

Additional Comments from the Australian Greens

1.1 The Australian Greens welcome this report, which clearly sets out many of the concerns that the Australian community and key scientific research bodies have with the rapidly evolving coal seam gas industry. We are pleased to see tri-partisan agreement on a number of issues raised in the report, including risks to groundwater and farming communities.

1.2 We note that the Inquiry was focussed only on coal seam gas in the Murray Darling Basin, which did not allow detailed consideration of the impacts of coal seam gas across the country, or of shale gas which predominates in Western Australia, or of the land-based and marine impacts of transportation and export facilities for LNG, or the emissions intensity of coal seam gas. The Australian Greens will be moving for a fresh, dedicated Senate Inquiry into these broader issues to ensure that the Senate concerns itself fulsomely with this issue of such importance to the community.

1.3 The Australian Greens support the recommendations in the Report, however wish to make some brief additional comments on a number of issues not fully canvassed by the report and its recommendations.

1.4 We are very pleased there is tri-partisan support for Recommendation 1 of the Report calling for a thorough review of the appropriateness of 'adaptive management' in regulating the coal seam gas industry. As is highlighted throughout the report, there are significant gaps in information regarding particularly the cumulative and long term impacts of the industry. The Australian Greens have concerns that the much touted adaptive management framework to environmental regulation is inappropriate for this rapidly developing industry, due to the high levels of uncertainty associated with aspects of its development, and the potential for it to cause irreversible harm to Australia's ground water systems. We would like to see this framework carefully scrutinised with, as noted in paragraph 1.73 of the report, particular focus on the question of whether 'adaptive management' of the coal seam gas industry's development is consistent with the precautionary principle.

1.5 With regard to Recommendation 2 of the report, we believe the more appropriate body to have responsibility for promoting a strong and consistent regulatory framework for the coal seam gas industry is the Ministerial Standing Council on Environment and Water. While regulatory responsibilities for the industry varies across the states and territories, it is more appropriate for the Ministers with responsibility for surface and groundwater to have oversight through this process, rather than energy and resources ministers who all too often define their role as promoters rather than regulators of industrial development.

1.6 The Australian Greens strongly support Recommendations 3 and 4 of the report which say that we must wait for the results of specific scientific studies before issuing any further coal seam gas approvals. This approach is consistent with my Senate motion on 13 September 2011 for a moratorium on further coal seam gas approvals

until the long-term impacts of the industry on our groundwater, agriculture, rural communities, threatened species, the climate and the Great Barrier Reef are known, which unfortunately was not supported. Clearly significant uncertainties remain about the long-term consequences of the coal seam gas industry on Australia's groundwater resources. Far more research is needed to understand the extent to the full potential impacts of coal seam gas on our water supplies, particularly over the longer term. Once that information on the impacts of coal seam gas on the long term sustainability of our water resources, agricultural land and natural environment is amassed, there must be a conversation with the community about whether this short-term fossil fuel industry is an appropriate investment for Australia given the scarcity of our water resources, good quality food producing land and the urgency of moving to renewable energy as quickly as possible to avert dangerous climate change. The Australian Greens believe it is not, when we have alternatives to energy production but not to food.

1.7 We strongly support Recommendation 7, that the Commonwealth amend the Environment Protection and Biodiversity Conservation Act 1999 to include the sustainable use of the Great Artesian Basin as a 'matter of national environmental significance'. While we note the terms of reference of the inquiry are limited to consideration of the Murray Darling Basin, the Australian Greens support extending that trigger to all groundwater and surface water. My bill currently before the Senate, the Environment Protection and Biodiversity Conservation Amendment (Protecting Australia's Water Resources) Bill 2011 proposes the introduction of such a trigger to pick up the water impacts of mining (including coal seam gas). This bill proposes that a new matter of national environmental significance be mining operations that have, will have or are likely to have a significant impact on the quality, structural integrity or hydraulic balance of a water resource. If passed the bill would mean that federal assessment and approval would be required for mining operations likely to have a significant impact on Australia's water resources. Our conviction as to the need for this bill is all the stronger after hearing the evidence from communities, scientists, state governments and other interested parties through this Inquiry. We believe that this Report strengthens the case for our bill to receive support from all parties and will be seeking that in earnest.

1.8 We strongly support Recommendation 13, requiring comprehensive water management plans - and the capacity to implement those plans - before any further production approval for coal seam gas be granted. We consider the issues raised in paragraph 3.40 of the Report require special emphasis here: that given the risk of severe weather events in the coming decades, there is a clear need for a step change in the management of water both in normal and severe weather situations. As such, these water management plans need to ensure adequate protection of groundwater, agricultural land and downstream users at all times, including in times of severe weather and natural disasters like the summer flooding on Queensland earlier this year. Further, plans currently in place should be reviewed by state and federal regulators for their adequacy to ensure continuous protection of our rivers, creeks and groundwater throughout all seasons and weather.

1.9 We note and support the numerous recommendations of the report that seek to enhance the rights of landholders in their engagement with the coal seam gas industry. This is an issue that the Australian Greens have already proposed a clear solution for, in the Landholders' Right to Refuse (Coal Seam Gas) Bill 2011, introduced in August of this year. If passed, this Bill will provide Australian landholders the right to refuse the undertaking of coal seam gas mining activities on their land without prior written authorisation. The Australian Greens believe that farmers should have the legal right to decide that they would prefer to be able to keep farming on their land, and for their children to have that option, rather than take the risk of possible long term groundwater depletion or contamination. This bill does not alter the ownership of the minerals and gas, which remain vested in the states, and acquisition laws with appropriate compensation would still apply.

1.10 The Australian Greens support the general discussion in the report on greenhouse intensity of the domestic coal seam gas and LNG export industry, particularly the findings in paragraphs 5.20 to 5.22.

1.11 As highlighted in a recent paper prepared by Merrill Lynch¹, a number of significant questions are yet to be answered regarding the emissions profile of Australia's domestic coal seam gas and LNG export industries, including:

- The accuracy of the diverse assumptions built into industry commissioned life-cycle analysis of CSG to LNG projects (including assumptions that gas will substitute for coal), and
- The accuracy of current Australian emissions reporting standards, and the risk that current practices under-estimate actual emissions as they are not specific to the Australian context.

1.14 The government and the public has a significant interest in ensuring the full costs and benefits of this industry, including greenhouse implications, are fully understood when deciding the degree to which this industry should be supported. Noting that this support from our society takes many forms - through regulatory approvals, the various forms of public support extended through subsidies, grants and infrastructure investments by Australia's governments, and the social and environmental costs of this industry. It is also very much in the interest of industry and investors to have accurate information available about the emissions intensity of coal seam gas projects, to ensure accurate projection of the future carbon liability of these projects.

1.15 Further, steps must be taken, as noted in the report's paragraph 5.22 to put in place rigorous monitoring and regulatory regimes, with the necessary technical capacity to monitor all gas wells and other potential sources of fugitive emissions.

1 Merrill Lynch Green gas debate: substantive report a matter of weeks away 21 November 2011

1.16 Building on the findings in Chapter 5 of the report, the Australian Greens make the following additional recommendations:

Recommendation 1

1.17 That a comprehensive independent life cycle assessment of the greenhouse gas intensity of Australia's domestic and export coal seam gas industry is undertaken promptly, to ensure that decisions to approve such activities are informed by independent, accurate information, noting such information is also invaluable for industry and investors.

Recommendation 2

1.18 That the federal Government promptly develop greenhouse gas accounting methodologies appropriate to coal seam gas extraction and production in Australia.

Recommendation 3

1.19 Any projections of emissions from proposed coal seam gas activities must be specific to the gas field, whether it is coal or shale (or any other source of natural gas), to the technologies used in extracting transporting, processing and burning the gas, and the regulatory framework under which the industry operates.

Recommendation 4

1.20 Governments must have in place rigorous, independent monitoring of greenhouse emissions throughout coal seam gas extraction and production processes, including monitoring of each gas well and all other potential sources of greenhouse emissions. The regulatory regimes must be backed up by a qualified inspectorate that can ensure compliance.

1.21 With regard to paragraph 5.1, we note there are still significant questions around whether the life-cycle emissions of coal seam gas is significantly less than coal, and secondly, even if it is found to have lower emissions intensity, this simply may not be good enough given need to urgently stabilise and start reducing global emissions (particularly when the adverse water, food security, rural community and Reef impacts are considered).

1.22 The Australian Greens would like to thank the many scientific, environmental and community groups, and members of the public, that made invaluable submissions to this inquiry, particularly the landholders and groups who gave evidence during the committee's hearings in Roma, Dalby, Brisbane, Narrabri, and Canberra.



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