵

The costs of regulation is one of many uncertainties that could increase the price of the gas. If Santos complies with the conditions and the government insists it pays all the costs the gas will be too expensive. If the government subsidises the project then it is not complying with the conditions because it is supposed to pay all these costs.

2. Santos Submission to IPC following public hearing

2.1. Why the project is needed

The Federal and State Government’s MOU for NSW to provide 70Pj gas in exchange for federal funding for necessary updates to interconnectors is not a reason to start an industry in our state which has so many uncertainties and risks associated with it. NSW has always imported most of its gas. LNG tankers could supply gas at one of the proposed import terminals. These are much cheaper and faster to build than the Narrabri gasfield and the necessary pipeline to get the gas to market.

⁵ <https://www.parliament.nsw.gov.au/lcdocs/other/12941/Answers%20to%20questions%20on%20notice%20-%20Department%20of%20Planning%20Industry%20and%20Environment%20-%2012%20December%202019.pdf>

Santos quotes the AEMO Integrated System Plan (ISP)

“After gas fields cease production between mid-2023 and mid-2024, gas supply restrictions and curtailment of GPG (gas-powered generation) may be necessary, particularly during peak winter days.”

But Santos neglects to point out that the ISP also says *“New flexible gas generators could play a greater role if gas prices remained low at \$4 to 6 per GJ over the outlook period.”* ISP Page 12

“for GPG to remain a competitive investment as battery costs reduce (to \$922/kW by 2030), gas prices need to be as low as \$4/GJ in the long run” ISP Page 55

Santos’ graph on page 8 puts the cost of Narrabri Gas above \$6. The uncertainty surrounding this project and the adaptive management plan to deal with it incrementally is likely to add extraction and processing costs to this project, making the project costs at this stage unknown.

“Additional gas is required in the domestic gas market to meet residential, commercial and industrial gas demand.” See 1.3.7

The Sydney Morning Herald on 20 August reported Santos “has sunk to a half-year loss of more than \$400 million as the coronavirus crisis pummels energy demand and commodity prices around the world”.⁶

If approval is given is there a time frame for Stage 1 commencing? Due to Santos’ financial situation and the expectation that it will be a while before it is ‘business as usual’, it is unlikely the company can start this project in time to be of benefit for the supposed forecast of a gas shortage in 2024.

<https://www.accc.gov.au/regulated-infrastructure/energy/gas-inquiry-2017-2025/july-2020-interim-report>

2.3.1 The role of natural gas in a low-carbon economy

“If the natural gas produced by the Project was simply used to displace coal-fired power generation in the Australian energy market, it would be expected that this would also reduce CO₂ emissions.”

In February 2020 satellite imagery showed that gas companies have underestimated their emissions by about 25 – 40%.⁷ This increases the emissions of gas, particularly unconventional gas, to be nearly the same as coal. Gas is not a transition fuel between coal and renewables.

⁶ <https://www.smh.com.au/business/companies/santos-sinks-to-loss-as-pandemic-guts-lng-prices-20200819-p55ndg.html>

⁷ <https://reneweconomy.com.au/new-methane-data-shows-gas-industry-can-no-longer-hide-behind-burping-cows-79698/>

Intergenerational Equity

Appendix B - Opinion of Richard Lancaster SC – Ecologically Sustainable Development

66. *It has been accepted that there are three fundamental principles underpinning the principle of intergenerational equity, namely (emphasis added):*⁸

(i) the conservation of options principle which requires each generation to conserve the natural and cultural diversity in order to ensure that development options are available to future generations;

(ii) the conservation of quality principle that each generation must maintain the quality of the earth so that it is passed on in no worse condition than it was received;

(iii) the conservation of access principle which is that each generation should have a reasonable and equitable right of access to the natural and cultural resources of the earth.

“NWA Submission does not address the limb of the principle of intergenerational equity that is described as the conservation of access principle.”

Objections to the project are based on (i) and (ii) and (iii) – the current generation has accessed and exploited natural resources far more than any other, and now other technologies such as renewables and battery storage are available. Hence we should leave gas in the ground and not risk our water resources in case future generations need gas and water.

C. Conclusion

If business will not invest in this industry, governments should not be subsidising it when other options are available that will

1. not put our water resources or environment at risk
2. not lock in a high emission industry for 35 years
3. require little to no rehabilitation
4. produce the same number if not more jobs

The energy market is changing daily, school kids are demanding the government fund their future not gas because they will be the ones paying for it. This project is inequitable and should not be approved.

⁸ http://blogs2.law.columbia.edu/climate-change-litigation/wp-content/uploads/sites/16/non-us-case-documents/2006/20061127_2006-152-LGERA-258-Australia_decision-1.pdf