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Submission

to

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on

Coal and Gas Strategy Scoping Paper

Compiled for Clarence Environment Centre
by John Edwards
Honorary Secretary

Submission to NSW Planning Department's Coal and Gas Strategy Scoping Paper

Introduction

The Clarence Environment Centre has maintained a shop-front in Grafton for over 20 years, and has a proud record of advocacy for the environment. In the last 12 months we have watched in horror as coal seam gas miners spread like a rash across the country, seemingly unanswerable to any authority, and riding rough-shod over the objections of landowners.

We have seen the media reports of polluted water supplies, disappearing aquifers, and wells leaking methane gas into an atmosphere already overburdened with greenhouse gases, and all with the blessing of relevant State governments.

Finally, we have a Scoping Paper for a Strategy to regulate the industry. The following is our preliminary assessment of that Paper, focusing on some of the issues of concern.

General comment

Before commenting directly on the Paper, we need to consider some overriding facts that are detailed on page 5, and predict percentages of world energy sources by the year 2030. At the same time we remind that in order to avoid catastrophic climate change, the world must reduce greenhouse gas emissions by at least 60% below 1990 levels by 2050. Australia has set this target.

However, the page 5 predictions show that world-wide:

<i>Fuel Source (% use)</i>	<i>2002</i>	<i>2030</i>
<i>Coal</i>	<i>39%</i>	<i>38%</i>

A 1% drop only in the percentage of coal use in 30 years. With rapidly emerging economies in Asia, electricity demand likely to double over that period, which means coal use will also double. Even the most optimistic proponent of clean coal agrees that any likelihood of that technology coming on line before 2030 is slim.

On the other side, predicted percentage of renewable energy is a rise from 2% in 2002 to a measly 6% in 2030. Worse still this small increase does not come at the expense of polluting coal and gas, but from another renewable source, hydroelectricity, which is predicted to drop from 16% to 13%.

The percentage of polluting gas use on the other hand is predicted to fill 30% of demand in 2030, up from 19% in 2002. Under those circumstances, how can the world possibly meet the agreed emissions targets?

The Paper rightly predicts that: *“Over the coming decades, therefore, coal exports from NSW could increase substantially”,* and *“In addition, there could be a substantial expansion of the coal seam gas industry. This will require substantial investment in pipelines, processing plants and port facilities.”* With the reality of climate change already upon us, this is sheer madness.

Coal and gas mining has expanded rapidly across the eastern seaboard of NSW over the last five years, and community opposition is now reaching a tipping point that will, hopefully, push decision makers into action.

We have read the *“NSW Government Coal and Gas Strategy Scoping Paper”* in the hope of finding some indication that the Government is taking protection of the environment seriously, but have failed to find anything to support that hope.

In fact, the only mention of environmental protection appears in the final paragraph (page 11) under the heading “**Benefits of these initiatives**” which makes the meaningless statement that: “*A considered suite of initiatives can provide greater certainty... For the environment, that an appropriate balance is being struck between protection of important environmental attributes and the use of coal and gas resources.*” We are provided with no specifics relating to this proposed “considered suite of initiatives”, nor any hint on what could be considered to be an “appropriate balance” between mining and the environment.

We all know that under current Government policy mining will continue while ever mineral resources remain, up until the time they are all exhausted. The “balance” appears to be a point that allows all of those resources to be dug up, by placing covenants on land elsewhere where there is no minerals as an offset.

The point that is lost in all of this is that we have hundreds of threatened species, all still in decline because of continued loss of habitat. This decline continues despite various State and Federal Acts supposedly protecting them, and on the other hand those governments are supporting a system of offsets (page 10), such as Biobanking, that can only result in a net loss of habitat, and with it, biodiversity. And nobody in Government seems to care, as long as jobs are generated.

The simple fact remains, that **growth is unsustainable**. These natural resources, most of which are shipped overseas to benefit other societies, will run out, some, like gas and oil, sooner than later. They are not renewable, and when they are gone we will have nothing to replace them, yet our political leaders seem incapable of grasping that fact.

Mining is also a major threat to food producing agricultural land, something that is critical to the survival of the human race, yet here too, a “balance” is proposed. Can we assume that a good balance is to destroy exactly half the existing farming land to keep on mining?

The stated Aims

We read the stated aims with dismay. They are a jumble of motherhood statements which have received little or no thought at all, and if they have, can only be described as fraudulent. Those aims are to:

- “*Guide the sustainable development of the coal mining and coal seam gas industry and associated infrastructure.*”

It is impossible to sustain the development of a **finite resource**.

- “*Minimise the adverse health, environmental, agricultural and land use impacts of the industry.*”

Should we accept the term “minimise”, particularly in relation to human health impacts? Any responsible government should move to “eliminate” health impacts. This is simply an acknowledgment of something we have always known, that mining and burning of coal kills innocent people. It has done so ever since we began burning coal hundreds of years ago, but we never seem to learn.

Coal burning has been identified as one of, if not the, greatest contributor to the global warming that now threatens the survival of mankind itself. If the Government was serious about “minimising” the impacts of mining on the environment and agriculture, it would stop, or massively reduce mining and turn to non-polluting renewable energy options – solar, wind, geothermal, tidal and wave energy, instead of expanding the industry as proposed.

- “Ensure the industry is regulated efficiently and effectively.”

Compliance monitoring is one of the greatest failures of governments around the world, particularly when it comes to mining. Disaster after environmental disaster continue to occur, whether it be from deep water drilling for oil such as we saw in the Gulf of Mexico, or the underground coal mining accidents that kill thousands of miners annually around the world. From pollution from tanker accidents such as the *Exon Valdes* to the more recent grounding on the Great Barrier Reef. From the sea of mud that continues to inundated whole communities in Indonesia after a mining operation went wrong, to the bursting of a tailings dam from a mine that allowed millions of litres of highly toxic sludge to wipe out a fishing industry along the length of Europe's Danube River.

In every one of these cases assurances would have been given about the high degree of safety measures that were in place, yet investigations invariably prove that the operators have been cutting corners, and there was little or no effective compliance monitoring.

- “Strengthen the communication between Government, industry and the community on mining-related matters.”

Community consultation is a phrase trotted out to make that community feel it has some meaningful input. When it comes to mining, it is very clear that the community has minimal rights, and even less chance of stopping these mining operations. At best they can expect a few minor concessions or compensation; unless, of course, they are 'cashed up', as was the case recently when a mining proposal near Scone in NSW was shelved, not to protect the environment where the mine was to be built, or to protect the health of residents of the Hunter Valley, but to prevent coal dust effecting the health of the thoroughbred horses, and the wealth of their billionaire owners.

Coal Seam Gas Mining

Currently coal seam gas miners will not, and cannot, provide any guarantee that their operations,

- will not pollute groundwater,
- will not destroy aquifers, or
- will not result in methane gas leaks either into the atmosphere, or into domestic water supplies.

Despite this, the Scoping Paper describes 'fracking', the process of hydraulic fracturing of underground rock formations to release trapped methane gas, as “an *improvement in technology*”, and the NSW State Government is refusing to place any embargo on coal seam gas mining that employs this controversial technique.

Instead we have the Government hiding behind terms such as “world's best practice”, and a “suite” of (unspecified) measures , that provide no guarantees for the health and well-being of either the environment or the people, merely suggesting things could be worse without them. It does seem however (Section 4, page 9), that this world's best practice, in relation to dust and air quality, may only apply to mines near urban settlements and be dependent on 'prevailing winds'. Not very satisfying for those unfortunate souls living in sparsely populated rural areas.

In addressing water issues, the Scoping Paper states there will be: “*Measures to ensure access to adequate water for surrounding land-uses*”, and “*Measures to avoid impacts to water that may be detrimental to surrounding land-uses*”. Fracking and gas extraction requires massive quantities of water, a commodity that is often in short supply all across the state. It will be interesting to see if, when drought eventually comes, gas production is put on hold to give preference to other water-users. Right now there are no measures available to guarantee water supplies will not be polluted.

The Strategy states it will: *“Ensure all reasonable and feasible measures are implemented on mine sites to reduce dust emissions”*. It also appears that measures to protect the health of citizens in NSW, will only be enforced if the required measures are “reasonable”. Clearly, by refusing to place an embargo on gas mining pending guarantees that the 'fracking' process is safe, the Government considers the imperative of mining coal and gas, far outweighs consideration of the health of the environment or its citizens.

The Paper claims (page 4) that *“Gas has a critical role to play in NSW moving to a low carbon economy”*, and that: ***“It is the only conventional energy source that can underpin this transition in the timeframes envisaged under State initiatives for the reduction of greenhouse gas emissions”***. This statement is not only false, but highlights the Government's commitment to continue to support mining of fossil fuels rather than what they call “unconventional” energy reserves, i.e. renewable.

We point out that solar-thermal energy is producing baseload electricity in California and Portugal; a baseload geothermal power station has been established in 'third world' Kenya, and baseload wind energy is currently being used in Scandanavia, to name a few. It is only in Australia where these power sources are plentiful, that they are apparently considered to be useless, which has helped the NSW coal industry to raise production steadily for over a decade to a current 150 million tonnes annually, 75% of which is burned overseas. As a result, our governments are addicted to fossil fuel revenues, leaving no room for 'unconventional', and hard to tax sources like sun and wind!

Government's response to concerns

The Scoping Paper does a comprehensive job of accurately recording all the community concerns (page 4), but offer little more than platitudes in response.

- *“A commitment to reduce greenhouse gas emissions by 60% by 2050, including a target of 20% renewable energy consumption by 2020, consistent with the Commonwealth’s Renewable Energy Target.”*

The NSW Government has recently eliminated most financial incentives for households to install solar grid feed systems, and hot water services, hardly a 'commitment' to reduce emissions, or the best way achieve the 20% renewable energy target. There is also a Federal Government commitment to reduce greenhouse gas emissions by 5% below 1990 levels. We understand emissions are already 40% higher today than they were in 1990, and still rising at an average 2% annually (there was a slight fall during the world economic crisis). Any suggestion that the federal emissions target will be achieved, which will effectively require a 45% cut on today's levels by 2020, is pure fantasy.

- *“Establishment of the NSW Clean Coal Council which provides strategic advice on how best to support clean coal research and development in NSW”, and*
- *“Establishment of a Clean Coal Fund, through which the Government is supporting a diverse range of carbon capture and storage projects aimed at commercialising low emissions coal technologies”*

Even the most optimistic scientist will admit that 'clean coal' will never be a viable option. The Owen Inquiry into power needs for NSW published the fact that it would take half the energy produced by a coal-fired electricity generating plant to run the clean coal component. Essentially resulting in the doubling of the number of power plants, and we understand that most industry insiders acknowledge that this is just “pie-in-the-sky”, but will happily take the money.

We do, however, believe the research should continue, as coal use will have a place for the foreseeable future, but at industry's expense, not the taxpayers'. Taxpayers' money should go towards developing renewable energy.

- *“Up to \$120 million towards a NSW-based project under the Commonwealth’s Solar Flagships Program”.*

We approve of this project, but await details of how the O’Farrell Government plans to spend it.

- *“Introduction of the Part 3A project assessment process under the Environmental Planning and Assessment Act 1979, and associated reforms requiring all mines operating without a current development consent to obtain a planning approval by the end of 2011.*
- *Enacting amendments to the Mining Act 1992 to expand the scope and enforceability of its environmental management and rehabilitation provisions”*
- *The rehabilitation of a number of derelict mines under the Derelict Mines Program - an ongoing program which undertakes rehabilitation works to address environmental and safety issues at derelict mines”.*

We are surprised that mines are in fact operating illegally. However, as the above moves are unlikely to see any reduction in coal mining, and rehabilitation works are ongoing, we do not see this initiative cutting emissions or calming community concerns.

- *“Improvements to the calculation of security deposits for mining and petroleum titles, the current value of which is \$1.23 billion (as at 31 October 2010); and*
- *Preparation (by the Department of Planning) of key strategic assessment documents to improve preliminary information on the acceptability of coal mining in key locations.”*

In an attempt to convey the message that Government is undertaking comprehensive assessments of the potential impacts of coal and gas mining, the Paper provides a list on current and proposed investigations.

Incredibly, most appear to be reacting to extremely serious impacts that mining has already caused, such as subsidence-related impacts of underground mining in sensitive areas such as Sydney’s drinking water catchment, and health concerns of residents of the Hunter Valley.

Regulation and standards

We are told (page 13) that the Strategy will ensure: *“The planning approval process is as streamlined as possible”*. Most conservationists cringe at the term “streamline” which is invariably code for reducing environmental protection. We believe that any move to lessen protection for biodiversity is unacceptable, and should in fact be expanded.

The further suggestion that there must be, *“... an appropriate balance struck between protection of important environmental attributes and the use of coal and gas resources”*, will not work in an environment that is already under threat to the point where it cannot afford any further losses.

Essentially, we believe those responsible for formulating the Strategy have no concept of what it takes to replace habitat once it is destroyed. Conservatively, it would require two or three human lifetimes for a forest community to develop into a fully functional ecosystem. This must be considered when determining that “appropriate balance”.

On page 9 we are introduced to *“Strategic environmental assessment (SEA)”*, but what it means remains a mystery, with no explanation of how it works. Frankly, we place the term 'strategic' in the same category as 'streamline'. Strategic moves only ever benefit the mining companies and those who benefit financially from their operations.

A better way ahead

There are unlimited resources available in Australia that could provide 100% renewable energy, all it requires is Government resolve. We beg the NSW Government to consider a major change of direction, take the hundreds of millions of dollars currently funding clean coal research, and infrastructure to support polluting industries, and channel it into renewable energy, public transport, rail freight services, and other initiatives that will at least make a difference over the long term.

In Summary.

1. There should be an urgent analysis of the long-term costs and benefits of the coal and gas industry (ie over 100 years) that includes all external costs such as greenhouse gas emissions, loss of aquifers, loss of biodiversity, loss of agricultural land, health impacts, impacts on other industries and employment opportunities, loss of rural social structures.
2. The Strategy should be designed to implement Environmentally Sustainable Development, underpinned by a transition to renewable energy, rather than seeking to maximise coal and coal seam gas production.
3. There should be an immediate moratorium on any further licences or approvals, especially coal seam gas exploration licences, until the system is reformed.
4. There should be up-front independent strategic planning that identifies and permanently excludes areas of important natural resources or productive agricultural land from exploration or mining.
5. There should be independent review and determination of all mine development proposals, and statutory third party appeal rights.
6. There should be detailed environmental and social assessment requirements for each individual mine or gas extraction application, in those areas where it is considered a possible land-use, including climate change impacts. Assessment should include quantification of the social and environmental costs of a range of mine intensity options.
7. The exploration licensing and approval process should be made transparent, with public exhibition of lease and licence applications, and full community notification and consultation should be required prior to the granting of approvals.
8. Strong legal appeal rights should be provided to challenge exploration applications and more rigorous environmental and social impact assessments required prior to their approval, and there should be improved support for landholders in negotiating access agreements.
9. Again we question why the taxpayer should be asked to fund infrastructure for the mining industry. Councils have also raised concerns about the ability to fund necessary road upgrades (page 6). The mining industry is flush with money, so it is our belief that any costs incurred by Councils or Government should be recoverable.
10. Regional water studies should be conducted **prior to** granting of Exploration Licences or coal and gas extraction approvals, and there should be a requirement for Aquifer Interference Approvals under the Water Act 2007 for any activities that will impact on groundwater. All water extraction should require licences and strict water quality requirements should be enforced.
11. There should be a cumulative impact assessment of all existing and proposed mining operations. Furthermore, the full impact of each mine should be considered up front – including any proposed future variations, modifications or extensions.
12. There should be regular and thorough independent reviews of compliance with conditions of approval, mine operation plans and environmental management plans, with significant penalties for any breaching of those conditions.

13. Fracking should be strictly prohibited in coal seam gas exploration and production, due to the severe risk it poses to water resources and human health.

The Clarence Environment Centre thanks the Government for the opportunity to comment, and sincerely hopes at least some of our concerns receive serious consideration.

Sincerely

John Edwards
Honorary Secretary.