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The Committee Secretary,

**Re: Australian Pork Limited's Submission to:**

*Senate inquiry into the Environment Protection and Biodiversity Conservation Amendment  
(Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development)  
Bill 2012 (the Bill)*

Australian Pork Limited (APL) is the national representative body for Australian pig producers. We are pleased to provide this submission on behalf of the pork industry in support of this Bill. APL supports the establishment of an Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (Scientific Committee) to help ensure the Governments decisions on CSG Projects are based on science. We do have some suggestions to make which may help to refine the Bill so that its true benefits can be realised.

***Background information***

APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry. We share the concerns of Australian Lot Feeders Association (ALFA) when it comes to CSG exploration and extraction activities that encroach on livestock industries and the resources and communities that our producers rely on. We are particularly concerned about the negative impacts of CSG on water resources.

A large part of the Australian pork industry is located in the grain growing regions of NSW and QLD that supply our major input - feed grain. This is also where the CSG industry continues to establish itself. The pork industry consists of roughly 1500 pig producers producing around 5 million pigs annually. The gross value of Australian pigmeat production for 2009-10 was around 902.8 million.<sup>1</sup>

***Potential impacts of CSG on the pork industry***

CSG exploration and extraction activities threaten the productivity of the pork industry from several angles. These include encroachment on our land, water and labour resources; contamination of groundwater; and the risks associated with chemical residues left by the CSG extraction process. In general we recommend the Government adopt a *precautionary*

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<sup>1</sup> ABARES 2011, *Agricultural commodity statistics 2011*, December, Canberra.

approach to further CSG projects – an approach the National Water Commission (NWC) agrees is justified considering the potential cumulative, irreversible damage to our water resources - the full impact of which is not well understood.

The NWC in their formal position statement on the CSG industry warns CSG development could have considerable, long-term and adverse impacts on adjacent surface and groundwater systems if not effectively managed and regulated.<sup>2</sup> Groundwater is an invaluable resource to the pork industry. Piggeries need a reliable source of water for drinking, cleaning and cooling pigs. In the process of dewatering of the coal seam to extract methane, water accessibility from aquifers for stock watering and for irrigating crops is reduced.

Moreover, chemical residues may enter the food chain as a result of livestock consuming water polluted by chemical residues left from CSG extraction. This poses a food safety issue and a threat to market access. Various studies internationally have found toxic chemicals including benzene, toluene, ethylbenzene and xylene associated with CSG. We believe CSG companies should have to disclose to the public, all chemicals released into the environment in the fracking process and undertake regular monitoring and reporting on residues left in the environment. This is in the interest of preventing the cumulative effects of toxic chemicals entering our water supply and food chain.

International markets have zero tolerance for many toxic chemicals which may be used in fracking. We note that there have been at least two incidents reported in Queensland where toxic chemicals associated with CSG have been detected in water sources. The future cost of market closures and our ability to regain them and restore consumer confidence in our product, is another risk of CSG encroachment on livestock industries and water resources.

We share the concerns of the ALFA that the approach of State and Federal Governments to implement adaptive management regimes for CSG projects in the absence of sufficient science may have irreversible environmental, economic and social impacts on rural communities. It may be decades before the current and cumulative impacts of CSG activity on our water resources, is fully understood. By this time it will be too late to reverse these impacts through 'make good' or other legislative provisions.

We support the ALFA's suggestion to establish a sovereignty fund, where CSG companies would be required to lodge annual contributions to manage the unknown risks and potential damage associated with their activities. This would also help address the risks associated with CSG companies that may become bankrupt or are acquired before such cumulative impacts become evident.

#### ***APL's comments on the Bill***

APL supports the establishment of an Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (Scientific Committee) to help ensure the Government's decisions on CSG Projects are based on science. We do have some suggestions to make which may help to refine the Bill so that its true benefits can be realised.

Firstly, we agree with the ALFA's recommendation that there should be measures in place to ensure that the scientists appointed to the Scientific Committee are as independent as possible from the CSG and mining industries and from the projects the Scientific Committee is advising on. Committee members should be required to declare any vested interest, in particular CSG/mining projects under their consideration, and should be excluded from contributing advice where it is deemed that they have a vested interest.

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<sup>2</sup> National Water Commission, 'Coal Seam Gas and Water Challenge: National Water Commission Position', December 2010, viewed on 23<sup>rd</sup> August 2011, from <<http://www.nwc.gov.au/www/html/2959-coal-seam-gas.asp?intSiteID=1>>

We support the requirement in the Bill that the Minister must take into account the Scientific Committees advice. We believe there should be a requirement that the Minister provide a public explanation if the Scientific Committees advice is subsequently not supported.

We also support the provision that the 'clock be stopped' with respect to the prescribed time in which the Minister is required to make a decision on approvals. This is appropriate given the environmental risks involved with CSG and mining projects and the level of consideration these issues deserve.

APL also supports that the Scientific Committee be able to provide advice to the Minister about research priorities as this will contribute to improved scientific understanding of the impacts of coal seam gas and/or coal mining developments on water resources. However, we agree with the ALFA that such advice should not be restricted to times when it is requested by the Environment Minister. The Scientific Committee should be able to provide suggestions without a prior request.

***In Closing***

APL believes the Government must take a long term view and focus less on short term gains from CSG and realise the long term benefits of preserving prime agricultural land and water resources. We believe this Bill is a step in the right direction and we express our support. We hope the Government considers making amendments to the effect of the above suggestions before the Bill is progressed to help ensure its full benefits are realised.

We thank the Environment and Communications Legislation Committee for the opportunity to make these comments for consideration in this inquiry.

Yours sincerely,

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Australian Pork Limited