

Additional comments by Opposition Senators

Introduction

1.1 The work of the Senate Select Committee on Unconventional Gas Mining adds to the significant body of work of former Australian Senate inquiries, and inquiries conducted by state and territory governments.

1.2 The committee has published almost 300 submissions to date, from members of communities across Australia who have expressed their views on unconventional gas mining, and has heard from witnesses at public hearings in Queensland, New South Wales and the Northern Territory.

1.3 Opposition senators acknowledge the contribution made by submitters and witnesses to the committee, and thank them for participating.

1.4 The majority of evidence presented to the committee through submissions and public hearings was anecdotal in nature and presented general views on unconventional gas mining as an industry. These views were noted by the committee, and have been valuable in assisting the committee to understand the general feeling of communities towards unconventional gas mining activity in their area and in Australia more broadly.

Health

1.5 The committee heard evidence of the impact of unconventional gas mining on the health of residents of the Western Downs Region of Queensland. However, the committee has not been able to establish whether the symptoms presented to the committee have been clearly caused by unconventional gas mining activity in the area. In fact, the committee heard that a comprehensive study was conducted by Queensland Health in 2013 which:

...found that a clear link could not be drawn between the health complaints of residents and the impacts of the local CSG industry on air, water or soil within the community. This report could not identify any emissions from CSG activities that would explain the reported symptoms...¹

Environment

1.6 The committee also heard anecdotal evidence regarding the environmental impact of unconventional gas mining activity, but heard little factual or scientific evidence to support the claims.

1.7 For example, submitters and witnesses from the Narrabri area raised their concerns over the amount of water that may be used by Santos' unconventional gas mining project in the area. In contrast, Santos told the committee that their Narrabri Gas Project would use a comparatively small amount of water when compared with cotton irrigation:

1 Queensland Government, *Submission 217*, p. 14.

For the proposed Narrabri Gas Project, 37.5 gigalitres of water will be extracted from the coal seams over the project life, equating to an average of only about 1.5 gigalitres of water per year. By comparison, this volume is around the same amount of water used to irrigate around 200 hectares of cotton annually. About 60,000 hectares of cotton are irrigated in the Narrabri area each year.²

1.8 In addition, the committee heard that the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) provides expert scientific advice on coal seam gas and large coal mining proposals. The IESC is a statutory committee and was established in 2012.

Land access

1.9 The report asserts that landholders lack rights and power, but throughout Chapter 3 sets out the comprehensive legislation that exists across the states and territories to regulate the unconventional gas mining industry. In fact, the report notes that the Queensland Gas Company (QGC) have said that they do not operate on private land without the landholder's consent.³

1.10 There is a portrayal of confusion or lack of uniformity across states in relation to land access, and the report presents a table which displays Tasmania and Victoria which have minimal or no unconventional gas mining occurring. If anything, the table shows the relative uniformity in states which have unconventional gas mining: Queensland and New South Wales.

1.11 Opposition senators also highlight that regular compensation payments which have been paid to landholders with unconventional gas mining on their land have allowed farmers to supplement their incomes and help to weather difficult conditions, including drought.

GasFields Commission Queensland

1.12 The Committee heard a number of issues in relation to the GasFields Commission Queensland during hearings.

1.13 It should be noted that the Queensland Government has commenced a review of the GasFields Commission Queensland which is due to report to the Minister for State Development by mid 2016.

1.14 The Queensland Government has appointed an Independent Reviewer, Mr Robert Scott, to investigate whether there are opportunities to improve the regulatory and administrative settings for petroleum and gas regulation, including dispute resolution to address community concerns.

2 Santos, *Submission 57*, p. 24.

3 QGC, *Where we work*, <http://www.qgc.com.au/qclng-project/where-we-work.aspx>.

1.15 Mr Scott, a former member of the Land Court for 14 years, will, among other purposes:

- evaluate whether the GasFields Commission Queensland is achieving its purpose;
- evaluate whether the functions given to the Gasfields Commission Queensland are sufficient to allow it to effectively manage disputes about land access and other disputes between resource companies and landholders;
- investigate whether an alternative model, such as an independent Resources Ombudsman, is needed to provide a mechanism for dispute resolution between resource companies and landholders; and
- whether there can be harmonisation between the CSG Compliance Unit and the Gasfields Commission Queensland to provide efficiencies and improve dispute management processes.

1.16 This will be determined through consultation with stakeholders and review of information sources.

Opportunities for Northern Australia

1.17 Opposition senators recognise the significant opportunities which are afforded by unconventional gas mining regarding employment and regional development.

1.18 The committee heard about the positive impact that unconventional gas mining had on rural and regional communities. Mr Matt Doman, Director, South Australia and Northern Territory, Australian Petroleum Production and Exploration Association, told the committee that unconventional gas mining had provided many benefits to communities across Australia:

Many communities right across Australia have felt the full force of the global financial crisis, drought, the decline in Australian manufacturing and the downturn in employment. In contrast the CSG industry at its peak in Queensland employed over 40,000 people and paid royalties which have supported programs which have invested more than \$495 million over the last four years in new community infrastructure, roads and flood mitigation.⁴

Conclusion

1.19 Opposition senators note that this is the committee's interim report, and should the committee have the time to do so, further examination of the issues relating to unconventional gas mining activity in Australia will occur.

4 Mr Matt Doman, Director, South Australia and Northern Territory, Australian Petroleum Production and Exploration Association, *Committee Hansard*, 12 April 2016, p. 26.

Senator the Hon. Joseph Ludwig
Deputy Chair

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