

**Submission
No 452**

INQUIRY INTO COAL SEAM GAS

Organisation: Liverpool Plains Shire Council

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Contact: Ron Van Katwyk

21 September 2011

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

Dear Sir,

Submission – Coal Seam Gas Inquiry

Liverpool Plains Shire Council thanks the General Purpose Standing Committee for the opportunity to make a submission to the Inquiry. The extension of the submission timeframe to enable Council's Mining Consultative Committee to have input in the submission preparation process is appreciated and duly acknowledged.

Like the Gunnedah Shire Council local government area, the Liverpool Plains is central to Coal Seam Gas exploration and potential expansion. The Liverpool Plains Shire Council area is in a particularly vulnerable position from a geographical perspective as it is located at the direct interface between the Hunter Valley Coal Fields and the Gunnedah Coal Basin (Western Coal Fields).

Considerable anxiety and concern exists amongst large sectors of the community in relation to the CSG issue. The level of which is reflected in the various community submissions already tendered to the Inquiry from individual community representatives, advocacy groups including the Caroon Coal Action Group (CCAG) in addition to the Local Government and Shires Association (LGSA) and Namoi Group of Councils' submissions.

It is not Council's intention to reiterate the contents of these various submissions, but rather to highlight the extent and depth of these concerns which pertain to the real, perceived and potential impacts on the community from an environmental, social and economic perspective. Historically the region has relied heavily on the agricultural sector and this industry underpins the social, cultural and economic fabric of the region. For this reason, its importance cannot be underestimated nor understated.

Council provides the following comments:

1. Appropriate Management of Competing Interests

The two seemingly diametrically opposed industries of coal seam gas and agriculture have presented considerable challenges from a land use planning and land use conflict perspective which has served to illustrate the extent of competing interests. To date, a fragmented and adhoc approach to the management of these dichotomous interests has been evident which has had the unfortunate effect of cementing community concern, fostered distrust in terms of the capacity of the CSG industry to self-regulate and questioned the robustness of existing governance and statutory frameworks to effectively control outcomes and manage community concerns and expectations.

It is therefore recommended that a comprehensive review be undertaken of the applicable legislative framework to ensure that interests are appropriately managed in a balanced and transparent manner.

LIVERPOOL PLAINS SHIRE COUNCIL

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2. Communication

A considerable lack of communication and appropriate levels of community engagement has been evident between the various affected stakeholders. To date, local government has had little or no ability to affect or influence change or achieve positive community outcomes despite its advantageous position to do so as the closest level of government to regional communities.

There are currently no consultation requirements with local government in terms of the issuing of exploration licenses and associated conditions. Due to the lack of appropriate regulation, considerable potential also exists for the damaging of community assets resultant from exploration works. Little ability currently exists to successfully rectify or seek recourse in relation to damage caused by exploration activities.

3. Community Benefits and Contributions

Minimal tangible community benefits have been experienced in relation to CSG activity within the region to date. For this reason, Council would strongly support the introduction of standard compensation agreements for landholders in addition to the introduction of Community Contributions Programs. Such Contributions Programs should be administered by local government in line with the aims and strategic objectives of each Council's adopted Community Strategic Plan to ensure that funds are appropriately allocated to priority projects and key areas of community need.

Council is supportive of the Royalties for Regions concept. This proposal will ensure an appropriate share of mining royalties is returned to regional communities. Consideration should also be given to the determination of a suitable mechanism for CSG contributing to rating frameworks.

4. Appropriate Assessment of Impacts

The proposed introduction of Agricultural Impact Statements in the development assessment framework is strongly supported. Council also advocates for the introduction of more stringent social and economic impact assessments. To date, approach to the assessment of such issues has been highly tokenistic and often limited to the 'recycling' of basic demographic information and provision of rudimentary projections in terms of potential employment generation.

Extensive gaps currently exist in terms of environmental, agricultural and cumulative impact information data sets which are a prerequisite to appropriate levels of project impact assessment. The recent *Strategic Regional Land Use Planning* initiative which aims to articulate these data gaps is acknowledged and supported, however, an appropriate level of community engagement and Council input has not been evident to date. Consequently, Council is concerned that the recommendations of the Strategy will not be representative and reflective of key areas of community concern and the plan will lack the necessary "buy in" by local communities.

As an adjunct to the proposed Regional Land Use Plan, formulation of a Regional Infrastructure Strategy and Action Plan(s) is required as a matter of priority. Such a strategy should identify from a regional context key rail and road upgrade requirements and associated mitigation and delivery measures. There may also be the ability, as part of the strategy development, to identify key CSG infrastructure locations and associated access requirements.

5. Precautionary Principle

Given the high level of potential environmental, social and economic risks surrounding coal seam gas development and exploration, the precautionary principle should be appropriately weighted with a paramount level of importance. The implications of "getting it wrong" are both serious and long reaching in addition to potentially irreversible.

The complex hydrogeology of the basin exemplifies potential risks on the groundwater system. It should be noted that the township of Quirindi and various smaller communities rely on a specific level of groundwater supply as part of the Shire's Drought-Proofing Strategy.

Thank you for the opportunity to tender this submission and Council would be pleased to provide additional information as required.

Env

Yours faithfully

R C Hunt
GENERAL MANAGER