

Attn Executive Director, Resource Assessments

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A submission to the Narrabri Gas Project EIS , a project to which I am very strongly opposed.

My background.....,

My name is Alistair Donaldson and I am a fourth generation farmer , farming cattle and grains west of Boggabri, immediately southeast of the Narrabri gas project area (NGP). We rely heavily on ground water for our farming operation. By anyone's definition I am a stakeholder .After my farm was chosen as a route for the original Eastern Star Gas pipeline , in 2010, I have taken some considerable interest in unconventional gas extraction , most notably Coal Seam Gas extraction (CSG). I have travelled to Qld on two occasions , specifically to observe the development of the CSG industry, in that state. I have been less than impressed to say the least.

"Economic benefits of the NGP"

Chapter 27.5.2 quotes 127 local jobs for the local community . Although the petroleum industry is not a significant employer on a national scale , local effects can be profound. As with most extractive industry areas , it is likely that these employment positions will be filled from businesses within the Narrabri locality . Santos will not be looking to the long term unemployed to fill their skilled employment requirements. Wage costs will rise amongst businesses desperately attempting to retain employees . On two occasions, Santos' community Liaison Officer Mr Mark Rodgers has conceded to me that , in their area of operations near Roma in QLD, and in order to achieve their employment requirements, significant (huge) job losses from agriculture have occurred. He said this was of 'concern' to the company. I am rather perplexed as to the attitude of some of the CSG supportive business community in Narrabri. They should be careful of what they wish for.

Santos' role in the deliberate manipulation and escalation of domestic and local industrial gas prices , via its LNG business, will ultimately result in the loss of far more Australian jobs , than the NGP could ever create. This company should not be rewarded with the issue of NSW production licence.

In my discussions with Surat basin business owners (not associated with gas extraction) I learnt that if you tried to match the wages offered by gas companies, your business would invariably become insolvent. One strategy for survival was to downsize or mothball the operation in the hope that suitable employees would one day become affordable and available.

Chapter 27.4.2 Quotes 1300 jobs . History has shown that these figures offered by extractive industries, should be taken with a grain of salt . In the event that they are true, then these jobs may be filled by those employees unceremoniously dumped by Santos , two years previous from their Surat Basin gas fields. I have had discussions with sacked Santos workers , who were much annoyed with this company. A sign of things to come?

Chapter 27.4.3 quotes 1.1billion dollars in state and federal royalties and taxes. I find these assertions somewhat fanciful. The mechanism by which the petroleum industry pays royalties is via the Petroleum Rent Resources Tax, a profit based scheme. Given the downturn in petroleum prices , and the scale of disastrous financial decisions made recently by Santos , analysts predict that little or no royalties will be paid in the foreseeable future. With

accumulated financial losses that can be carried forward , it is unlikely that Santos will pay any worthwhile company tax any time soon.

Social Impact 4.5, " Housing challenges and opportunities ". Quote ..."Narrabri rental vacancy low, house sales limited". One of the most distinguishing features of the unconventional gas industry, is the tendency to cause a boom / bust effect on the local economy. With a major influx of workers in the construction phase , followed by very few jobs required during the production phase , and coupled with wildly fluctuating petroleum prices , a stable business environment is virtually impossible. Characteristic of the gas boom experienced in QLD , is the massive escalation of housing and rental prices . Any one not directly employed by the industry, or pensioners , low wage earners etc, are effectively priced out of the rental and housing markets . Gas industry expansion is synonymous with a socio economic cleansing of the community.

At a recent CSG economic forum in Narrabri, the head of the chamber of commerce of Miles (in the heart of the Qld gas fields) gave an interesting insight into the social and business environment of the town ,post CSG boom. Miles had a population of 1600 prior to gas development, increasing tenfold (mostly in man camps outside of town), and now back down to 1600 again post boom. Some of his observations include.....,

During the Boom.....,

....Pensioners and low income residents left town , along with all of the volunteers (e.g. sporting coaches)due to the high cost of living and high rental prices.

....The town became the domain of speculators, not from the area.

....The residents of the work camps contributed very little economically or socially to the local economy.

....In his own engineering business he had to resort to hiring 417 & 457 visa employees after losing staff to the CSG industry.

Post boom....,

....Every two weeks or so, another local business becomes insolvent and closes down , as a direct consequence of the CSG bubble burst.

....When asked about negative environmental impacts associated with CSG , he presumed there would be effects and that the taxpayer would end up paying for remediation.

Chapter 2.2 Agriculture Impact Assessments. Here we find Santos soliciting an opinion from just 5 handpicked farmers in order to assess ag impacts. I struggle with the apparent lack of objectivity in their actions. In my experience farmers are very concerned about this extractive industry.

I have recently been involved in a community survey process of rural residents living in some 3.2 million ha of farm lands covered by Santos' PEL's in NW NSW. In response to the question "do you want your road / local community gas field free" an average of around 96% of residents have responded with an emphatic "YES".

Other issues of concern regarding CSG extraction.....

No real solution on how to deal with the 400,000 tonnes of salt and carbonates generated by the NGP. In our travels north of Roma (Santos' main area of interest) it was obvious that local residents had the same concern. All along the roadside heading north to Injune, signs were displayed with the message "No salt and sewerage dumps here thank you".

Unconventional gas extraction is recognised as a major contributor to carbon (or in this case, carbon equivalent) pollution of the atmosphere. Fugitive methane emissions via leaking infrastructure and atmospheric connectivity to the dewatered coal seams, remains the "elephant in the room"

Groundwater drawdown impacts, as quoted by Santos in their EPBC referral (page 65), affecting the Gunnedah Oxley Basin.

As one of Santos' "non core assets" it is likely that the NGP will be sold (more than likely a foreign entity) , leaving stakeholders and farmers with an uncertain future.

"Worlds best practise well integrity" whatever that is. At some time in the future all of these gas wells will fail ,leading to full connectivity between surface aquifers and dewatered coal seams.

The massed industrialisation of our local landscape as unconventional gas development occurs. In QLD recently we chartered a light aircraft , and flew for an hour over QGC and Origin gas fields SW of Chinchilla . Our party of concerned farmers and Narrabri residents were shocked as to the extent of the CSG infrastructure we observed. Given the extent of PEL's currently held by Santos throughout the NW of NSW, and given that the CSG industry in QLD appears to know no moderation thus far, I am very concerned that the negative accumulative effects of the NGP in to the future.

Thank you for this opportunity to have my say ,

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