

20th May 2017

Executive Director, Resource Assessments
Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001.

OBJECTION TO PROPOSED NARRABRI GAS PROJECT

Thank you for the opportunity of making this submission. I believe that this project should NOT proceed. My reasons are set out below.

Why is the Narrabri Gas Project needed?

Much has been said and written about gas prices and gas supply. The Santos EIS claims that the NSW gas supply problems will be solved if this project proceeds. This is nonsense which unfortunately is also peddled by our politicians. Minister Anthony Roberts stated that NSW must expand the coal seam gas industry if it is to headoff surging household gas prices (Sydney Morning Herald 7th February 2014). Federal politicians make similar claims.

The following points from Ross Gittins' article in the Sydney Morning Herald (18th December 2016) clarify the real situation and demonstrate that the claims of the politicians and gas companies are spurious. To quote Gittins:

"There has been little change to the Eastern states' demand for gas, nor decline in the supply of gas from Australian gasfields. What's changed is the decision of our governments to allow foreign investors to set up several gas liquefaction plants near Gladstone in Queensland. By doing so they opened a link between our closed market and the world market, where the price of gas just happens to be a lot higher."

There is no need for the Narrabri Gas Project.

- a) Supply from Narrabri will not result in a reduction in gas prices. Our future prices are related to world prices.
- b) There is already enough gas. The problem is that the government has allowed foreign companies to seize a significant proportion of our gas supplies with no thought about the implications for Australia.
- c) The EIS talks glowingly about solving the supply problem in NSW and makes statements gas coming from interstate. This is populist nonsense.
- d) By not proceeding with this project, it will eliminate the issues detailed later in this submission.

Can this project be managed properly?

Management of a project such as this is complex, long term and involves both the government and the company. I believe that NSW Government is not equipped to handle this and I would be very surprised if Santos is properly equipped. My concerns include the following:

a) **Approval process**

Santos has submitted a large volume of documentation. The EIS is voluminous but lacking detail on important things such as precise locations of wells and the connecting infrastructure. I question whether the Government has the resources to evaluate all necessary information at the required level of detail and understanding. Another significant flaw is the EIS is produced by consultants paid by Santos. This is equivalent to putting the fox in charge of the hen house. Reports produced by such consultants can readily be slanted to read well and to cloud or hide important issues (e.g. the motherhood statements about NSW gas supply).

b) **Oversight and regulation**

The 2014 *Study of regulatory compliance systems and processes for coal seam gas* by Professor Mary O’Kane, NSW Chief Scientist and Engineer reveals a litany of problems in both the regulatory structure and the day to day supervision of compliance. Her conclusion is that “*Significant change is still required to achieve a ‘world class’ regime for CSG extraction*”.

Fugitive emissions of methane

Fugitive emissions of methane are a major issue. Methane is a powerful greenhouse gas, 86 times more potent than carbon dioxide when its atmospheric warming impacts are measured over 20 years.

The October 2016 *Review of current and future methane emissions from Australian unconventional oil and gas production* by the Melbourne Energy Institute at the University of Melbourne makes the following findings:

- a) There is significant uncertainty about methane-emission estimates reported by producers to the government.
- b) Australian methane-emission reporting relies to a significant extent on assumed emission factors.

Research in the USA indicates that fugitive methane emissions greatly exceed industry estimates. Note also that such fugitive emissions can occur along the whole pipeline of production – Limited available observations suggest that by far the largest source of fugitive emissions is likely to be leakage from the extensive network of gathering lines, compressors and pumps which connect producing gas wells to the transmission pipeline tie-in points. Some US gas fields appear to have up to 6% gas leakage via fugitive emissions. These fugitive emissions have a big negative impact on the claimed benefits of gas for climate change.

Given the significance of this issue, it would be negligent of the Government to approve the project. We cannot afford any significant leakage of fugitive methane.

Salt

The EIS indicates an average production of 47 tonnes of salt per day over the life of the project. This equates to more than 334,000 tonnes of salt which is proposed to be transported to a licenced disposal facility. There is no comment in the EIS on the impact of the salt on the environment surrounding that facility but grave concerns were expressed by Senator Heffernan’s 2011 Senate Inquiry (Management of the Murray-Darling Basin System) into such treatment of waste salt production. This is another reason to refuse the project.

Degradation of the landscape

A report prepared for the Australian Council of Environmental Deans and Directors¹ states in its conclusions on page 105:

“Fragmentation and loss of native vegetation resulting from the considerable surface footprint of CSG infrastructure represent a serious threat to biodiversity, threatened species and landscape function. Evidence from CSG developments to date indicates that severe negative effects are possible. Potential impacts include direct clearing of bushland, fragmentation of important remnant vegetation, spread of invasive species and increased fire risk.”

This project will have a significant negative impact on the environment and should not be permitted to proceed.

Effect on ground and surface water systems

The Australian National Water Commission in its Position Statement on CSG in December 2010, said:

“Potential impacts of CSG developments, particularly the cumulative effects of multiple projects, are not well understood”.

The CSG industry *“risks having significant, long term and adverse impacts on adjacent surface and groundwater systems”*.

In its June 2012 update, the Commission reaffirmed that the principles articulated in its Position Statement remain a robust framework for the implementation of regulatory arrangements for managing the water impacts of CSG development².

The position of the scientists is clear – the impacts of CSG on water systems are not well known. Therefore the *“Precautionary Principle”* must apply, this project should not proceed


The above statements conflict with the enthusiasm of the Federal and State Government for coal seam gas so the problem was solved by abolishing the Australian National Water Commission was abolished in 2015. This is not a good look for government!

Conclusion

The Narrabri Gas Project is NOT needed and there are a myriad of problems associated with any such development. I therefore urge the NSW Government to refuse approval for this project.

Please feel free to contact me if you require any further information.

Yours sincerely



Charlie Shuetrim

¹ An Analysis of coal seam gas production and natural resource management in Australia
Issues and ways forward By John Williams Scientific Services Pty Ltd October 2012

² National Water Commission <http://nwc.gov.au/nwi/position-statements/coal-seam-gas>
Accessed 23/4/2013