

**Submission
No 547**

INQUIRY INTO COAL SEAM GAS

Organisation: DIG Far North Coast Dairy Industry Group Inc.
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Far North Coast Dairy Industry Group Inc.

ABN: 54 071 729 379

The Director
General Purpose Standing Committee No. 5
Parliament House
Macquarie St
Sydney NSW 2000
Fax: (02) 9230 2981

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Inquiry into the impact of Coal Seam Gas on the dairy industry

Dear Committee

1. Legal rights of property owners and property values.

Landowners existing rights to farm is under threat from Coal Seam Gas (CSG) Companies. Landowners lack the rights to refuse entry to mining and gas companies. How can governments allow mining and gas companies to build roads, pipelines and mining infrastructure on private land when landowners deny access? It seems incredible that mining and other extractive developments have supreme rights over any land irrespective of the agriculture or environmental value of that land. This is an insult to basic human rights where ownership means nothing.

Compensation paid to landholders is based on an individual farmer negotiating with a multinational company on a very unlevel playing field. This has resulted in some ridiculously low levels of compensation. Besides this, no level of compensation will substitute for the loss of privacy and intrusion by mining companies on the operation of the farm. Farms often represent generations of hard work, knowledge and careful planning for a family's long term stability. Land held by farmers, often represents a farmer's superannuation and retirement planning.

Dairy farming is a Primary Industry business with large capital outlays. Land on a dairy farm is utilised 100% to enable an efficient and viable business.

Accordingly, this does not intermingle with the intrusive works, should mining companies be allowed to build on your farm.

Dairy farms are built on prime agricultural land with valuations on these properties reflecting the potential of higher than average returns. Mining will negate the value of these farms. Most dairy farmers borrow against the value of their properties for the initial purchase and any further capital outlays and as a result valuations are critical to the long term viability of dairy farms. Any reduction in land valuations will have immediate financial implications on dairy farms and ultimately place the whole business at risk.

We believe that CSG exploration and extraction should not be allowed on prime agricultural land. ALL Land that is used for a dairy farm would be classified as prime agricultural land. Furthermore, any mining activity should only be allowed on any agricultural land if the landowners agree and then subject to adequate compensation. What are we doing here, in 30 years time all we will have left is no gas, rusting wells and degraded agricultural land, what a legacy to leave to our children, particularly when the excuse is the short term benefit of selling the gas at rock bottom prices overseas.

Effects on ground & surface water. Why should miners be allowed to override existing legislation when landowners have to obey rules to protect the environment? Water extraction by farmers from streams and rivers is limited to flow levels and licences, however mining companies have unlimited water access.

Furthermore, any damage to aquifers is usually irreparable. Access to clean ground water is critical for stock and operation of the dairy on many farms. Therefore if water tables were lowered to non-accessible levels suitable for agriculture to occur, the consequences would be catastrophic.

Similarly, the threat of contamination of aquifers by the CSG extraction process occurring during drawdown has the potential to devastate Australian Agriculture. We live on one of the driest continents with our water supply being paramount to our survival. It has been documented that waste water wells which discharge extraction fluid have been known to discharge into surrounding floodplains in times of floods. A comprehensive study needs to be completed to ensure the community that in times of natural disasters no discharge from waste water ponds will occur. For example a 1 in a 100 year flood has been allowed for in all waste water ponds.

Water security and safety needs to be paramount in this inquiry and the threat to town water supplies needs to be addressed. Local Environmental Plans (LEP) have mapped areas that are in town water catchments. Mining should not be allowed in any of these areas.

2. Food security and agricultural activity

Food Security worldwide is of severe concern too many governments, Australians have always been fortunate enough to have a plentiful supply of home grown food. This can change overnight should our aquifers be contaminated or destroyed for the short-term gain of mining. The recent Queensland floods provided an example of how vulnerable we could become. Where after 3-4 days of heavy rain with impending flooding, people were fighting over bread and milk in the supermarkets.

Dairies are busy places with feed trucks, milk tankers, tractors, feed mixing wagons and bikes operating at all hours. Dairy cows traverse the farm between the milking shed and pastures four times a day. It is definitely not cohesive to having mining developments inflicted upon such a highly intensive and important industry.

Extensive long-term independent research needs to be completed before CSG extraction is allowed to continue. CSG mining represents a serious threat to water and land resources in our country.

Should you have any questions, we would be happy to discuss further.

Kind Regards
Leigh Shearman

Chair, North Coast Dairy Industry Group