

Submission
No 365

INQUIRY INTO COAL SEAM GAS

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Submission to the General Purpose Standing Committee No. 5 inquiry into and report on the environmental, economic and social impacts of coal seam gas (CSG) activities, including exploration and commercial extraction activities, allowable under the NSW Petroleum (Onshore) Act 1991 (the Act).

Summary

Protecting productive agricultural land and water resources from the rapidly expanding CSG industries in NSW require:

1. State-wide Strategic Planning
2. A Transparent, Balanced Exploration and Development Approval Process
3. Protection of Aquifers
4. Robust, Independent Monitoring of Extractive Industries
5. Just Terms Compensation For All Landholders Affected by Extractive Industries

Term of Reference 1

- NSW Farmers Wingham Branch Members are concerned that CSG mining represents a serious threat to water resources due to:
 1. The potential for drawdown and contamination of groundwater aquifers
 2. The pollution of surface water systems from 'waste' water, leading to serious reductions in water quality.
 3. The location of CSG wells on sensitive floodplains and in water catchments.
- With regards to 1d, NSW Farmers Members believe there should be no CSG licenses granted on Travelling Stock Routes (TSRs). Please refer to the following motion that was passed at the 2011 NSW Farmers Annual Conference:
 - i. *That the Association lobby the State Government to impose a ban on any coal seam gas and / or mining licenses on travelling stock routes (TSRs).*
 - ii. *Organisations pursuing licences should not be eligible to tender for grazing permits on reserves.*
- Other major environmental problems with CSG mining include:
 1. Remediation requirements appear to be lacking.
 2. Regulatory environmental processes, including assessment, approval and compliance appear to much less restrictive than that for farming activities.

Term of Reference 2

- CSG mining should not occur on Prime Agricultural Land.
- Landholders face the prospect of losing control of their land, and property values are degraded and options for re-sale lost once exploration licences are issued.
- Food security could be threatened by risks to groundwater and loss of arable land.
- The rapid expansion of CSG could lead to a skills shortage in other rural industries
- It is likely to impact negatively on a whole range of other industries such as organic farming, tourism, vineyards and orchards.

Term of Reference 4

- Coal seam gas mining is exempt from a number of other environmental statutes, including the Native Vegetation Act 2003 and the Water Management Act 2000.

Term of Reference 5

- Experience from Queensland: significant problems with leaking wells; impacts on groundwater evidenced from drops in bore levels; an exploding well at Dalby; major impacts on natural values near Gladstone; alienation of farmland and clearing of bushland.
- Experience in Gloucester- Uncertainty for landowners about their future and grave concerns about the impact on water quality.

The Wingham Branch of NSW Farmers would also like the inquiry to refer to the following motions related to CSG mining that were passed at the 2011 NSW Farmers Annual Conference.

That the Association request that the NSW Government legislate that licences for either the mining, coal seam gas extraction or other extractive industries are:

- 1. NOT transferable.*
- 2. Include rehabilitation provisions and a requirement for environment insurance for the benefit of affected landowners and their land.*
- 3. Provide for fair and equitable compensation to farmers and graziers for land degradation created by resource exploration and mining companies.*

That the Association, in the view of the threat by the coal seam gas industry (CSG) to both the Murray Darling Basin and the Great Artesian Basin, call for

- 1. An independent enquiry into its environmental impacts*
- 2. A moratorium on any further development of the industry until appropriate management processes are in place*
- 3. A reappraisal of the importance of the Murray Darling Basin and the Great Artesian Basin to the future of the Australian nation.*

That Association lobby the NSW Government to introduce legislation that requires fully funded independent hydrological studies of agricultural resources, fully funded by the proponent. These studies must identify the quantifiable risks and be a pre-requisite of any CSG exploration and/or extraction license.

That the Association lobby the State Government to ban Coal Mining and Coal Seam Methane exploration from prime agricultural land.