

PROPOSED CHANGES TO THE STATE ENVIRONMENTAL PLANNING POLICY (MINING, PETROLEUM PRODUCTION AND EXTRACTIVE INDUSTRIES) 2007

As a practising environmental planning consultant and a former primary producer I express my profound concern about proposed changes to the *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007*. The hurried approval of the AGL Gloucester Project under the since repealed Part 3A provisions of the *Environmental Planning and Assessment Act 1979* remains as one of the great environmental planning errors of recent decades.

That situation is set to worsen under the proposed changes because they will facilitate CSG production by restricting the matters that must be considered and the weight that must be given to those matters. The proposed changes will allow the project to proceed in circumstances where it should not proceed.

1. OVERVIEW OF THE GLOUCESTER BASIN PROJECT

The economic viability of the Gloucester Project

A review of all environmental, social and economic factors casts considerable doubt on the economic viability of the Gloucester Coal Seam Gas Project if full and proper consideration is given to these matters. The view is now held by independent environmental planners that the Gloucester project is not economically viable without unreasonable concessions and should not proceed. There is a degree of informed opinion that AGL would prefer not to proceed with the Gloucester Project but that a number of policy considerations are causing continued perseverance with the project.

The geology of the Gloucester Syncline

The Gloucester Syncline is the most vulnerable area so far identified for CSG extraction in Australia because of its intensively folded and faulted geology. The complex, intricate nature of the folds, faults and sheers creates the risk of inter-strata water movement and serious damage to ground water and soil. Despite claims to the contrary, AGL's limited and selective water studies have given no regard to these qualities. Some of AGL's claims about the valley's hydrogeology have been naïve and simplistic.

Deficiencies in the AGL water assessments

The deficiencies in the AGL assessments are too numerous to enumerate in this brief response. However, the failure to give full consideration to the area's complex geology and subsequent hydrogeology, the failure to undertake a flood study of the project area and the failure to properly consider the cumulative impact of all present and proposed mining developments in the valley are disturbing. Some aspects of ground water study and a flood study are proceeding at this time but these matters should have been given preliminary assessment before the concept plan and Stage 1 approvals were given.

Unsubstantiated claims about the Gloucester project's gas reserves

The size and economic viability of the gas reserves in the AGL Gloucester Project area have been matters of considerable difference of opinion. The initial claims by AGL were that the Gloucester Project has the potential to provide up to 15% of the NSW gas requirements. This estimate has never been substantiated by any means that can be audited and assessed scientifically because no such assessment was undertaken. The vague and misleading terms 'potential' and 'up to' are now being replaced by claims that the Gloucester Project 'will' supply 'more than' 15% of the NSW requirements.

The initial claim of up to 15%, let alone the claims of more than 15%, cannot be substantiated when due regard is given to all geological, environmental and economic matters. This matter and its potential ramifications now go very much to AGL management policy, shareholder

concerns and concerns about the direction of the coal seam gas industry in NSW. The proposed SEPP changes appear to be directed to these matters.

2. THE PROPOSED CHANGES - SOME MATTERS OF CONCERN (among the many)

The changes are 'policy on the run' to support specific developments

As noted above, the proposed changes appear intended to benefit the Gloucester CSG Project. A system whereby assessment requirements are changed to favour specific projects causes problems for all aspects of environmental planning because it creates a lack of confidence in the system and an expectation that other developments will be similarly favoured. The proposed provisions allowing 'minor modification' to be made to certain existing projects further compounds this matter. These provisions require strict definition and strictly controlled application.

The operation of the 3km rule

The definition of 'geometric centre', how it is determined and its impact on drilling programs is unclear. The rule, given its uncertainty of meaning and application, will allow groups of wells to be designed in breach of the intention of the SEPP and will allow AGL to avoid full environmental assessment and approval for wells that are to be fracked. The intensity of fracking and its potential consequences are always matters of the highest concern, and particularly in the Gloucester basin because of the complex geology that is exceptionally vulnerable to environmental damage.

The apparent inadequacy of REFs

The inadequacy of all statements concerning Review of Environmental Factors has been a matter of considerable public concern. The limited public consultation, limited regulatory control and lack of full disclosure by AGL are areas that require considerable improvement, yet these appear certain to worsen under the proposed changes.

The non-application of exclusion zones to the Gloucester Project

The relationship of the current SEPP and the proposed changes to the Gloucester Project is unclear. Gloucester was considerably disadvantaged by its exclusion from the 2013 SEPP changes that provided for the two kilometre exclusion zone because of the project's earlier Part 3A approval. It remained unclear whether the subsequent two stages should be exempt because subsequent approvals have to be consistent with the Part 3A approval or whether they would be caught by the provisions. However, the modification of the SEPP appears to effectively exclude the Gloucester area from any provisions regarding the exclusion zones.

It is hoped that the above brief comments give some understanding of the inadequacies regarding coal seam gas extraction in both the present provisions and in the proposed changes. The proposed changes do nothing to improve the present uncertainty and community disagreement regarding the Gloucester Project. The inevitable conclusion is that the situation will worsen.

Garry Smith
Environmental Planning Consultant
170 Pitlochry Road
Gloucester 2422

15 July 2014
