

Our ref. BS,bs, 6740

Office of Chief Scientist and Engineer
Professor Mary O’Kane
GPO Box 5477
Sydney, NSW
2001

Re. Review of Coal Seam gas Activities in NSW- submission by Wollondilly Shire Council

5th July 2013

Dear Professor

Please find attached Wollondilly Shire Councils submission on the *Review of Coal Seam Gas Activities in NSW*. Council thanks you for the opportunity to make this submission.

The Community of Wollondilly Shire are impacted by the coal seam gas (CSG) industry and have been for over a decade. We are a significantly “effected community” in terms of the impacts of CSG.

It is for this reason Council is making this submission and in addition wishes to invite a representative from the Office of the Chief Scientist and Engineer to meet with Council representatives to discuss our submission personally. Council understands that similar meetings were recently held with Campbelltown and Camden Councils.

Wollondilly Shire Council has, over the past few years, led and actively participated in consultations regarding the CSG industry. This has been with our community, the CSG industry, the scientific community, Government agencies and members of parliament. This process has given council the background to develop a position regarding the CSG industry which reflects the desires of our community.

This position has been reflected in a number of actions from Council. These include

- A submission to the *NSW Upper House Inquiry into Coal Seam Gas*. This opposed any further CSG activity until rigorous assessment of the environmental, economic and social aspects of CSG extraction proves the community and environment will suffer no detrimental impacts. (attached)

- A submission opposing the expansion of CSG activity into the *Camden Gas project- Northern expansion (stage 3)*. This submission called for environmental, economic, social and human health studies to be undertaken prior to any approvals being granted. (attached)
- A submission opposing the extension of Apex Illawarra Gas Exploration Drilling Licence. This submission was based on the poor consultative practices of Apex Energy with both the community and council as well as commenting on the poor practices of the company in managing their operations. (attached)
- A submission on the *State Environment and Planning Policy (Mining, Petroleum Production and extractive Industries) amendment (Coal Seam Gas Exclusion Zones) 2013*. This submission supported the exclusion zone concept and asked for drinking water catchments to be included. (attached)
- Numerous Council resolutions regarding issues such as:
 - Landholder property access rights
 - Community consultation needs
 - Approval role of councils
 - Environmental protection
 - Industry consultation
 - Water protection
- Inclusion of CSG issues in Councils Federal and State Issues Paper
- The holding of a *Special Community Forum on CSG in Wollondilly* attended by over 300 residents to hear presentations and discussions with the industry, the scientific community and community representatives.
- The implementation of a Community Working Group to assist Council on CSG issues.
- The declaration of Oakdale and Nattai as “CSG Free Community’s”.
- Numerous meetings, correspondence and consultations with local Members of Parliament, relevant State Ministers and adjoining Councils.
- Formally supporting and assisting with resourcing the *Stop CSG in Sydney’s Drinking Water Catchment Group*.
- Holding an elected representative seat and a technical officers seat on the AGL Community Consultative Committee.

The Actions described above indicate Councils resolve to ensure that its community’s concerns regarding CSG are addressed. Our actions prove that Wollondilly Council is taking a proactive role in the way CSG will be managed in our area in the future.

Please consider the attached documents as components of this submission to the Chief Scientist. For any further information please contact Mr Brad Staggs, Manager Environmental Services on 46771129 or at brad.staggs@wollondilly.nsw.gov.au

Les McMahon
General Manager

Attachments

- Wollondilly Shire Council Submission on *State Environment and Planning Policy 9 Mining, Petroleum Production and extractive Industries) amendment (Coal Seam Gas Exclusion Zones) 2013.*
- Wollondilly Shire Council Submission on *Apex Illawarra Gas Exploration Drilling Project Application for modification of Expiry Date*
- Wollondilly Shire Council Submission to *The NSW Upper House Inquiry into Coal Seam gas*
- Wollondilly Shire Council Submission on *The Camden Gas Project-Northern expansion (stage 3)*

NSW Legislative Council Inquiry into Coal Seam Gas Wollondilly Shire Council Submission

Executive Summary

Wollondilly Shire covers approximately 2500 square kilometres, around 65% of that land as National Park or Water Catchment Special Areas including areas within the Greater Blue Mountains World Heritage Area. It has a population of around 45,000 people. It supplies a great deal of the Sydney's fresh produce including fruit, vegetables, dairy, poultry and beef. It also produces many horticultural products including turf, nursery stock and mushrooms. It provides the drinking water for almost 1.5 million people through its waterways and is home to 86 threatened species and 8 threatened ecological communities and acts as an important complex of wildlife corridors.

In 2010 the Community of Wollondilly Shire endorsed its Community Strategic Plan. Growing **Y**our Future Together – Wollondilly Community Strategic Plan 2030 addresses five key focus areas of Environment, Community, Governance, Economy and Infrastructure and reflects the community hopes (Outcomes) for the Shire for the next 30 years. Of particular interest for this submission is the Communities desired Outcomes for the environment. These are:

- *A community that is surrounded by a built and natural environment that is valued and preserved*
- *A community that has opportunity to engage with and actively care about their natural environment*

Council must ensure that these outcomes are the aim of its activities, as such this submission is compatible with achieving those outcomes.

Wollondilly Shire has hosted mining and extractive industries for decades and the proceeds of that have been important to both the Federal and State levels of Government but also at the local community level in terms of employment but not to Local Government level. During this time the potential effects and concerns of Coal Seam Gas (CSG) activity on the environment was underrepresented but recently issues, not previously raised, are becoming apparent.

As a consequence Wollondilly Shire Council is concerned the CSG industry may have serious environmental and health impacts on its community. These concerns need to be understood and addressed by the NSW State Government before any further decisions are taken to proceed with the full development of current CSG reserves and the associated infrastructure.

Wollondilly Shire Council advocates for more robust investigation and research into the potential impacts on ecosystems, agricultural lands, human health, waste production and disposal and, in particular, the potential degradation of ground water systems of CSG activities. Council also advocates for a more robust approval and legislation and enforced environmental protection and compliance relating to CSG activity.

Wollondilly Council at it Ordinary Meeting of 21 /11/2011 unanimously resolved:

“That the following submission of recommendations be made to the Legislative Council Inquiry into Coal Seam Gas”

Wollondilly Shire Council recommends that The NSW Government should:

- 1. Impose an immediate moratorium on all further Coal Seam Gas development until it can be demonstrated that the industry will not have any unacceptable social and environmental impacts.***
- 2. Implement a robust, transparent and independent assessment of the environmental impacts of Coal Seam Gas extraction***
- 3. Establish an Assessment Commission to undertake this independent assessment.***
- 4. Investigate the impact of the levels of water extraction on the aquifers, surface waters and their connectivity and the security of the water resource for both consumptive and environmental purposes in the short, medium and long term.***
- 5. Investigate concerns about the use and disposal of salt and other materials contained within coal seam gas generated waste and waste water and develop systems to ensure its reduction, treatment and disposal compliance.***
- 6. Develop robust regulations for the Coal Seam Gas industry ensuring parity to Local Government Planning controls and other environmental regulations, including State controls, placed on landholders and the community including water access rights.***

Inquiry into Coal Seam Gas - Terms of Reference

In this Submission Wollondilly Shire Council will be addressing the following points from the Legislative Council Inquiry into Coal Seam Gas - Terms of Reference:

1. The environmental and health impacts of CSG activities including:
 - a. Effect on ground and surface water systems
 - c. Effects relating to hydraulic fracturing
 - e. Nature and effectiveness of remediation required under the Act
2. The economic and social implications of CSG activities including those which affect:
 - a. Legal rights of property owners and property values
 - b. Food security and agricultural activity
 - c. Regional development, investment and employment, and State competitiveness
 - e. Local Government including provision of local/ regional infrastructure and local planning control mechanisms

Wollondilly Shire Council's Position

1. Terms of Reference points - 1a,c,e and 2a,b,c,e

Wollondilly Shire has been the subject of CSG exploration and extraction in the Cawdor and Menangle areas for over a decade. Through the subtle introduction and growth of this technology into the Shire there are now 76 CSG wells in this area. Until recently, this activity predominately attracted community concerns regarding property access rights, property security, property values and amenity issues such as impacts of flaring, noise, aesthetics and access construction. Primarily these concerns were "above ground" issues.

Conversely some residents have embraced the presence of this activity on their land regarding those "above ground" impacts as acceptable.

Over recent years though, the science and informed opinion is pointing to the more sinister aspects of CSG exploration and extraction including aquifer interference, aquifer contamination, geological instability and waste generation and disposal. None of which were strongly considered in the past.

This is of extreme concern to the community of Wollondilly and the Council.

These concerns raise important questions such as:

- Why was an industry which required the taking of unknown and untested environmental risks permitted to take place in Wollondilly Shire and why has it been allowed to continue even after the potential environmental risks became apparent to the regulators?
- What unknown or non retractable damage has occurred to the aquifers, geology, waterways and soils of Wollondilly due to previous CSG activities and how will that ever be evaluated or managed?
- What social and/or economic impacts could these damages have on the community? Has tourism, primary production or social harmony been adversely effected by having a CSG presence in Wollondilly?
- What are to be the future impacts on the social, economic and environmental assets of Wollondilly given the existing and approved CSG activities within the Shire and the "image" of an area that they portray?

Neither Wollondilly Shire Council nor our community want to be asking the same questions in another decade about another area potentially affected by CSG activity.

Wollondilly Shires environment has already experienced permanent damaged from mining and extractive industry activity due to the poor understanding of the relationships and interactions between the methods of these industries and the natural environment. This is still evident with the cracking of the Cataract and Georges Rivers, the water loss in Thirlmere Lakes and numerous local creeks as well as the cracking of local rock formations.

Given the relevant science and opinion, this Council cannot assume that damage to aquifers and geology of Wollondilly has not occurred due to CSG activity already

being undertaken in the Shire. Therefore Council has a responsibility to the community under the Precautionary Principle to ensure that, within its powers, no further environmental damage occurs.

A moratorium on CSG activity is essential until it can be established beyond any doubt whatsoever that the environment and the community can survive and thrive with CSG mining in its midst.

Council Recommendation 1

The NSW Government should:

Impose an immediate moratorium on all further Coal Seam Gas development until it can be demonstrated that the industry will not have any unacceptable social and environmental impacts.

2. Terms of Reference points – 1a,c,e

Wollondilly now has the legacy of the potential damage of a decade of CSG activity which may never be identified or quantified.

The State Government should be held accountable for that legacy due its lack of foresight, planning and understanding of an industry before giving it access to exploit and potentially damage our environment, social fabric and economic base.

Council is calling for the state government to undertake an assessment of the environmental impacts of CSG activities albeit a decade late for Wollondilly Shire, and determine whether the industry can actually operate in our community within the principle of Neutral or Beneficial Environmental Gain at a local level as well as at broader levels. Council feels that it could not support proposals that did not result in neutral or beneficial environmental gains.

Council Recommendation 2

The NSW government should:

Implement a robust, transparent and independent assessment of the environmental impacts of Coal Seam Gas extraction

3. Terms of Reference points – 1a,c,e and 2a,b,c,e

The role of Wollondilly Council throughout the history of CSG presence in the shire has been primarily one of a community advocate, asset owner (road reserves) and observer as it has had virtually no approval or regulatory delegation. Councils are virtually, by way of planning legislation, given virtually no powers in relation to CSG activities.

In general, the community nor the Councils responsible for areas containing CSG reserves, are able to independently undertake the research or science to

understand the impacts of having a CSG industry operating within the Local Government Area, prior to it being approved by the State Government.

Although there may be inherent similarities or differences in geology and hydrology which could assist in scientific appraisal of CSG proposals there are also subtle localised factors which need to be considered beyond general “models”. Councils and the community should not be relied on to be the only interested parties to undertake the research, science, lobbying or management planning which protects the localised environment.

The social and economic impacts of CSG are also broad but are likewise very specific to the community in which the CSG activity may operate. Wollondilly, for example, relies on tourism stemming from its rural atmosphere, scenery and landscape and its natural bushlands and waterways. Each of these may, and are, adversely affected by CSG activities. Similarly, the impacts on agriculture from aquifer interference are potentially a localised issue with localised impacts rather than a project based issue.

Council considers that it is the responsibility of the proponents, the approver and the regulator to prove their is neutral or beneficial gain to the environment for each CSG proposal from the whole of project impact down to the social, environmental and economic impacts of each individual well, road and pipeline.

Council considers that a CSG Assessment Commission should be appointed and that for it to be successful and credible it must be neutral and equally representative of the effected community’s, industry experts, Local Government and the independent science community. The Assessment Commission needs to operate and be seen to operate with the best interest of the effected community’s and environments being the default position. It should operate and be mandated to consider the Precautionary Principle and the Neutral or Beneficial Environmental Gain principle in all its decisions and undertake independent, robust and transparent assessments. CSG development should only proceed if it is found to be in both the local and broader public’s long term interest, given the array of unacceptable social and environmental risks.

Council Recommendation 3

The NSW Government should:

Establish an Assessment Commission to undertake this independent assessment of CSG proposals in NSW

4. Terms of Reference points – 1a,c,e and 2a,b,c,e

Wollondilly Shire Council is proactive in the protection of Sydney’s water assets, participating and contributing to various consultative mechanisms of the Sydney Catchment Authority, Hawkesbury Nepean Catchment Management Authority and the Office of the Hawkesbury Nepean to ensure the Wollondilly community and its environment are represented in decision making regarding these water assets.

Wollondilly Shire is a water provider to Sydney, having over 60% of the Shire acting as catchment for over 1.5 million people. The provision of this water in a healthy condition and in a sufficient volume is a State, if not National, priority and should not be compromised by CSG activity. Council is concerned that poor CSG activities will compromise that water supply through damaging or contaminating surface and/or groundwater systems.

The intricate web of watercourses within the Shire include two of the largest recreational waterways in Sydney, the Georges and Nepean Rivers, These watercourses and other smaller ones, often linked to aquifers, are an inherent aspect and attraction of the Shires landscape. Damage to the surface or groundwater systems will compromise this attraction and recreational resource.

These watercourses also provide the life blood for the Shires agriculture and horticultural industries, which provide approximately 15 - 20% of Sydney's fresh produce. In many cases these watercourses and aquifers are a primary source of water for household use as well. The continued provision of groundwater through bores is vital in maintaining many agricultural operations within the Shire.

The creeks also act as the veins that maintain Wollondilly as a haven for wildlife and provide the links between the Great Dividing Range and Greater Blue Mountains World Heritage Area to the Illawarra Escarpment. They act as habitat for the 86 Threatened species occurring in the Shire and their quality and quantity of water has direct influences downstream to habitats in the Sydney Basin. The Community, Council and the State Government invest substantial resources in the protection of these habitats and corridors and this investment of time, money and commitment should not be compromised by poor CSG activity.

Wollondilly Shires surface and groundwater systems have already experienced permanent damage from mining and extractive industry activity due to the poor understanding of the relationships and interactions between these industries methods and the natural environment. This is evident with the cracking of the Cataract and Georges Rivers, the water loss in Thirlmere Lakes and numerous local creeks.

Council and the Community do not want this damage to happen anywhere in Wollondilly Shire again.

Council Recommendation 4

The NSW Government should:

Investigate the impact of the levels of water extraction on the aquifers, surface waters and their connectivity and the security of the water resource for both consumptive and environmental purposes in the short, medium and long term.

5. Terms of Reference points – 1a,c,e and 2b,e

The waste water removed from CSG activity is at the expense of the natural water system it breaches and the interrelating systems including surface water. The volumes of water removed through CSG operations should be regulated for both

volumes and quality and the industry should be mandated to reduce the volumes and contaminants produced through CSG activities.

Currently at least three rivers within Wollondilly are subject to the dilution of salt water waste from mining or extraction activities. These are the Georges, Bargo and Nepean Rivers. The facilities producing this waste water, with credit have or are considering alternative avenues of treatment but the discharge into watercourses has, since the commencement of their operations, been the default approved method. This has potentially caused negative impacts on Wollondilly watercourses since these practices commenced. Council is concerned that discharge of waste salt water into watercourses for dilution has unknown immediate or long term impacts and unmanaged risk of toxic contamination to watercourses and that this method may be used by CSG activities.

It can only be assumed that waste salt water derived from the CSG activity in Wollondilly is currently being treated as per the licenses granted but Council, as a regulator itself in various capacities, understands that the growth of an industry often out paces the ability to adequately resource the compliance. Council is concerned that the CSG industry may be nearing or at that point and that with further growth in the CSG industry will lead to increased risks of inappropriate disposal of waste materials. In Wollondilly waste water disposal is generally undertaken through sub contract transporters delivering to a licensed liquid trade waste facility. The increased use of sub contract disposers will increase the risk of inappropriate disposal and the use of sewage treatment plants for treatment of this water is, at best, an impact on already capacity stretched sewerage infrastructure.

Council Recommendation 5

The NSW Government should:

Investigate concerns about the use and disposal of salt and other materials contained within coal seam gas generated waste and waste water and develop systems to ensure its reduction, treatment and disposal compliance.

6. Terms of Reference points – 1a,c,e and 2a,b,c,e

The issues which are inherent in the current NSW Planning legislation are being recognized and hopefully will be adequately dealt with in the future. One consequence of the flaws in that legislation is the low status awarded the Community and Councils in important decisions in their area or region. The Councils status is lowered from that of a planner and regulator for its community to that of a “submission” writer with the expectation of little influence on the outcome. As such the community loses its voice through Council and observes other interests undertaking activities without the same restrictions, obligations or consequences they would face.

Councils, through their community consultations represent the community interests. This results in the development of The Community Strategic Plan, Councils Planning Instruments, Controls, Policies, Guidelines and strategies such as the Wollondilly Growth Strategy and the Wollondilly Economic Development Plan and therefore the community expectation of desired and appropriate development. The “sidelining” of

these controls and plans for “State” benefit, rather than acknowledging the community expectation for development is, at best, arrogant but at worse compromises all of those processes and plans.

Council is concerned that CSG activity will sterilize land from other appropriate development simply by its presence. Buffer zones and visual and perceived health impacts will effect opportunities for residential development and negatively affect property values. The development of infrastructure such as pipes and roads potentially sterilize land from other uses. Council is also concerned about the impacts of CSG on its own lands and their potential value to the community.

Many residents in Wollondilly pay for their water drawn from bores or from rivers and creeks. They need this for their livelihoods and lifestyles. They pay a premium in license fees to the State Government for that necessity. They are regulated, subject to audit and on occasion cannot access it at all. In the vast majority of cases the water used produces tangible outcomes such as crops or livestock. It appears inconsistent to the current licensing system imposed on our primary producers to allow industries such as CSG to, by consequence of poor or incidental practices, extract water, contaminate it and then dispose of it as a waste by- product while they, the farmers, must treat it as a valuable, expensive necessity.

Council Recommendation 6

The NSW Government should:

Develop robust regulations for the Coal Seam Gas industry ensuring parity to Local Government Planning controls and other environmental regulations, including State controls, placed on landholders and the community including water access rights.

Our Reference: TRIM 1148-2

The Director
Strategic Regional Policy
NSW Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

3 April 2013

Dear Sir / Madam,

STATE ENVIRONMENTAL PLANNING POLICY (MINING, PETROLEUM PRODUCTION AND EXTRACTIVE INDUSTRIES) AMENDMENT (COAL SEAM GAS EXCLUSION ZONES) 2013

Wollondilly Shire Council supports the proposed amendments to the Mining SEPP as exhibited and brings the following points to the Department's attention.

1. Current Coal Seam Gas Projects in Wollondilly Shire

Council notes that the exclusion zones will prevent

- (i) all coal seam gas development projects that do not have approval at the date that the amendment to the SEPP is made; and
- (ii) all coal seam gas developments that are currently in 'exploration' mode from expanding and / or shifting to 'production' mode.

Council therefore seeks confirmation from the Department that the Petroleum Exploration Drilling Program in Oakdale PEL454 will not be permitted to proceed to 'production' mode.

2. Potential Exclusion Zones for Residential land

Council supports the application of exclusion zones in and within 2 kilometres of land in Zone R2 Low Density Residential and Zone R3 Medium Density Residential in Wollondilly Local Government Area (there are currently no areas of land in Zones R1 General Residential and R4 High Density Residential).

There is no land in Zone R5 Large Lot Residential within Wollondilly LGA that meets the Department's criteria for a "village".

There are provisions within Wollondilly Development Control Plan Volume 7 for Bingara Gorge Estate, Wilton Park for up to 32 coal seam gas vents (yet to be installed). The land is in Zone R2 Low Density Residential. These vents are associated with the extraction of coal seam gas for mine safety (not for exploration and production). Council understands that such vents are not affected by the proposed exclusion zones because the vents will not fit the proposed definition of *coal seam gas development*.

3. Future Residential Growth Areas

It is noted that the exhibition material includes advice that future residential growth areas will include “*mapped areas in a Government-endorsed strategy such as a regional strategy or council housing strategy, as well as draft local environmental plans*”. And further DP&I “*is currently compiling information on all future growth areas ... in consultation with local councils to include in a final map prior to the finalisation of the SEPP amendment.*”

Council is looking forward to consulting directly with the Department regarding this mapping and in anticipation wishes to remind the Department that future growth areas for Wollondilly are being identified through:

- the revision of Council's Growth Management Strategy (currently underway)
- the work associated with the State Governments Priority Housing Project and more specifically land at Wilton Junction
- numerous current Planning Proposals to create land Zones R2 Low Density Residential and R5 Large Lot Residential.

4. Application of Exclusion Zones 'In reverse'?

Council requests the DP&I confirm whether the exclusion zones will operate in reverse. That is, whether the existence of coal seam gas development prevents the rezoning of land to 'residential' within 2 kilometres of that existing coal seam gas development site(s). This may apply to land at Appin, Douglas Park and Menangle. I am currently seeking records from the Department Trade and Investment, Regional Infrastructure and Services on all current approvals issued for coal seam gas development in Wollondilly.

If the exclusion zones are to apply in reverse then Council request the DP&I produce maps showing the areas of land within 2 kilometres of existing coal seam gas development so that Councils can consider these as constraints to future development.

Conclusion

Thank you for the opportunity to comment on the proposed amendments to the Mining SEPP. Please ensure that the matters raised in this letter are taken into account prior to the finalisation of the amendments. Council looks forward to your reply regarding:

- the Oakdale project PEL454
 - whether the exclusion zones apply in reverse and, if so, maps which identify this land;
- and to collaborating on mapping of Future Residential Growth Areas.

Should you have any further questions or require additional information please contact me direct on Phone (02) 4677 1151 or by email sophie.perry@wollondilly.nsw.gov.au

Yours sincerely

Sophie Perry
STRATEGIC PLANNER
STRATEGIC PLANNING

Wollondilly Shire Council
13th September 2012

Submission on Apex Illawarra Gas Exploration Drilling Project Application for Modification of Expiry Date

Submission Statement

“Wollondilly Shire Council does not support the Coal Seam Gas Industry generally and does not support the application for modification by Apex Energy (Project no. 07_0103).”

Wollondilly Shire

Wollondilly Shire covers approximately 2500 square kilometres SW of Sydney, around 65% of that land as National Park or Water Catchment Special Areas including areas within the Greater Blue Mountains World Heritage Area. It has a population of around 45,000 people. It supplies a great deal of the Sydney's fresh produce including fruit, vegetables, dairy, poultry and beef. It also produces many horticultural products including turf, nursery stock and mushrooms. It provides the drinking water for almost 1.5 million people through its waterways and is home to 86 Threatened species and 8 Threatened Ecological Communities and acts as an important complex of wildlife corridors.

In 2010 the Community of Wollondilly Shire endorsed its Community Strategic Plan. This Plan addresses the five areas of Environment, Community, Governance, Economy and Infrastructure and reflects the community hopes (Outcomes) for the Shire for the next 30 years. Of particular interest for this submission is the Communities desired Outcomes for the environment, these are:

- *A community that is surrounded by a built and natural environment that is valued and preserved*
- *A community that has opportunity to engage with and actively care about their natural environment*

Council must ensure that these outcomes are the aim of its activities as such this submission is compatible with achieving those outcomes.

Wollondilly Shire has hosted mining and extractive industries for decades and the proceeds of that have been important to both the Federal and State levels of Government but also at the local community level in terms of employment but not to Local Government level. During this time the potential effects and concerns of Coal Seam Gas (CSG) activity on the environment was underrepresented but over recent years issues, not previously raised, have become apparent.

As a consequence Wollondilly Shire Council is concerned the CSG industry may have serious environmental and health impacts on its community. These concerns need to be understood and addressed by the NSW State Government before any further decisions are taken to proceed with the full development of current CSG reserves and the associated infrastructure.

Wollondilly Shire Council advocates for more robust investigation and research into the potential impacts on ecosystems, agricultural lands, human health, waste production and disposal and, in particular, the potential degradation of ground water systems of CSG activities. Council also advocates for a more robust approval and legislation and enforced environmental protection and compliance relating to CSG activity.

Wollondilly Shire Councils position on CSG

Council has developed a strong position on CSG and this is reflected in resolutions passed by Council.

The primary position of Council is that a moratorium should be placed on CSG activity. This is reflected in the following resolution

“That Council write to our State Member asking for in Wollondilly a moratorium on Coal Seam Gas exploration and extraction and the ceasing of any activity relating to this process until further evidence is provided to completely rule out any environmental impact”

Given indications by the NSW Government that the CSG industry will be allowed to continue, Council advocates for a strong, legislative and appropriate consultative and assessment process for exploration and extraction and one which includes the community and Councils approval and endorsement. This is reflected in the following resolutions:

“That Council write to the relevant ministers seeking to change legislation to ensure that any new coal seam gas exploratory applications must be approved by means of a council development application. Furthermore this motion be included at the next Local Government Conference”

and

“Wollondilly Shire Council recommends that the NSW Government should:

- 1. Impose an immediate moratorium on all further Coal Seam Gas development until it can be demonstrated that the industry will not have any unacceptable social and environmental impacts.***
- 2. Implement a robust, transparent and independent assessment of the environmental impacts of Coal Seam Gas extraction.***
- 3. Establish an Assessment Commission to undertake this***

independent assessment.

4. Develop robust regulations for the Coal Seam Gas industry ensuring parity to Local Government Planning controls and other environmental regulations, including State controls, placed on landholders and the community including water”

The lack of information provided to Councils regarding CSG exploration and extraction is reflected in the following Council resolution:

“That the State Government are written to requesting information of all exploration licences for coal seam gas in Wollondilly including their conditions and expiry date. That following receipt of this information that Council write to all licence holders and detail our expectations in regard to consultation with residents and Council”

Other resolutions passed by Council, which indicate Councils position on CSG exploration include:

March 2012

“That the Federal Government are written to regarding a right of an individual to shut the gate on their property in regards to resources and choose whether or not to allow entry to anybody or organisation”

November 2011

1. “That Council write to our State Member asking for in Wollondilly a moratorium on Coal Seam Gas exploration and extraction and the ceasing of any activity relating to this process until further evidence is provided to completely rule out any environmental impact.”

2 “That the following submission of recommendations be made to the Legislative Council Inquiry into Coal Seam Gas.”

3.” Investigate the impact of the levels of water extraction on the aquifers, surface waters and their connectivity and the security of the water resource for both consumptive and environmental purposes in the short, medium and long term.”

4.” Investigate concerns about the use and disposal of salt and other materials contained within coal seam gas generated waste and waste water and develop systems to ensure its reduction, treatment and disposal compliance.”

August 2011

“That a report come to a future Council meeting regarding the occurrence of existing and planned coal seam gas exploration and extraction within Wollondilly Shire. The report is to include information on the locations, method and status (exploration or extraction) of coal seam gas operations and Councils role in managing and/or regulating these developments.”

Specific Comments regarding the Apex Application for Modification.

Council does not consider an extension of the Exploration Licence for this project should be granted. This is not only based on Councils position on CSG generally but also on specifics of the application. Concerns of Council include:

- **Consultation.** Council has not received any formal notification of this application and was only made aware through media reports on Friday 7th September 2012, giving Council and the Community only 7 days to source, review and comment on the proposal. This compromises consultation and will result in incomplete or misinformed submissions and perceptions of the Application. The lack of opportunity could also result in the inability, reluctance or refusal of the community to respond to the application as it could be regarded as a tokenistic exercise. Council considers the community consultation timeframe to be inadequate for most community members to appropriately respond.
- **Previous Experience with the Applicant.** Council has experienced the operations of Apex Energy in the Oakdale area, where an exploration bore was sunk earlier this year. The poor consultation, lack of information from Apex and the poor response by Apex representatives when dealing with the community resulted in the formation of the Stop CSG in Sydneys Drinking Water Catchment Group. This Group, of over 70 members, is now extremely active in preventing CSG activity in the Shire and Catchment lands and is supported by Council. Councils experience with the Applicant also had similar issues regarding the lack of consultation, information and concern shown by the Applicant to Councils and the communities concerns.
- **Poor Management of Existing Approval.** Council considers that the poor management of the existing approval warrants a refusal to extend that approval. It is a concern that an organisation, which has operated in the CSG environment for so long, did not understand the requirements of core documentation required for these activities such as Environmental Management Systems and associated Management Plans.

Similarly excuses raised by the applicant of interrupted political and legislative processes causing delays in the project should have been foreseen by the applicant as the movement around the CSG industry has been evident before their original application was approved. The addition of a borehole in November 2011 indicates to Council that there was probably little expectation by the Applicant that the existing approval could be complied with in the timeframe applied.

- **Poor Comprehension of Community Sentiment.** It is surprising to Council that the Applicant did not foresee the impacts of the negative public sentiment towards CSG activity. The anti CSG movement has been growing exponentially for a number of years and it is difficult for Council to understand how a significant player in the industry such as Apex Energy did not plan

around the opposition that was obvious through the original planning and approval processes.

- **Assumed Approval.** Council is concerned that in the background document provided, as part of the Modification Application, makes comments which imply that the Applicant expects an approval soon for the Modification. Council is not implying collusion between the Applicant and consent Authority but is concerned that statements in the background information provided by Apex Energy give a perception of imminent approval, prior to public consultation. This type of assumption in a key document such as this only serves to reinforce perceptions that approvals for CSG activities can be assumed by applicants. This effects the community's attitude towards consultation leaving them with the impression that the process is predetermined.

Conclusion

As stated previously, Council does not support the CSG industry generally nor does it support this application for consent modification by Apex Energy. The reasons for this have also been stated above.

The undertaking of CSG activity is fraught with environmental, social and economic risks and for CSG activity to be responsible those risks must be addressed fully and comprehensively. Council is concerned that the inability of an organisation to manage an existing approvals' requirements, timeframes etc responsibly may translate into the way that organisation actually undertakes the activity so Council cannot support an activity that carries such a risk

Contact

For further information on this submission please contact Councils Manager Environmental Services, Brad Staggs on 46771129 or at brad.staggs@wollondilly.nsw.gov.au

Our Ref: 6740-8805

8th February 2013

Mr H. Reed
Manager Projects Assessment
Major Projects Assessment
Dept Planning & infrastructure
GPO Box 39
SYDNEY NSW 2001

Dear Mr Reed

**Legislative Council Inquiry into Coal Seam Gas – Wollondilly Shire Council
Submission**

Thank you for providing Council with the opportunity to make a submission to the Camden Gas Project (stage 3) north expansion.

Wollondilly Shire Council is concerned the Coal Seam Gas industry may have serious environmental and health impacts on its community. These concerns need to be understood and addressed by the NSW State Government before any further decisions are taken to proceed with the full development of current Coal Seam Gas reserves and the associated infrastructure.

In this submission Wollondilly Shire Council advocates for more robust investigation and research into the potential impacts on ecosystems, agricultural land, human health, waste production and disposal and, in particular, the potential degradation of ground water systems of Coal Seam Gas activities. Council also advocates for more robust approval and legislation and enforced environmental protection and compliance relation to Coal Seam Gas Activity.

Council in its submission makes recommendations to the Plans Assessment Commission and raises concerns and comments in regards to Coal Seam Gas activities. Council looks forward to receiving the outcomes of this Assessment Process.

If you require any further information or have enquiries regarding aspects of Council's submission please contact Brad Staggs, Council's Manager of Environmental Services on (02) 4677 1129

Yours sincerely

**Luke Johnson
Acting General Manager**

Submission on the Camden Gas Project – Northern Expansion (Stage 3) Wollondilly Shire Council

6th February 2013

Executive Summary

- Wollondilly Shire Council objects to any expansion of the Coal Seam Gas (CSG) industry generally until appropriate knowledge, processes and management of the environmental and social impacts are adequately understood.
- Wollondilly Shire Council objects to the application for the Camden Gas Project- Northern Expansion (Stage 3) in its current form.
- Specific issues of this objection include
 - Aquifer Interference
 - Surface and Groundwater Quality
 - Fugitive Emissions
 - Waste Management
 - Community Impacts and Objections
 - Public Health
- Wollondilly Shire Council supports the Submissions from Camden, Campbelltown and Liverpool Councils.

Background

Wollondilly Shire covers approximately 2500 square kilometres, around 65% of that land as National Park or Water Catchment Special Areas including areas within the Greater Blue Mountains World Heritage Area. It has a population of around 45,000 people. It supplies a great deal of the Sydney's fresh produce including fruit, vegetables, dairy, poultry and beef. It also produces many horticultural products including turf, nursery stock and mushrooms. It provides the drinking water for almost 1.5 million people through its waterways and is home to 86 Threatened species and 8 Threatened Ecological Communities and acts as an important complex of wildlife corridors.

Wollondilly is experiencing, and will continue to experience development pressures, given its position on the outskirts of Sydney. These pressures are primarily urban development and mining activities.

Wollondilly Shire is within the Macarthur District, along with Camden and Campbelltown Local Government Areas. This regional connection has resulted in strong relationships between the three Councils. Given the commonality of issues and the interactions between our communities, the Macarthur Councils actively support each other on issues beyond our own boundaries.

In 2010 the Community of Wollondilly Shire endorsed its Community Strategic Plan. This Plan addresses the five areas of Environment, Community, Governance, Economy and Infrastructure and reflects the community hopes (Outcomes) for the Shire for the next 30 years. Of particular interest for this submission is the Communities desired Outcomes for the Environment, these are:

- *A community that is surrounded by a built and natural environment that is valued and preserved*
- *A community that has opportunity to engage with and actively care about their natural environment*

Council must ensure that these outcomes are the aim of its activities as such this submission is compatible with achieving those outcomes.

Wollondilly Shire has hosted mining and extractive industries for decades and the proceeds of that have been important to both the Federal and State levels of Government but also at the local community level in terms of employment but not to Local Government level. During this time the potential effects and concerns of Coal Seam Gas (CSG) activity on the environment was underrepresented but recently issues, not previously raised, are becoming apparent.

As a consequence Wollondilly Shire Council is concerned the CSG industry may have serious environmental and health impacts on its community. These concerns need to be understood and addressed by the NSW State Government before any further decisions are taken to proceed with the full development of current CSG reserves and the associated infrastructure.

Wollondilly Shire Council advocates for more robust investigation and research into the potential impacts on ecosystems, agricultural lands, human health, waste production and disposal and, in particular, the potential degradation of ground water systems by CSG activities. Council also advocates for a more robust approval and legislation also enforced environmental protection and compliance relating to CSG activity.

Wollondilly Council at its Ordinary Meeting of 21 /11/2011 unanimously resolved

“That the following submission of recommendations be made to the Legislative Council Inquiry into Coal Seam Gas”

Wollondilly Shire Council recommends that The NSW Government should:

1. *Impose an immediate moratorium on all further Coal Seam Gas development until it can be demonstrated that the industry will not have any unacceptable social and environmental impacts.*
2. *Implement a robust, transparent and independent assessment of the environmental impacts of Coal Seam Gas extraction*
3. *Establish an Assessment Commission to undertake this independent assessment.*
4. *Investigate the impact of the levels of water extraction on the aquifers, surface waters and their connectivity and the security of the water resource for both consumptive and environmental purposes in the short, medium and long term.*
5. *Investigate concerns about the use and disposal of salt and other materials contained within coal seam gas generated waste and waste water and develop systems to ensure its reduction, treatment and disposal compliance.*
6. *Develop robust regulations for the Coal Seam Gas industry ensuring parity to Local Government Planning controls and other environmental regulations, including State controls, placed on landholders and the community including water access rights.*

CSG activity has occurred in Wollondilly for over 11 years, as long as the industry has existed in NSW. This industry established in Wollondilly without the understanding of the potential impacts on both the environment and socially. Council was virtually relegated to an observer rather than a participant in the planning, approval and operating processes of the CSG industry in Wollondilly. Primary issues raised during this period focussed on visual and noise impacts with land access also a concern. Since that time more is understood about the hidden environmental and social impacts of CSG exploration and extraction. Council is concerned that any environmental damage or social upheaval caused by the industry in Wollondilly over the past 11 years has never been assessed.

Wollondilly Shire Councils position on CSG

Council has developed a strong position on CSG and this is reflected in resolutions passed by Council.

The primary position of Council is that a moratorium should be placed on CSG activity. This is reflected in the following resolution:

“That Council write to our State Member asking for in Wollondilly a moratorium on Coal Seam Gas exploration and extraction and the ceasing of any activity relating to this process until further evidence is provided to completely rule out any environmental impact” March 2012

Given indications by the NSW Government that the CSG industry will continue, Council advocates for a strong, legislative and appropriate consultative and assessment process for exploration and extraction and one which includes the community and Councils approval and endorsement. This is reflected in the following resolutions:

“That Council write to the relevant ministers seeking to change legislation to ensure that any new coal seam gas exploratory applications must be approved by means of a council development application. Furthermore this motion be included at the next Local Government Conference” March 2012

and

“Wollondilly Shire Council recommends that the NSW Government should:

- 1. Impose an immediate moratorium on all further Coal Seam Gas development until it can be demonstrated that the industry will not have any unacceptable social and environmental impacts.***
- 2. Implement a robust, transparent and independent assessment of the environmental impacts of Coal Seam Gas extraction.***
- 3. Establish an Assessment Commission to undertake this independent assessment.***
- 4. Develop robust regulations for the Coal Seam Gas industry ensuring parity to Local Government Planning controls and***

other environmental regulations, including State controls, placed on landholders and the community including water” Nov 2011

The lack of information provided to Councils regarding CSG exploration and extraction is reflected in the following Council resolution:

“That the State Government are written to requesting information of all exploration licences for coal seam gas in Wollondilly including their conditions and expiry date. That following receipt of this information that Council write to all licence holders and detail our expectations in regard to consultation with residents and Council” March 2012

Other resolutions passed by Council, which indicate Councils position on CSG exploration include:

“That the Federal Government are written to regarding a right of an individual to shut the gate on their property in regards to resources and choose whether or not to allow entry to anybody or organisation” March 2012

1. “That Council write to our State Member asking for a moratorium on Coal Seam Gas exploration and extraction in Wollondilly and the ceasing of any activity relating to this process until further evidence is provided to completely rule out any environmental impact.” Nov 2011

2 “That the following submission of recommendations be made to the Legislative Council Inquiry into Coal Seam Gas.” Nov 2011

3.” Investigate the impact of the levels of water extraction on the aquifers, surface waters and their connectivity and the security of the water resource for both consumptive and environmental purposes in the short, medium and long term.” Nov 2011

4.” Investigate concerns about the use and disposal of salt and other materials contained within coal seam gas generated waste and waste water and develop systems to ensure its reduction, treatment and disposal compliance.” Nov 2011

and

“That a report come to a future Council meeting regarding the occurrence of existing and planned coal seam gas exploration and extraction within Wollondilly Shire. The report is to include information on the locations, method and status (exploration or extraction) of coal seam gas operations and Councils role in managing and/or regulating these developments. Depending on the outcome of this information Council look at holding public meetings.

and

“ That Council be proactive in its response to CSG exploration and extraction licence applications in the Shire.” April 2012

“That council comment on the Draft CSG Exploration guidelines and Draft Aquifer Interference Policy.” April 2012

“That council continue to lobby the State and Federal Governments to give communities and Local Government a more appropriate role in the consultation, assessment and possible approvals of CSG operations in their areas.” April 2012

“That Council extend an invitation to the surrounding local Councils of Campbelltown, Camden, Wollongong and Wingecarribee to become a regional voice in the advocacy role in understanding and commenting on CSG within the area.” April 2012

And

“That Council propose a special community forum to discuss the impact of CSG on the Shire, especially in the drinking water catchment. That this forum be videotaped”
Oct 2012

Comments on the Proposal

Although this proposal is not within the Wollondilly Local Government Area directly, Council is a significant stakeholder in the outcome of the application. Significant because:

- the proposal is an extension of existing CSG operations currently within Wollondilly.
- the proposal has the potential to have environmental impact across local government boundaries.
- the proposal has the potential to have social impacts across local government boundaries.
- Wollondilly is part of the bioregion targeted for this proposal.
- Wollondilly Council and the Wollondilly community have a position of objecting to CSG activity until the industry impacts are fully understood.

Wollondilly Council Specific Concerns

Aquifer interference

Wollondilly Shire has been adversely effected by aquifer interference from mining operations over many years. Issues such as the loss of water from Thirlmere Lakes is the most recent example where the interference of ground water systems has potentially caused the emptying of the Lakes. Many businesses and residents rely on bores for their water supply and anecdotal evidence indicates a loss of water in bores in areas formally or currently being mined. Wollondilly was active in the calling for and development of the NSW aquifer Interference Policy given these experiences. Council considers that better understanding of the relationships of the various ground water and aquifer systems is needed before risks are taken with their integrity and health.

Recommendation 1: That the application must comply with the requirements of the *Aquifer interference Policy and Code of Practice for Hydraulic Fracturing Stimulation* and *Code of Practice for Hydraulic Fracturing and Well Integrity*.

Recommendation 2: That the Planning Assessment commission (PAC) investigate the accuracy of the predicted dewatering volumes and resolve the risks posed to groundwater environments by this proposal and that this investigation consider the need for a more comprehensive ground water study prior to the proposal assessment.

Recommendation 3: That items raised in the *Water Research Laboratories Peer Review of Camden Gas Project Groundwater Investigations*, commissioned by Campbelltown City Council, be considered by the PAC.

Surface and Groundwater Quality

Being a central part of the provision of Sydney's drinking water and having a community who needs and appreciates healthy waterways, Wollondilly Council has always advocated for the protection of ground and surface waters. Council is not convinced that the Camden Stage 3 proposal adequately understands the hydrology of the immediate or extended areas proposed to be worked. Wollondilly has suffered the loss of waters from a number of its creeks and rivers as a result of poor understanding and poor management of the waterways by mining interests. This disruption has resulted in altered or reduced water flows, contamination and loss of biodiversity. Council is also concerned regarding the contamination of surface water caused by flooding of the well sites. Recent flooding of the Nepean River and gas wells MP25 and MP16 has highlighted the inadequate monitoring of rainfall and potential flooding and response to incidents once they occur. This most recent event at Menangle Park has raised concerns from residents and Councils that a contamination event may have occurred in the Nepean River.

Recommendation 4: That any approval must stipulate that any hydraulic fracture stimulation be conducted in accordance with the *Coal Seam Gas Code of Practice for Hydraulic Fracture Stimulation and Well Construction* and operations conducted in accordance with the *Coal Seam Gas Code of Practice for Well Integrity*.

Recommendation 5: That the proponent provide detailed information about handling and storage of chemicals at the surface sites that demonstrates adequate measures to prevent water and land pollution from these sites and that this contain information on preventative monitoring.

Recommendation 6: That the proponent prepare a *Ground Water Monitoring Plan*

Recommendation 7: That the proponent provide specific information on all watercourses impacted by pipeline crossings, operations and infrastructure.

Fugitive Emissions

Council is concerned at the inadequate monitoring of fugitive emissions from existing wells and that this inadequacy is reflected in this proposal. The release of fugitive emissions (including methane) can occur beyond the immediate area of the wells yet monitoring is primarily limited to the well areas and the frequency of monitoring is inadequate. AGL has indicated that it will increase its monitoring but this should be mandated within any approval granted.

Recommendation 8: That a condition be placed on any approval which requires the implementation of all environmental management and mitigation measures for air emissions specified in the EPL and that a pollution reduction plan be part of that requirement.

Recommendation 9: That the proponent provide a detailed assessment of fugitive emissions not restricted to gas extraction well sites.

Waste Management

Council is yet to be convinced that the waste products produced by the CSG industry are controlled and managed appropriately. The capturing, storing, transporting and disposal of the waste products (which include unspecified chemicals and compounds) is a disjointed process which increases the risk of waste material being released into the environment. Recent flooding of the MP25 and MP16 wells along the Nepean River displays the fragility of managing waste products from CSG operations. In this instance a detention basin and well head were inundated by river water giving rise to speculation (be it correct or not) that waste products from the activity may have entered the river.

Recommendation 10: That a waste monitoring and management plan be developed specifically for this project and this plan to include measures which reduces the production, decanting, exposure, storage, transportation and disposal risks associated with the proposal.

Community Impacts and Objections

Wollondilly is experiencing a growing objection from the community to the CSG industry in the Shire but also generally. This has been reflected by the formation of a proactive community group, a number of Council resolutions supporting these community objections and the declaration of Nattai as a “CSG free community”. These objections are based on the impacts the community have experienced or fear they could experience, such as loss of access control on their properties, potential health impacts, potential devaluation of property, impacts on road infrastructures and access to clean water. The community regard Council as their representatives therefore Council must reflect their concerns and does.

Recommendation 11: That the proponent to include an assessment of all the direct and indirect impacts associated with the installation and operations of gas wells and gathering lines on the community.

Recommendation 12: That the development not occur in proximity to existing or proposed residential areas.

Recommendation 13: That the proponent evaluate potential impacts on private and public infrastructure, including the impacts of horizontal drilling, and prepare a compensation management plan for the proposal.

Public Health

Council is concerned at the lack of knowledge regarding the health impacts of the CSG industry. Fugitive emissions and water contamination being the primary concerns for the community but Council is also aware of other health impacts including conditions relating to stress. This stress can be triggered by the uncertainty of other health impacts on themselves, the distress of losing control over access to their property and the worry of damage to property including homes. Council is concerned that there has not been a adequate assessment of the effects of CSG may have on the community's health.

Recommendation 14: That the proponent undertake an Environmental Health Risk Assessment prior to any approvals being granted.

Issues Raised by other Submissions

Council has reviewed other submissions on this proposal, in particular those of surrounding Councils, the community and government agencies and supports particular aspects of those submissions. Council understands that these submissions reflect the local knowledge and

experiences of the respective authors and as such Wollondilly Shire Council supports the submissions of Camden, Campbelltown and Liverpool Councils.

Conclusion

Wollondilly Council does not support this application in particular nor the CSG industry generally. Council considers the application inadequate, questions the processes of assessment and approvals and is particularly concerned that this expansion proposal could indicate an even more significant growth of the industry in Macarthur.

Should you require any further information or clarification on this submission please contact Mr Brad Staggs, Manager Environmental Services on 46 771129 or at brad.staggs@wollondilly.nsw.gov.au

