



Committee Secretary
Senate Standing Committee on Environment and
Communications
(Via email to ec.sen@aph.gov.au)

April 12 2013

Dear Committee Members

Environmental Protection and Biodiversity Conservation (EPBC) Amendment Bill 2013

Shell Development (Australia) Pty Ltd, Shell Energy Holdings Australia Limited and their related bodies corporate in Australia (“Shell”) are pleased to make this submission in response to the Environment Protection and Biodiversity Conservation Bill 2013 (the Bill).

Shell holds an equity interest in Arrow Energy, a Queensland based coal seam gas (CSG) company, which is in the process of developing a CSG to LNG project from resources in the Surat and Bowen basins.

Globally Shell continues to respond to demands for continuing improvement in environmental and social performance and for more transparency in reporting on our business, with details of Shell’s global performance [here](#). Shell is working to further our understanding of the relationship between water and energy and to develop new technologies that will enable us to reduce our water footprint.

Shell supported the 2012 amendments to the EPBC Act, which resulted in the introduction of the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC). This amendment also enabled the Commonwealth to request a review of CSG and coal projects that are likely to have a significant impact on water. The recent advice released by the Committee on Arrow Energy’s Surat Gas Project Environmental Impact Statement demonstrates the far-ranging analysis undertaken by the Committee.

The EPBC Act, in its current form, requires the Commonwealth to assess a project if it is likely to impact on matters of National Environmental Significance (NES), including impacts to World Heritage Areas, Wetlands of International Importance, threatened species or ecological communities, or

migratory species that may occur as a result of changes to water resources, or any other reason. In Shell's view, the Australian Government already has the ability to assess potential water impacts at the basin level and the Bill duplicates processes that already occur at State level. Any large scale Coal Seam Gas or Large Coal Mining Development is very likely to trigger the existing NES provisions, in which case the Minister has the ability to assess and place a broad range of conditions on the activity including those related to water. To date, all four CSG to LNG projects based around Gladstone and numerous large coal developments have required assessment under the EPBC Act. In the unlikely event that a Coal Seam Gas or Large Coal Mining Development does not affect one of these existing NES, then it is Shell's view that the project can be adequately managed under state based environmental, petroleum and/or mining legislation and that duplication of the assessment process under the EPBC Act is not warranted.

At the State level, CSG companies are required to comply with rigorous requirements for assessing and managing environmental impacts, including those related to water. In Queensland, the Office of Groundwater Impact Assessment (OGIA) has been established to monitor, assess and provide advice on the potential impacts of CSG production on groundwater. The OGIA collects monitoring data and assesses cumulative impacts of CSG development. In NSW, the Environmental Protection Authority will be the principal regulator of the CSG industry in the areas of environment and health, with responsibility for compliance and enforcement. The Chief Scientist and Engineer will conduct an independent review of all CSG activities in NSW, including the potential impact on water catchments. The Office of Water's Aquifer Interference Policy forms the basis on which the NSW government assesses potential impacts to water resources, as part of the broader environmental assessment process under the Environmental Planning and Assessment Act 1979.

The Bill therefore duplicates State assessment requirements and contradicts COAG's commitment in April 2012 to remove the duplication of environmental assessment processes for large projects. Aside from introducing unnecessary regulatory burden for proponents, the Bill will also see the inefficient outcome where two levels of Government will require a critical mass of expertise to review project proposals. In addition, the retrospective nature of the legislation increases complexity, introducing project uncertainty around schedules and increasing commercial risks for proponents.

In conclusion, Shell does not support the Bill as we see the amending provisions as unnecessary and duplicative and believe similar or equivalent environmental assessment and management processes are already in place within existing Federal and State level processes.

If you have any questions in relation to this submission please do not hesitate to contact me as above.

Yours sincerely

Mark McCallum

Government Relations Manager

Shell Australia