

7 July 2011

The Chair

Senator the Honourable Bill Heffernan

Senate Rural Affairs and Transport References Committee

Inquiry into Coal Seam Gas and Mining

We wish to alert committee members to the fact that the overwhelming wave of **Coal Seam Gas (CSG) and mining extends well beyond the southern districts of Queensland**, and although companies such as Exoma and AGL have only just begun drilling exploration wells in our local area, **problems are already evident**. Furthermore, until Governments can adequately and accurately monitor and manage these industries, they **pose an unacceptable risk for a huge number of communities, businesses and the environment**.

Accord is a 7678 Ha highly productive sheep and cattle grazing property, located on the Landsborough Highway halfway between Longreach and Barcaldine. It is narrow rectangular property (4 km wide and 20 km long), with the main infrastructure situated along the centre of the property. Therefore, any mining activity on this property would be extremely disruptive to our business and lifestyle.

Our country is not Strategic Cropping Land but we believe it is worth protecting, because it is heavy carrying, naturally lightly timbered (has never been and will never will be cleared), gently undulating black soil, Mitchell Grass Downs country. These are natural pastures, which don't require fertilisers or seeding, and this country is totally weed free. It is also freehold, but that does not afford us any protection from invasion by mining companies.

Our property is totally reliant on artesian water for domestic and stock purposes, and our bore supplies water which is currently fit for human consumption. In 2003 (in the middle of a severe drought), with the assistance of GABSI (Great Artesian Basin Sustainability Initiative) we spent an enormous amount of time and money capping our flowing bore and replacing the bore drains with poly line, tanks and troughs, to preserve and protect this precious resource. The whole property is now supplied by an engineer designed, gravity fed system from this bore. Any changes to the supply, pressure or the water quality could destroy this system, which in turn would destroy our profitable, grazing business and lifestyle. **Furthermore, how can the GABSI scheme effectively protect the Great Artesian Basin (GAB) when the Government does not monitor the enormous amounts of artesian water extracted by mining companies?**

Exoma Energy Ltd. have five Authority to Prospect (ATP) in the Galilee Basin, covering a region of 27 000 km² in the Jericho, Barcaldine, Longreach, Muttaborra and Winton area. These ATPs are for Coal Seam Gas and Shale Gas exploration, and our property is located within one of these ATPs. A Coal Mining Exploration Permit covering our property was also applied for on 2 June 2011.

Problems we are aware of and concerned about:

- ★ A local property 50 km away has had CSG exploration wells on their property for several years. This exploration has been a tedious process due to a lack of financial resources, and poor management. One of the biggest problems has been dealing with the huge amounts of water

pumped out of the aquifers immediately above the coal seams. This toxic water was allowed to flow into a local water course for several years which disrupted a neighbour's access road until the Environmental Protection Agency (EPA) forced AGL to build a plastic lined 16 Ha dam. This huge evaporation pond which is full of boiling water, toxic chemicals and salt is fenced, and is a lethal trap for native bird life such as pelicans and ducks, as well as livestock and kangaroos if the fence is not well maintained. There is also a real threat of the liner failing, along with the risk of heavy rain causing the dam to flood into the adjacent landscape.

- ★ This property was weed free prior to CSG exploration, but the landholder now has several Parthenium infestations introduced by mining vehicles, which he has to continually monitor and treat.
- ★ Another local landholder 40 km away had an exploration well drilled by Exoma in June 2011. Apparently, the pressure in this well was so great they had to "fly mud in from America". Exoma had planned to drill a second hole on this property, but after the "pressure problem" they deemed the well to be "unviable", and have since moved to another property 40 km away.

Issues we are concerned about:

- ★ A local landholder told us that he was 500m away from the exploration well on his property when it was fraced, and that he felt the earth shudder like a mini earth quake. The Artesian reservoirs are fragile, rock formations situated (often much less than 50m) above where these fracing charges are supposedly set off, so there is a **high risk of fracing damaging adjacent aquifers**.
- ★ There is a long list of chemicals that are used for fracing, unfortunately most of the chemicals used have never been assessed to see if they are safe. Furthermore, it is clear that the **BTEX fracing chemicals (which were banned by DERM) are not the only ones that are dangerous**.
- ★ Fracing involves pumping dangerous chemicals, large volumes of water and sand into the coal seams. This process leads to a **high risk of fracing chemicals leaking into adjacent aquifers**.
- ★ **Fracing releases dangerous gases into the atmosphere.**
- ★ Fracing appears to be an imperfect science so it is **difficult to accurately manage the size of and the position of the perforations caused by fracing**. Futhermore, wells are often fraced several times.
- ★ Legislation currently relies on mining companies doing the "right thing" when it comes to which chemicals are used for fracing. The Cougar mine disaster at Kingaroy clearly demonstrates that **CSG companies require external monitoring**.
- ★ Recently, it was reported that only a small percentage of wells have been found to have problems however, when we are referring to problems such as gas leakage and chemical contamination a small percentage of problems is totally unacceptable.
- ★ The government is keen to introduce Wild Rivers Legislation which will place restrictions over grazing activities in this region, but mining companies will not be restricted by this legislation.
- ★ The speed and extent of Coal Seam Gas and mining taking place across Australia is truly overwhelming.

Recommendations:

- Ban all fracking so there is no risk of contaminating or damaging the Great Artesian Basin (the 8th Greatest Wonder of the World).
- Ban all Coal Seam Gas mining until the quality, capacity and pressure of our underground water is accurately measured and monitored by an independent, reputable organisation.
- Ban all Coal Seam Gas mining until there is a safe, environmentally friendly way to deal with the excess water, chemicals and salt.
- Legislate to allow landholders some control over how much mining takes place on their property.
- Legislate to allow landholders the right to choose whether or not to have mining on their property.
- Impose heavier penalties on mining companies who disregard safe chemical disposal and weed seed spread guidelines.
- Utilise independent, reputable organisations to monitor the activities of all mining companies, at every site.
- Legislate so landholders and mining companies are governed by the same regulations. eg. Wild Rivers Legislation, Water Act and the Vegetation Management Act.
- Legislate so the amount of mining that takes place in an area at any one time is managed to protect local communities, businesses and the environment.
- Legislate to ensure that Australia has enough human and financial resources available to monitor and manage the mining industry effectively.

Thank you for taking the time to consider the information included in this submission. We understand the benefits associated with the CSG and mining industries, but it is vital that this inquiry thoroughly investigates what we perceive to be the negative aspects associated with these industries. These issues need to be dealt with to ensure that all Australian communities, the environment and the mining industry have a sustainable future.

We would appreciate our comments being noted in the course of the committee inquiry into Coal Seam Gas and mining, and we are happy to meet committee members at any of the Queensland locations.

Yours sincerely,

John & Penny Taylor