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April 3, 2013

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

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RE: *Environment Protection and Biodiversity Conservation Amendment Bill 2013*

General Electric (GE) acknowledges all levels of government recognise the water impacts of coal seam gas (CSG) and large coal mining developments, and that each has committed to work with project proponents, stakeholders and communities to mitigate these impacts.

The Australian Government's *Environment Protection and Biodiversity Conservation Amendment Bill 2013* ("the Bill") is the latest example of this. GE welcomes the opportunity to provide comment on the Bill to the Senate Standing Committees on Environment and Communications.

With 117 years' experience in the Australian market, GE is an established technology and services provider, as well as financier to Australian business and infrastructure. Last year, GE acquired Australian mine equipment manufacturer Industrea.

In terms of the CSG industry, GE is a major supplier in Queensland from well-head to LNG compression trains. This involvement along the CSG-LNG production chain, includes the treatment of CSG-produced water and management of associated brine. Through this involvement, our global experience in unconventional gas industries and broad technology offerings, GE is well-placed to provide comment on the draft revised policy.

GE supports the deployment of best available technology to further reduce environmental impacts. Use of advanced technologies can:

- reduce the size of the drilling footprint;
- reduce fugitive methane emissions;
- reduce greenhouse gas emissions from drilling sites; and
- improve the sustainable treatment of CSG produced water and management of associated brine.

GE understands water is already a key consideration in the assessment and approval processes, including those under the EPBC Act, as well as compliance monitoring for these projects.

Nevertheless, governments are continuing to work with proponents and stakeholders to strengthen the regulatory framework for CSG and coal-mining sectors and in terms of the CSG industry work is underway to harmonise regulation applied by different jurisdictions.

The Standing Council on Energy and Resources (SCER) is preparing the Draft National Harmonised Regulatory Framework for Coal Seam Gas, which has been focussing on issues impacting on investment in resources exploration and development, including land access, community, infrastructure and labour. In GE's view this co-operative approach to harmonise and fill any "gaps" in the existing regulatory framework is preferable to developing new regulation in an ad hoc basis either by the Australian Government or State/Territory Governments.

Specifically, the SCER work program selected to "address the areas of community concern", which include:

- well integrity
- water management and monitoring
- hydraulic fracturing
- chemical use.

Separately, the Australian Government established the Independent Expert Scientific Committee to provide independent expert scientific advice for all governments on water-related impact on CSG and large coal mining developments.

In addition, State Governments, including Queensland, have recently updated policies pertaining to management of CSG-produced water. The SCER harmonization process can consider and inform these updated policies.

Furthermore, the Australian Government has referred Productivity Commission to undertake Major Project Development Assessment Processes study in a bid to redress *“inefficient and duplicative regulatory arrangements are imposing unnecessary costs”* associated with development assessment and approval processes

Despite this on-going work, the Australian Government proposes to through this Bill to create a *“new Matter of National Environmental Significance (MNES) for coal seam gas and large coal mining developments which are likely to have a significant impact on a water resource”*. This MNES has been described as a *“water trigger”*.

GE’s comments on the Bill deal with:

1. pre-empting outcomes of SCER and Productivity Commission processes already underway;
2. applying of *“water trigger”* on projects currently under EIS assessment; and
3. extending the EPBC Act’s already broad coverage and whether the Bill’s provisions duplicate these and State Government responsibilities.

Firstly, GE is concerned the SCER draft Framework and Productivity Commission processes have not been completed and the Bill pre-empts the outcome of these separate, Australian Government-initiated pieces of work.

The SCER draft Framework acknowledged further reforms should be considered co-operatively through the Standing Council on Environment and Water and these would *“facilitate further moves toward a nationally consistent approach to water management”*.

GE submitted to the SCER that draft Framework could be broadened to include decommissioning and remediation of evaporation dams, management of CSG-produced water extracted during exploration and production testing, and the disposal of brine and salt.

Secondly, GE understands from the Bill’s Explanatory Memorandum and the Minister’s Second Reading Speech that the *“water trigger”* would be applied for new projects and those projects currently undergoing assessment if the Independent Expert Scientific Committee has not provided its final advice to the Minister.

The Minister has acknowledged the Government will be *“making sure that the administrative processes for the transition are done in a way that delivers better*

scrutiny, gives better quality and more thorough decisions, without needlessly adding to timeframes”.

However, the provisions of the Bill will add to the regulated timeframes for assessing projects even those well through the approval processes and closest to achieving approval to attain a final investment decision and commence job-generating construction and operation.

The complexity of the development assessment and approval process can heighten perceptions of risk. In 2009, the Productivity Commission released its final Review of Regulatory Burden on the Upstream Petroleum (Oil & Gas) Sector found:

“Significant regulatory costs are associated with approval delays that potentially lead to increased project expenditures, reduced flexibility for responding to market conditions, inflated capital costs, increased difficulty of financing projects, and reduced present value from resource development. Expediting the average approval process by one year could increase the net present value of projects by 10–20 per cent simply by bringing forward income streams. Given the sector contributes 2 per cent to GDP, the potential income gains for Australian residents could be in the billions of dollars each year.”

Thirdly, the Australian Government’s approvals of the major CSG-LNG projects in Queensland in 2010-11 include a series of CSG Water Management conditions in addition to those imposed by the State Government.

Specifically, the Australian Government approvals have stipulated that proponents must:

- (a) Take all reasonable measures to ensure that CSG water, including extracted groundwater, treated or amended CSG water, and any associated waste water, brine crystals and/or solids generated as a result of treating or amending water have no significant impact on any MNES during or beyond the life of the project; and*
- (b) If any such impacts arise apply measures identified in the Coal Seam Gas Water Monitoring and Management Plan, or other requirements under these conditions, to mitigate or make good such impacts to the satisfaction of the Minister.*

When announcing the approvals and “*more than 300 strict conditions*” - in addition to those of the State Government - for the Queensland Curtis LNG and Gladstone LNG projects in October 2010, Environment Minister The Honourable Tony Burke MP stated his “*focus has been on protecting environmental matters such as protected*

species and ecological communities". However, the Minister stated he had "also considered potential impacts on agricultural land and the Great Artesian Basin, among other economic and social matters".

For instance, the Australian Government has required proponents to have a program and timetable for repressurisation using re-injection of CSG water.

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