

The senate standing committee

10/ 7/2011

On Rural Affairs & Transport,

PO BOX 6100

Parliament house Canberra,

ACT 2600 Aust.

Dear Committee secretary,

I refer to your 'Inquiry into the management of the Murray Darling Basin- Impact of mining of coal seam gas '. I feel compelled to offer an insight into issues we face as 'stakeholders ' in the rapidly expanding CSG industry in our district.

My wife Jenny and I operate a mixed farming business in the Willala district west of Boggabri , NSW. Our family has been farming in this district for more than 120 years with a highly sustainable, productive and award winning approach. This district is under considerable pressure from 'extractive' resource developments, particularly from coal mining, and now we face the threat of coal seam gas production (via PEL 238 with Eastern Star Gas). We have been approached by ESG to enable them to construct a high pressure(1500 psi) pipeline(760 mm diameter) that would travel 5 klms through our property. We have a proposal by ESG to construct 1100 gas wells nearby in the Pilliga state forest and conservation area. There is considerable exploration activity occurring throughout our district.

We have some serious concerns as the CSG freight train hurtles towards us!

..... There are well documented threats to ground water associated with CSG extraction. There are a number of low yield (but vitally important) underground water supplies on our farm that are at risk from this process both in terms of quality and quantity. We believe that the interconnectivity of aquifers is inevitable when drilling on such a large scale is undertaken (despite ESG's assurances). The integrity of the Great Artesian Basin is of the utmost importance.

.....Property values in the district will definitely suffer. The nature of CSG extraction is that the affected landholder has to live with the issues of major infrastructure, traffic , loss of privacy ,noise ,dust and light etc with minimal compensation. After travelling to the Chinchilla region in QLD , I saw CSG infrastructure that could be only described as of massed industrialisation . Most notably was a field compressor station of hundreds of hectares , housing 14 compressor units of over 3000 horsepower each. On the Santos esg Pilot program at the property Kahlua close to us, adjoining land holders are experiencing little interest in their properties if they try to sell them.

.....There many unresolved issues with the construction of the pipeline . Compensation offered will barely cover our legal fees. Once constructed ,the landowner is responsible for any accidental damage incurred ,resulting in increased public risk insurance costs for that landowner. Also is the extra risk to the landholder / employee involved in the accidental rupture of a 1500 psi methane pipeline . Other risks associated with the pipeline are of lineal erosion, subsidence ,compaction during construction, rehabilitation etc.

There are many negative social ,environmental and economic impacts associated with resource extraction industries, and CSG extraction is one of those industries.

.....Much has been said of the employment opportunities offered by resource extraction. It needs to be said that this all comes at an extreme cost to any other industry not associated with mining . The mining industry has, or is in the process of, literally plundering the labour force of agriculture, manufacturing, local small business and government. A classic recent example of this has resulted in the sale of a major livestock transport business in Tamworth. The previous owners invested substantially in training facilities and programs for new and existing drivers, only to consistently lose them to the coal mining sector. On a single day trip to Gunnedah recently, we were unable to procure service and panel beating work to our car, because both businesses had lost most of their tradesmen to the mines.

Coupled with a resource inspired high Australian dollar, manufacturing industries and agricultural producers are in a dire situation.

There are other disturbing realities of resource extractive industry expansion in our local communities. The following observations are a generalised overview:

- Rental prices have doubled in Gunnedah in recent times.
- A twenty year old mine worker wouldn't get out of bed for anything less than \$90,000 per year .His /her work ethic sometimes declines to a point , whereby they are unemployable outside the mining sector.
- We end up with a two tiered economy, mine industry, and the rest of us.
- There was a time when, if there was a need for a facility or service in a community, we all pulled together to raise money or to provide that service. Now resource companies are more than happy to buy the community with their PR slush funds.

The expansion of the Coal Seam Gas industry in the Murray Darling Basin will only contribute to the feeding frenzy that is the resource industry boom.

As a stakeholder affected by this industry, I may hold a more accommodating attitude towards CSG , if the gas was used for local(NSW), lower emission ,base load electricity, to supplement renewable energy generation. Also to provide gas for value adding in processing all manner of commodities.

But it seems that it's all about extracting as much gas ,as quickly as possible, without any thought as to the sustainability of the resource , or the environment. After the much heralded allocation of gas for local generation, it seems that Eastern Star Gas intends to export 93% of its gas from PEL238.

I thank you for the opportunity to express my views , Please contact me if you have any further queries

Yours sincerely

Alistair Donaldson