



## CSG Review Submission

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03/05/2013 03:07 PM

Cc: "Feely, Alan", "Abbey, Andrew"

History: This message has been replied to and forwarded.

Please find attached Santos' submission to the CSG Review Submission.

If there are any questions please do not hesitate to contact the undersigned.

Thanks

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03 May 2013

Professor Mary O'Kane  
Chief Scientist & Engineer  
Office of the NSW Chief Scientist & Engineer

Email: [csg.review@chiefscientist.nsw.gov.au](mailto:csg.review@chiefscientist.nsw.gov.au)

**SUBMISSION BY**  
Santos Ltd  
Level 22  
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Dear Professor O'Kane

#### **REVIEW OF COAL SEAM GAS ACTIVITIES IN NSW**

Santos appreciates the opportunity to provide comments on the "*Review of coal seam gas activities*" being undertaken by the Chief Scientist & Engineer, as requested by the Premier in his announcement of 19 February 2013 – "*Tough new rules for coal seam gas activity*".

The review will focus on the impacts of these activities on human health and the environment, and will consider a comprehensive range of issues related to coal seam gas (**CSG**) activities, as well as providing independent advice to the government and the public informed by a rigorous evidence-based platform of work.

The challenges of developing CSG in NSW are numerous for all involved, including the Government, gas users, the Community, and the Industry. The gas supply situation in NSW is becoming difficult, with gas supply shortages clearly now likely to occur.

It is important for the people of NSW that the Policy debate on the issue of CSG development is resolved in a timely fashion, but equally in a way that protects the interests of all involved.

The NSW regulatory environment for CSG over the last 18 months has been uncertain, which is leading to lack of investor confidence to invest in the State. The most recent changes come almost immediately after the Strategic Regional Land Use Policy were announced in September 2012.

Santos maintains that CSG exploration and production operations can be undertaken safely and co-exist with other land-uses. Nonetheless, Santos understands the NSW Government's need to address the public concern around the Industry.

Santos is now keen to go forward with an exploration and development program that demonstrates how we can work with the new regulatory requirements.

## THE REVIEW

Santos strongly supports rigorous science and evidence based decision making processes and regulatory frameworks, particularly where it improves the level of confidence and understanding of the CSG industry. The application of the regulatory framework should also be equitably applied based on the impacts likely to occur. One example is the proposed amendments to the POEO Act and POEO Regulations designed to affect the CSG industry only. Whilst the requirement for CSG activities to be covered by an EPL is not opposed in principle, the same rules do not apply to other industries where impacts are similar. For example, CSG activities will be exposed to load based licensing fees for disposal of salt, whereas other mining activities which de-water coal seams are not. Similarly, irrigation activities which are required to obtain an EPL do not include any load limits or fee requirements for the disposal of salt, but do allow the disposal of various chemicals into waterways. Regulatory inconsistencies should be avoided at all cost to ensure credibility and equity is maintained.

Santos generally supports the Terms of Reference for the Review, as well as its general purpose.

Nonetheless, the key concern is enabling the Government to finalise the regulatory framework quickly, to give investment certainty to the industry. This is particularly relevant for the NSW environment where the rules have changed a number of times over the last 18 or so months.

Santos believes your Independent Review is critical to providing Government the information it needs to finalise this framework, and simply seeks a timely process. Santos notes that some matters may require additional study, but it should also be noted that ongoing exploration and appraisal works are often the only way to gain the base information required.

In terms of detailed comments, a number of Santos' technical staff met with the Chief Scientist and Engineer on Thursday 11 April, 2012. The topics discussed generally covered issues identified in the Terms of Reference.

Santos has also provided a number of detailed submissions to the NSW Government and Commonwealth Government outlining general CSG industry practice, as well as Santos' operations in NSW. These include:

- NSW Legislative Council General Purpose Standing Committee #5: Inquiry into Coal Seam Gas, Santos Submission | September 2011 ([http://www.parliament.nsw.gov.au/Prod/parlment/committee.nsf/0/6b36605fb99839d1ca25790d0025c0e3/\\$FILE/Submission%200337.pdf](http://www.parliament.nsw.gov.au/Prod/parlment/committee.nsf/0/6b36605fb99839d1ca25790d0025c0e3/$FILE/Submission%200337.pdf))
- Senate Rural Affairs and Transport References Committee: Inquiry into management of the Murray Darling Basin – impact of mining coal seam gas, Santos Submission | August 2011 ([http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate\\_Committees?url=rrat\\_ctte/completed\\_inquiries/2010-13/mdb/submissions.htm](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=rrat_ctte/completed_inquiries/2010-13/mdb/submissions.htm))

Santos is committed to working with the NSW Government to assist in developing a robust and efficient regulatory framework in NSW that serves the interests of all stakeholders.

Santos would be pleased to provide any additional further information that would assist in undertaking the review, or alternatively would welcome the opportunity to meet further with the Chief Scientist and Engineer to clarify any issue.

If further information relating to Santos' activities is required, please feel free to contact Alan Feely, Manager Environment and Water – Energy NSW on (02) 9251 5599 or via e-mail at [alan.feely@santos.com](mailto:alan.feely@santos.com). Similarly, Santos would welcome the opportunity to present any additional information required by the Chief Scientist and Engineer.

*For and on behalf of Santos Limited*



Peter Mitchley  
**General Manager - Energy NSW**