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“Tallawang”

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To: NSW Department of Planning & Environment

THIS IS A SUBMISSION TO THE NARRABRI GAS PROJECT ENVIRONMENTAL IMPACT STATEMENT.

We object strongly to this project.

Thank you for the opportunity to make a submission to the Environmental Impact Statement for the proposed Coal Seam Gas Project at Narrabri. We have deep concerns about this project.

CSG produces more water than it uses. This “produced water” is ancient and has been in contact with the coal beds for millions of years. The produced water includes heavy metals (arsenic, mercury, lead, chromium) radioactive substances (uranium) aromatic hydrocarbon compounds (BTEX – benzene, toluene, ethyl benzene, and xylene) and salt. Treatment of the extracted water leads to concentration and release of these substances. In addition there are large quantities of chemical additives used in each well drilled, such as surfactants, lubricants, acids, scale/corrosion inhibitors and biocides of acute or chronic toxicity. Some of these include methanol, diesel fuel, lead, hydrogen fluoride, naphthalene, formaldehyde, crystalline silica, sulphuric acid and BTEX compounds.

As beef producers we are concerned that there is a high risk of water contamination from escape of produced water and chemicals used in the drilling process that may enter ground water supplying bores for stock and domestic use. International reports have shown that this situation is entirely possible.

We have grave concerns that such water may then create a risk of contaminated meat from animals entering the supply chain. Our industry may then be threatened and we would lose the “Clean & Green” domestic and international reputation that has built up so successfully over many years.

What are the legal implications for that cattle producer or feedlot operator when standard residue tests later detect contaminants in the beef from those cattle, for which the producer/lot feeder has signed National Vendor Declarations (NVDs) guaranteeing their food-safety status, or when a consumer gets sick from eating the same beef?

Finding answers to this question was the focus of a Meat & Livestock Australia (MLA) funded project in 2013, initiated by the Cattle Council of Australia (CCA) and the Australian Lot Feeders Association (ALFA). Under the project MLA engaged a legal firm to provide advice on who would be liable for any CSG-industry related contamination of cattle, should it occur, and the obligations and liabilities producers face when completing an NVD.

At the time Queensland Gasfields Commission Chairman John Cotter described the issue as being of serious concern to beef producers and said it was hoped the MLA project would provide a resolution. However, although the project was completed, the advice it produced cannot be passed on to the producers who funded it and indeed who most need it. That is because the legal firm contracted to do the work (which has not been publicly identified) advised MLA, CCA and ALFA when

it completed the project that its final report “should not be released”, with the information in the report being “was legally sensitive” and “due to the fact that it advises liability, the firm advised that the report itself shouldn’t be released”. These words have an ominous ring.

Santos has, from its early days in this area, assured us that it “will make good”. Numerous conversations with Santos staff in community consultations have emphasised this. However Section 7.6 of Appendix F Part 1 refers to make good provisions “that may be followed” and these appear to only be on the table for “unanticipated consequences”. However, experts have identified a basic lack of data on hydraulic head measurements in the EIS to establish a baseline of the pressure, height and quality of water in the overlying productive aquifers that we use. This will make any landholder’s attempt to secure “make good” actions from Santos next to impossible and is unacceptable. The anticipated consequences for existing users bores do not appear to be outlined in the report.

In the event of these unanticipated consequences, the groundwater assessment says, “Santos may undertake an assessment of the bore to determine the extent to which the bore is impaired and the likelihood that the impairment has been caused by the activities of the project. If impairment of the bore is shown to be an impact of the project, Santos may enter into a make good agreement with the bore owner...” (Appendix F Part 1 7-18). In the absence of baseline data on water being provided with the EIS, this commitment is worth nothing. It will be impossible and expensive for landholders to have to demonstrate that the water loss they experience or contamination of their product is a result of the gasfield and this wafer-thin “commitment” to make good any losses is no commitment at all.

“May” is not the same as “will”. Our business will remain at risk into the future. No time frame that accounts for immediate or long term breakdown of well integrity or drilling accidents is provided by the EIS.

This risky situation has a long tail – we have inquired with our insurers and are not able to gain insurance to cover this situation – could Santos “make good” into the future for our water reliant agricultural businesses? Given such a situation, our property would be devalued significantly and may not be saleable – hence jeopardising our future plans.

Latest available gross value figures on a regional basis from the Australian Meat & Livestock Association for Red Meat production in the 2014- 15 are:

Namoi \$429,437,244.00

Border Rivers-Gwydir \$347,936,465.37

Total \$777,373,709.37

To return again to the issue of risk of contamination of meat: Is Santos itself covered by insurance for this – would any underwriter cover Santos for this level of exposure?

We believe that the NSW State Government should abide by the “precautionary principle”. We would need, and we do request, your advice as to who would be culpable for such a situation – would it be Santos or would it be the NSW State Government in approving this project if water contamination occurs and our industry and our future is ruined.