



NATIONAL PARKS ASSOCIATION OF NSW
protecting nature through community action

Attention: Director, Mining and Industry Projects
Major Projects Assessment
Department of Planning
GPO Box 39
Sydney NSW 2001

Illawarra Branch
PO Box 847, Wollongong NSW 2520
illawarra@npansw.org.au

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To Whom It May Concern,

Objections to the Modification Proposal 07_0103 MOD2 from Apex Energy NL

The members of the Illawarra branch of the National Parks Association wish to present strong objections to the proposal from Apex Energy to renew their 2009 major project to undertake coal seam gas operations in the catchment lands of the Northern Illawarra. We understand that there could be economic benefits for NSW, based on the royalties from production mining, but we believe that scientific uncertainty remains and that risk taking in the catchments and high value conservation lands is unacceptable. Exploration licences are intended to lead to production mining. Future generations will not thank us for forfeiting these areas forever, for short-term gain.

This organisation made a submission to NSW Inquiry into coal seam gas mining (submission #555) and the issues raised then are still relevant. Some additional points are outlined below.

Prior to the election Barry O'Farrell stated that the next Liberal and National Government would "... *ensure mining cannot occur in any water catchment area and that any mining leases and exploration permits will reflect that common sense. No ifs, no buts, a guarantee.* We believe that common sense should prevail in, spite of lobbying of government by CSG exploration and mining companies. The lifting of the ban on fracking this week adds additional undetermined environmental risks.

There is a great deal of community opposition to coal seam gas mining in the catchments, with large rallies and a petition that now has more than 30,000 signatures. Wollongong City Council and many other councils in NSW are opposed to CSG development and some are declaring CSG free zones. We support this opposition to CSG mining in environmentally important areas which should be conserved for future generations.

Yours sincerely,

Helen Wilson (Secretary)

NPA Illawarra Branch

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NSW does not need gas from CSG

The current application argues that project approval will help solve a gas supply crisis in NSW. There is no gas crisis in NSW and there is no anticipated need for new baseload power before the next decade. According to the industry body, the Australian Energy Market Operator, forecast demand for electricity has dropped considerably in the last three years. Natural gas is available from the Bass Strait, and the environmental implications of drilling for natural gas are already well known, unlike the case of the unconventional gas, CSG.

BHP Billiton Petroleum chief Mike Yeager on 14 May 2012 said his company had **plenty of gas for sale** to supply east coast markets:

“We want to make sure that the market knows that the Bass Strait field still has a large amount of gas that’s undeveloped,” Mr Yeager said. “We have a lot of gas in eastern Australia that’s available. It’s more important to let the citizens of Victoria and New South Wales, and to some degree, you know, even Queensland ... there’s plenty of gas to supply those provinces for – you know, indefinitely.” “We have gas for sale and we will work with anybody at any time.”<http://bit.ly/QGhyhN>

The NSW gas crisis is a myth propagated by the NSW CSG industry and the NSW Government.

Failure to meet the 2009 major project approval commitments

The current modification application offers reasons for the failure to meet the major project commitments but they are not in accord with the public record of events. The successful community activism relating to concerns regarding the risks of CSG development in NSW did not affect Apex until early 2012, some two and half years after the major project approval.

Apex were unable to meet their project commitments primarily because of limited resources and experience and an inability to satisfy the requirements of the Sydney Catchment Authority. The inability of Apex Energy to drill any of the 15 bores approved in 2009 demonstrates that they lack the required resources, capability, experience and judgment to meet the commitments and responsibilities of a major project.

The need to consider production as a consequence of exploration

The Planning Assessment Commission (PAC) justified its 2011 approval of an additional bore (A1 #19) by emphasising its conviction that the assessment of an exploration proposal does not need to consider a subsequent production project and that approval of an exploration proposal has no

implications for a production project application.

Commercial exploration is an investment made in the anticipation of production revenues; exploration is the first phase of production. According to the Sydney Morning Herald of September 7 2012

"Ultimately the project is likely to be somewhere in the 150 to 200-well range," said Apex Energy's corporate development manager, Chris Lawrence.

The 2009 major project is not in fact an exploration project, it is a mapping project for a subsequent production field - as the modification application indicates. The PAC decision of 2011 did offer some useful restrictions on the operational management of the drilling project, but the overall decision lacks credibility and undermines confidence in the PAC as an independent assessment body. This abdication of responsibility by the PAC is heightened by the critically important location of the proposed project - the Schedule 1 Special Areas and the surrounding high conservation value lands.

The PAC's assertion that approval of an exploration project will have no bearing on a subsequent production application lacks credibility. Significant investment in an exploration project, will inevitably apply pressure to approve a subsequent production proposal.

Listing of the Upland Swamps

In March 2012 the Coastal Upland Swamps were listed as an Endangered Ecological Community (EEC) under the NSW Threatened Species Conservation (TSC) Act. The listing notes that the swamps harbour biodiversity of international standing and highlights the threat posed by CSG operations. The impacts of CSG extraction are likened to those of longwall mining, which was listed as Key Threatening Process under the TSC Act in 2005. A listing of the swamps under the Commonwealth Environmental Protection and Biodiversity Conservation Act is expected in the very near future.

The upland swamps are recognised as being extremely important to the quality of the water supplied to Sydney. The swamps capture rainfall and store and filter it, releasing water slowly into the creeks.

Most of the bores are within the immediate vicinity of swamps. The risks to the swamps posed by produced water and clearing some 9 ha of land requires a reassessment in the light of the heightened concerns for the swamps. The modification application makes no reference to the upland swamps or their EEC listing.

Impacts on Biodiversity and risks to the Environment

Land clearing and disturbance associated with large vehicle access will impact on biodiversity, as will

the effects of continual exploration drilling noise which lasts at least six weeks. Vehicle movements risk the introduction of weeds into the largely pristine area. Although a consultants report, (Appendix II of the EA for A1 #19) minimizes such biodiversity risks, the report appears to be based on observations taken over one day and is mainly a desktop study

“Field Survey

The field survey effort for fauna was considered commensurate to the size and condition of the subject site and included habitat-based assessment, incidental fauna observations (including tracks, scats and other traces). The initial site assessment was undertaken on Monday 23 August 2010”

Although approved by the PAC in 2011, is this kind of cursory fauna assessment appropriate for areas listed as Endangered Ecological communities? According to the same report (page 17)

“A total of 58 subject threatened fauna listed on the TSC and/or EPBC Acts, or their habitats, have previously been recorded within 10 km of the subject site “

The Pilliga area of NSW has been impacted by CSG exploration as shown in the recent report from the Northern Inland Council for the Environment and the Wilderness Society: *“The Truth spills out: a case study of coal seam gas exploration in the Pilliga”* (from the Executive summary):

“This report compiles and analyses all empirical data that is available on the environmental harm caused by coal seam gas operations in the Pilliga over the last 12 months, from June 2011 to April 2012. It also develops a detailed chronology of events which includes relevant public statements from gas companies, governments and the community as well as conducting an audit of events against legal requirements.”

The report is extensive and contains data which is supplied by independent bodies. It is just as believably accurate as the unsupported statements from the industry.

The consultants’ reports and the EA for A1#19, were produced after a long period of drought. We have recently had two years of heavy rains and the bushfire risk is high. The environment has changed and the information gathered for the EA is out of date. Two of the proposed sites for Apex boreholes were burnt out in a large fire at the end of August. How much more risk would there be if methane is added to the mix? According to various media reports at the time of the Dalby fire, geologist Dr Gavin Mudd of Monash University, CSG exploration and mining are creating risks from methane leaking through the ground and through water.

The Illawarra Branch of the NPA is a volunteer group and in the limited time available we have only been able to outline some of the concerns which lead us to strongly object to the Modification Proposal.