

GAS WATCH 248.

Chief Scientist's Final Report on CSG.

The Chief Scientist has found that the “technical challenges and risks posed by the CSG industry needs to take place within a clear, revised, legislative framework”.

Whilst some are interpreting the Chief Scientist's report as concluding that CSG exploitation is “safe”, that is far from how the report reads.

In fact the Chief Scientist appears to be of the view that CSG production, as currently regulated, is not safe and needs far more stringent regulation, in that the report states amongst many other things:

- *“new technology developments which, if harnessed appropriately, can make CSG production increasingly safer and more efficient over time”.*
- **Government is advised to “apply caution and ensure major projects aren't approved without several years of baseline data”.** This advice in itself should be sufficient for the Government to put an immediate hold on the Narrabri and Gloucester projects until those “several years of baseline data” has been gathered.
- That current legislation and regulations are insufficient to regulate this industry and that CSG exploitation under current regulation is not safe. *“The Review concludes that, provided drilling is allowed only in areas where the geology and hydrogeology can be characterised adequately, and provided that appropriate engineering and scientific solutions are in place to manage the storage, transport, reuse or disposal of produced water and salts – the risks associated with CSG exploration production CAN BE MANAGED. That said, current risk management needs improvement to reach best practice.”* Indeed. AGL's history of breaches of its licence conditions and damage to the environment speaks for itself. Similarly with the historical problems in the Pilliga and in the Gloucester and Stratford areas with the migration of methane from CSG wells into water bores.
- **“Australia is in a good position to rise to the challenge of managing the various water issues associated with CSG production”** and that **“Australia has a strong track record in water technology and management”** including **“management of byproducts such as salts, waste disposal”** and the like. Unfortunately this finding is not what is happening on the ground. AGL discloses in its EWMS for its Gloucester methane gas project that it really has no idea what it proposes to do with its 7,000 kgs of salt which it will produce every day. AGL says the salt will “most likely” go to landfill, but has no plans of where and indeed has asked for “expressions of interest” from anyone who might want this contaminated salt. In addition AGL has trialed spraying salty water onto pasture, has dumped salty water onto pasture killing it, and has used leaky pipes and mudponds. The disposal of thousands of tonnes of contaminated salt remains one of the greatest issues surrounding CSG exploitation, together with fresh water contamination and diminution, and the protection of human and animal health.
- *“There is still considerable uncertainty associated with the development of any new resource province.”*
- **“A better understanding of the industry impacts at scale and over time is needed.”**
- *“There is a need to understand better how the different resources and their development regimes interact.”*
- **“There is a need to understand better the nature of risk of pollution or other potential short or long-term environmental damage from CSG and related operations.”**
- *“More detailed knowledge of the structure and composition (especially regarding hydrogeology) of the sedimentary basins is needed”.*
- **“There are no guarantees – “it is inevitable that the CSG industry will have some unintended consequences, including as the result of accidents, human error, and natural disasters.”**
- *“CSG development can provide new revenue streams for landholders”.* Current compensation is ridiculously low. The Halfpenny Investments case resulted in compensation of \$6.40 pa for each well site; \$3.84 per day for drilling at each well site; work over site \$0.34 per day; access roads \$0.20 per square metre per annum; any other area of the land used \$0.20 per square metre per annum.
- **“the risks associated with CSG exploration and production can be managed. That said, current risk management needs improvement to reach best practice”.**
- *That there will be “unexpected events” and that we can expect “accidents” and that we must “always be ready and alert for things to go wrong” (702 radio 1.10.14)*

There are 16 recommendations made by the Chief Scientist which, the report concludes, if followed, would result in best practice. However the risks will still be there because of the lack of knowledge of underground geology and hydrogeology. No amount of the recommended compensation can compensate for the loss of a water resource, a river or a stream. No amount of compensation can compensate for the loss of health.

Further we have CSG exploiters unable to comply with the current regulations, let alone the more stringent regulations proposed by the Chief Scientist.



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