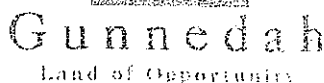


**Submission
No 594**

INQUIRY INTO COAL SEAM GAS

Organisation: Gunnedah Shire Council

Date received: 9/09/2011



The Director
General Purpose Standing Committee No 5
Parliament House
Macquarie Street
SYDNEY NSW 2000

9 September 2011

Dear Sir

Submission- Coal Seam Gas Enquiry

The Gunnedah Shire Local Government area is central to much of the Coal Seam Gas (CSG) exploration and potential expansion of the industry in NSW. The development of this industry in the Gunnedah region over the last two years has created considerable public debate, controversy and community concern. There are major concerns about the potential impacts of CSG activities on agricultural land, water aquifers and residential communities.

Substantial reserves of coal seam gas are located in the Gunnedah Coal Basin with estimates for recoverable reserves up to 50 trillion cubic feet - a vast energy potential that could, in theory, provide the energy needs for NSW for the next 300 years. Given this, there are considerable pressures to develop this major resource. Council wishes to ensure that appropriate measures are in place to address potential environmental, social and economic implications of CSG on the Gunnedah landscape and its community.

It is noted within the Terms of Reference under the economic and social implications of CSG activities that the impact on "Local Government, including provision of local/regional infrastructure and local planning control mechanisms is to be considered."

The following comments are made:

1. Notification of CGS Exploration Licenses

There should be a requirement for the NSW Government and successful companies to advise local councils of the release of exploration licences and the associated conditions and this should be the same for the granting of any project approvals. It is suggested that there be formal consultation between the relevant State government agencies assessing CSG project applications with local councils to discuss the proposal before determination. As part of this, the companies should be required to compile an assessment of potential impacts on local infrastructure, such as roads, and proposed off-set measures. This should be required at the exploration phase and again at the project application phase.

2. Access

There is significant concern in the community that access arrangements to properties subject to exploration are to the advantage of the explorer with the landowner having few rights and little recourse should issues arise in the course of exploration apart from expensive legal action. Most landowners do not have the resources to take legal action against large gas development.

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Submission – Coal Seam Gas Enquiry

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companies should there be issues with access and consequently are significantly disadvantaged. It is apparently that legislation in this area requires revision to better protect the landowner and improve the landowner's rights in respect of exploration on their land. Most landowners do not have the resources to take legal action against large gas development companies should there be issues with access and consequently are significantly disadvantaged.

3. Standard Compensation Agreement

One of the many concerns expressed by members of the community is the lack of a standard compensation arrangement for landholders on whose property exploration and/or project infrastructure is proposed. Understandably, many people feel they are at a significant disadvantage dealing with large and well-resourced companies and feel pressured. A standard template agreement with appropriate market-based minimum compensation figures would provide a basis for negotiations above the minimum set by government.

4. Community Contributions Program

There should also be a compulsory community contribution program established by companies that receive project approval from the NSW Government. These programs should be administered at arms-length from the developer, by the community and provide financial support for community programs and events for the full life of the approved project.

Given the significant implications for the Gunnedah Local Government Area and the Namoi region generally, Council is pleased to note that a hearing on this issue will be held at Narrabri on 16 November 2011. Council looks forward to the opportunity to present to this hearing.

Yours faithfully

Robert E Campbell
GENERAL MANAGER

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