

Local Government
Association of NSW



Shires Association of NSW

**Submission to NSW Government on Upper Hunter and New England
North West Strategic Regional Land Use Plans and Associated Draft
Policies**

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EXECUTIVE SUMMARY

The Associations consider the NSW Government's *Strategic Regional Land Use Policy* as a positive step toward achieving a balance between the State's major land uses. Local Government is cautiously optimistic that this policy together with the individual regional land use plans, draft policies and guidelines currently on exhibition will go some way towards ensuring that appropriate land uses and practices are developed, and that areas of high agricultural, environmental or cultural value are recognised and receive long term protection. However, while the Government can be applauded for introducing a framework of draft plans, policies and various other new arrangements for coal and coal seam gas (CSG), what has been proposed for the gateway process represents a departure from the expectations of Local Government and their communities based on the original commitments in the *Strategic Regional Land Use Policy*. Amending the gateway process to incorporate exploration licences (ELs) and petroleum exploration licences (PELs) would make it consistent with the NSW Government's original policy and would help to reinstate trust and faith in the process amongst landholders and communities affected by mining.

The Associations also make the point in this submission that the criteria used to define 'Strategic Agricultural Land (SAL)' are too narrow, and should be broadened to effectively capture a larger proportion of land being classified as SAL. A broader set of criteria would effectively result in a larger proportion of land being classified as SAL, which the Associations consider to be a response that is consistent with the precautionary approach also advocated in section this submission.

One of the main issues for Local Government raised in this document relates to the need for detailed assessment of cumulative social and economic impacts of resource developments at a local level. Cumulatively, resource developments have a direct impact on the capacity of local infrastructure, liveability (specifically noise, dust and visual amenity) and social elements of a locality, not only within the Local Government Area (LGA) where the mine or CSG development is situated, but in typically also on neighbouring LGAs. To date no extensive or quantifiable assessment of these impacts has been generally undertaken in the decision making process for such proposals. Local Government is therefore calling for measures to require social impact assessment to be undertaken at a much earlier stage and in more detail than has been the practice to date, alongside the Government's new requirements for a higher level of community and landholder engagement at the exploration stage.

Some regions and LGAs have seen minimal community benefits to date in relation to mining and CSG activity. The experience of Local Government in Queensland has shown that the impacts should not be underestimated and the Associations emphasise in this submission that Local Government must be provided an opportunity to negotiate suitable compensation with mining companies, and a proportion of royalties and taxes collected by the State and Federal Government should be redirected back to the local regions in order to address these impacts. The Associations advocate the establishment of a Royalties for Regions scheme to ensure an appropriate share of mining royalties is returned to regional communities.

The Associations note that a number of the essential components of the strategic regional land use plans are yet to be finalised and made public. In particular, we call for the Government to release the cost benefit analysis of the gateway process for consultation prior to closing off the consultation period for the draft plans and policies. It is unreasonable to expect the community and stakeholders to 'sign-off' on each of the draft plans, until this key component is publicly available.

Local Government is ready and prepared to work with the NSW Government and mining companies to address the significant issues and actions identified in the draft plans, especially in the areas of cumulative impacts, housing supply, labour market and impacts on other land uses and industries, infrastructure/transport and environmental impacts, and seeing a share of mining royalties returned to their regions. In regions that are currently the focus of potential CSG development it is not too late to ensure that any negative impacts of new mining and CSG development are mitigated and local communities can take maximum advantage of the opportunities presented.

INTRODUCTION

The Local Government Association of NSW and Shires Association of NSW (the Associations) are the peak bodies for NSW Local Government.

Together, the Local Government Association and the Shires Association (LGSA) represent all the 152 NSW general-purpose councils, the special-purpose county councils and the regions of the NSW Aboriginal Land Council. The mission of the Associations is to be credible, professional organisations representing Local Government and facilitating the development of an effective community-based system of Local Government in NSW. In pursuit of this mission, the Associations represent the views of councils to NSW and Australian Governments, provide industrial relations and specialist services to councils and promote Local Government to the community.

The Associations are pleased to provide a submission to the draft Strategic Regional Land Use Plans (SRLUPs) for the following draft plans and policy documents currently on exhibition:

1. *Draft Upper Hunter Strategic Regional Land Use Plan.*
2. *Draft New England North (NE NW) West Strategic Regional Land Use Plan.*
3. *Draft Code of Practice for Coal Seam Gas Exploration.*
4. *Guidelines for the preparation of agricultural impact statements.*
5. *Guidelines on Community Consultation Requirements For Coal and Petroleum Exploration, Including Coal Seam Gas.*
6. *Draft Aquifer Interference Policy.*

In regions that are currently the focus of potential coal seam gas (CSG) development such as the Gunnedah Basin, it is not too late to ensure that this development occurs more strategically, to ensure that any negative impacts are mitigated and its communities can take maximum advantage of the opportunities presented.

Local Government is ready and prepared to work with the NSW Government and mining companies to address the significant issues and actions identified in the draft plans, especially in the areas of cumulative impacts, housing supply, labour market and impacts on other land uses and industries, infrastructure/transport and environmental impacts, and seeing a share of mining royalties returned to their regions.

The Associations' submission is structured in two parts:

- Part 1 provides an overview of the key issues for Local Government and their communities that are critical to the future of planning and preparing for balanced economic development in their regions. Part 1 also provides comments about the gateway process and other general components of the draft plans and policies that are on exhibition.
- Part 2 contains some specific comments in response to the plans and policies.

PART 1 – GENERAL ISSUES AND COMMENTS

1 Strategic Regional Land Use Policy and Draft Plans

The Associations consider the NSW Government's *Strategic Regional Land Use Policy*¹ as a positive step toward achieving a balance between the State's major land uses. Local Government is cautiously optimistic that this policy together with the individual regional land use plans, draft policies and guidelines currently on exhibition will go some way towards ensuring that appropriate land use options are developed and that areas of high agricultural, environmental or cultural value are recognised and will receive long term protection. To this end, we also acknowledge the NSW Government's undertaking to map and identify at a regional scale the relationship between coal and gas resources and agricultural and other lands that need to be protected. However, while the Government can be applauded for introducing a framework of draft plans, policies and

¹ NSW Liberals and Nationals *Strategic Regional Land Use – Triple bottom line assessment to protect our regions*

various other new arrangements for coal and CSG (e.g. the moratorium on hydraulic fracturing, public exhibition of all new exploration licence applications, and establishing the Office of Food Security) we consider that what has been proposed for the gateway process represents a departure from the expectations of Local Government and their communities based on the original commitments in the *Strategic Regional Land Use Policy*.

For the strategic regional land use planning framework (i.e. the plans and supporting codes and guidelines) to be effective, the Associations consider there are some areas that require further consideration, focus or amendment. These are discussed below:

- a. Gateway assessment for exploration phase - A major catalyst for community concerns has been the granting of exploration licences without proper consideration of the environment, heritage and social aspects. The Associations welcome the independent gateway assessment process and the introduction of new controls to protect agriculture, critical industry clusters, groundwater and aquifers as a means of addressing some of these concerns. However, we question why the gateway test should not be applied prior to the granting of exploration licences (ELs) and petroleum exploration licences (PELs). While some activities associated with exploration (e.g. seismic studies and core drilling) might be considered non-invasive, it is clear from the documentation that pilot testing (as described on pp 4-5 of the draft *Code of Practice for Coal Seam Gas Exploration*) potentially has a significant local impact (e.g. involving land clearing, temporary worker accommodation, road access construction/upgrade, well construction and occupation in pilot testing mode for up to one year. Amending the gateway process to incorporate ELs and PELs would make it consistent with the Government's original policy and would help to reinstating trust and faith in the process amongst landholders and communities affected by mining (refer also to section 9a of this submission).
- b. Statewide commitment to strategic plans - The Policy outlines a commitment to state-wide strategic planning, through the development of the Strategic Regional Land Use Plans which aim to provide a framework for future development right across NSW. As time progresses, Local Government would like to see the Government adhere to its statewide commitment and not just focus on those regions currently under the most resource development pressure.
- c. Relationship with other regional plans and strategies – A legacy of their early origins as the *Coal and Gas Strategy*², is that these first two draft SRLUPs in their current form focus on mining and CSG industries and present more as a framework for making decisions about coal and CSG development rather than being a comprehensive 'plan' with a vision for the region. As a consequence, some observers have commented that it is misleading to call the plans a "Strategic Land Use Plan" for each region, and there is a degree of uncertainty about how and where these plans fit within the overall planning framework. For example, what is the hierarchy and relationship of these plans with other State and regional policies/plans/strategies, what statutory force (if any) do these plans have, and which plans prevail over others? The Associations recommend that the purpose and relationship of SRLUPs with respect to other regional strategies in the planning framework be clarified in the upcoming development of future SRLUPs, to avoid potential overlaps and confusion.
- d. Cumulative impact assessment - The issue of cumulative impact assessment identified by not just Local Government (see below) but other sectors of the community is evidence of the need for upfront strategic planning. The Associations have advocated a move from the ad-hoc process of assessing mining projects on an individual basis, to one where proposals are considered in the context of the social, economic and environmental impacts of both existing and likely future projects in the area. It is hoped that the introduction of strategic state wide land-use planning for CSG and other mining operations in NSW will assist both in better addressing land use conflicts, and also to adequately address cumulative impacts.
- e. Infrastructure funding – The Associations are concerned that there is no discussion in the plans of funding sources in particular for local and regional infrastructure, despite identification, discussion and acknowledgement in the plans of the many issues that will need to be addressed to support the growth of resource development in these regions of the state.

² NSW Department of Planning and Infrastructure , *NSW Coal and Gas Strategy Scoping Paper*, February 2011

- f. Documentation is incomplete - It is unreasonable to expect the community and stakeholders to ‘sign-off’ on each of the draft plans, when a number of their essential components (e.g. cost benefit methodology, the analysis proposed for the public benefit test, and the NE NW SRLUP mapping) have not been finalised. The Associations call for the Government to release the cost benefit analysis of the Gateway process for consultation prior to closing off the consultation period for the draft plans and policies.

2 Impacts of Resource Development on Local Government

Mining has historically been viewed by Governments and communities as a valuable source of wealth and employment generation. Mineral, coal, oil and gas assets have also been seen to be the property of the Crown, to be exploited for the benefit of all, not the surface land holder. The Associations acknowledge that this is still the case. However, the prospect of strong and rapid development of these assets is creating significant local and regional impacts that require communication, consultation, the allocation of resources, and the imposition of regulatory measures to manage the negative impacts effectively.

In particular, the rapid pace at which CSG development is taking place is a factor contributing to communities’ anxiety and resistance to this sector of the mining industry. Local Government acknowledges that the resource development industry can increase economic diversity in rural-based regions, and provide economic benefits to the community. Councils in the Upper Hunter and New England North West regions are indeed working proactively to develop their strategic response and prepare for this growth. Council investigations have included community surveys on the issue, public forums and observing the experiences of other councils in NSW and Queensland where mining is established or rapidly expanding. (Refer to section 6 of this submission for an overview of the Queensland experience).

From these investigations and other studies being undertaken by councils, a number of issues and community concerns pertaining to these industries have become clear. The issues and impacts facing Local Government and their communities have been well documented in the draft Upper Hunter and NE/NW SRLUPs and do not need to be repeated in this submission. However, the Associations make the point that the extent and depth of concerns in Local Government and their communities pertain to the real, perceived and potential impacts from not only an environmental, but also social and economic perspectives.

In relation to these issues and concerns, the Associations wish to make the following comments:

i. Direct impacts extend beyond the LGA boundary

The Associations wish to emphasise that cumulatively, the *direct* impacts of mining developments are not just inside the LGA boundary within which they are situated. Therefore Local Government strongly advocates mechanisms and processes to ameliorate and compensate for these impacts and additional pressures on neighbouring councils. The Associations’ see the Royalties for Regions scheme (refer to section 3 of this submission) as one mechanism to deliver this wider funding support.

ii. Land Use Conflicts and Impact on Agriculture

The reservation of high quality agricultural land and critical industry clusters must be a major priority of any long term strategy to manage the expansion of coal mining and gas extraction industries. The Associations support the strategic regional land use planning process as a mechanism to identify areas of high agricultural potential and value, and to establish criteria that ensure productive agricultural land and critical industry clusters are not compromised by mining or CSG development. Local Government also supports the introduction of the Aquifer Interference Policy bringing the early assessment of aquifer impacts to the gateway stage, and the Government’s requirement that all new state significant development applications for mining and CSG projects will be required to submit an Agricultural Impact Statement as part of the development application.

Local Government backs other stakeholders in calling for recognition of the importance of food security and the protection of productive agricultural land and water resources. The need to value the long term returns of

agriculture and water, as opposed to the relatively short term one-off returns from mining, cannot be underestimated and must be factored in to decisions about how and where such mining should take place.

iii. Communication – Consulting Early and Often

Communities have developed a greater recognition of the issues that have the potential to affect them as a result of increased public knowledge, awareness and concern about environmental, food security, health and climate change risks. This has led to the need for higher levels of social and community interaction at the planning and development stages of both exploration and mining assessments. The Associations therefore support initiatives by the NSW Government to introduce greater rigour on resource development companies to engage, inform and consult with the community and would like to ensure that this principle extends to productive consultation and negotiations with councils by mining companies.

To date, concerns raised by a community have been only considered at the mining approval stage. The inclusion of community concerns at this stage is considered far too late; realistically, companies may have an expectation that they will receive an approval as they have followed the agency requirements. The ad hoc approach to communication requirements for mining companies to date, particularly at the exploration stage, has led to a considerable lack of communication and appropriate levels of community engagement from some sectors of the resource development community. In this context, Local Government has had limited ability to affect or influence change or to achieve positive community outcomes. The Associations are therefore pleased to see recognition (in the *Draft Code of Practice for Coal Seam Gas Exploration and Guidelines on Community Consultation Requirements for Coal and Petroleum Exploration, Including Coal Seam Gas*) that meaningful public consultation and participation is a critical foundation for generating positive collaboration and mutual benefits for communities, governments and developers.

Upholding a principle for improved and effective communication and consultation will be essential to negotiate a path through the multitude of differing knowledge, views and expectations amongst stakeholders of the CSG extraction industry. The Associations see the strengthened community consultation requirements as an opportunity for Local Government to identify any potential impacts of exploration activities on community assets and to put in place arrangements to protect and/or seek recourse in relation to any potential damage that may be caused by exploration activities.

iv. Community Benefits and Contributions

Some regions and LGAs have seen minimal community benefits to date in relation to mining and CSG activity. The experience of Local Government in Queensland (refer to section 6) has shown that the impacts should not be underestimated and the need for councils to negotiate and secure adequate compensation at an early stage is imperative. In areas which are growing as a result of potential resource reserves, Local Government will need financial resources to improve public infrastructure and to cater for the increased demands of a rapidly expanding industry and significant population increase.

Currently some mining companies already hold discussions with councils about possible compensation payments towards their infrastructure and community needs. Mechanisms such as voluntary planning agreements (VPAs) are available to assist in this process, and the Associations therefore endorse the Government's proposal (Action 4.2 in the SRLUPs) to prepare guidelines for VPAs between mining and CSG companies and local councils relating to local infrastructure provision. However, VPAs are only voluntary and only benefit the LGA within which the mine is situated. The Associations are not aware of any mandatory framework to formalise the requirement for such contributions or to extend such contributions to benefit neighbouring councils that may be also directly affected as a result of the cumulative impacts of many mines in adjoining LGAs. In the vast majority of cases councils are not the consent authority for mining and CSG proposals, therefore they have little control over and cannot rely on the inclusion of section 94 contributions as a condition of consent for these proposals. (This will depend on whether the consent authority decides to take into account and include the provisions of the relevant council's Section 94 Contributions Plan). Currently councils therefore rely on the goodwill of individual companies and their own ability of being well-resourced to undertake such negotiations.

Recommendation (i)

The Associations emphasise that Local Government must be provided an opportunity to negotiate suitable compensation with mining companies, and a proportion of royalties and taxes collected by the State and Federal Government should be redirected back to the local regions in order to address these impacts. The Associations advocate the establishment of a Royalties for Regions scheme to ensure an appropriate share of mining royalties is returned to regional communities. (Refer to section 3 of this submission for more detail).

Councils such as Gunnedah Shire have expressed the view that there should be compulsory community contribution programs established by companies which receive project approval from the NSW Government. These programs would be administered at arms-length from the company, by the community and provide financial support for community programs and events for the full life of the approved project.³ The Associations request the opportunity to work with the Department of Planning and Infrastructure to consider suitable mechanisms to formalise a process and requirements that would provide an opportunity for Local Government to negotiate suitable compensation with mining companies.

Individual landholders also need to be provided with greater assistance to negotiate with mining companies. The Associations therefore strongly support the development of the standard access arrangement template by NSW Farmers' Association and the Australian Petroleum and Exploration Association (APEA) referred to the *Draft Code of Practice for Coal Seam Gas Exploration*. Councils have advocated for some time that such a template would assist landholders on whose property exploration and/or project infrastructure is proposed, by providing a basis for negotiations with mining companies, particularly on matters to do with compensation.

v. Assessment of Impacts – Cumulative and Socio-Economic

Many communities in NSW have several exploration or mining projects occurring at the same time. However, with each proposal being received, processed and considered in relative isolation to the others, the collective impact of a number of such proposals is not assessed, and often only the LGA where the proposal is located is given the opportunity to participate in the process, whereas the cumulative impacts of individual applications often extend to neighbouring LGAs.

The cumulative issues are particularly significant in relation to social impacts. Individually, one mining development project might bring economic benefits to a region or LGA, with the impact on infrastructure and services able to be accommodated by the local community along with the assistance of contributions from the mine proponent. However, *cumulatively*, resource developments have a direct impact on the capacity of local infrastructure, liveability (specifically noise, dust and visual amenity) and social elements of a locality, and not only within the LGA where the mine or CSG development is situated. Nevertheless, no extensive or quantifiable assessment of this impact has been generally undertaken in the decision making process for such proposals.

Local Government has been concerned at the absence to date of any substantial and meaningful socio-economic analysis of mining and CSG activities at a local, regional, state-wide and catchment-wide level. As described in the SRLUPs (chapter 4, 5 & 6) local communities where mining is set to expand and CSG extraction is proposed will potentially experience a significant population influx, either as new full time residents, or those who 'fly in-fly out'. In addition to housing and 'liveability' impacts, this will place significantly greater strain on a variety of community support services (e.g. health, community support, education, law and order).

In addition to the Government's requirement that all new state significant mining and CSG applications be accompanied by an Agricultural Impact Statement, it is critical that socio-economic analysis addresses and predicts the social, economic and community impacts of a proposal locally. Social impact assessment should lead to a requirement for financial commitments from resource development industries and the State Government to support any necessary upgrades to social/community infrastructure to meet the increasing demands generated as a consequence of the industry.

³ "Council to air CSG concerns at inquiry", Media Release, Gunnedah Shire Council, 25 August 2011

Recommendation (ii)

The Associations join with other stakeholders in calling for a thorough assessment of social, economic and environmental impacts and more effective management requirements for mining approvals. We welcome the scientific assessment process proposed by the State government in its strategic regional land use plans, provided this process enables a robust assessment to be undertaken of all the impacts (i.e. social/community, environmental, economic) of resource development.

The proposed development of funded infrastructure plans for each region is supported, provided the plans can be developed into meaningful and relevant delivery documents, based on relevant and up to date and information from reliable studies.

vi. Precautionary Principle

It has been well-documented that the potential impacts of mining and the newer CSG developments, particularly the cumulative effects of multiple projects, are not well understood. The implications of ‘getting it wrong’ are far-reaching and potentially irreversible. While Local Government recognises the economic importance of mining activity, impacts on aquifer health, future food security and agricultural productivity generally must be addressed on a precautionary basis to ensure sustainability.

Recommendation (iii)

Until the baseline data and other information are available to monitor the potential long term impacts on water, the Associations join with other stakeholders, including NSW Farmers and the National Water Commission, in calling for industry and governments to adopt a precautionary approach.

The precautionary principle should be weighted with a high level of importance in the process of assessing and determining new mining exploration and production licences. One way to do this is to broaden the definition of strategic agricultural lands (SAL) so that a greater proportion of mining applications will be captured within the gateway process (refer to section 8i of this submission). Such a move would be consistent with taking a precautionary approach and have the additional benefit of helping to reinstate trust and faith amongst landholders and communities affected by mining.

vii. Economic Diversity and Sustainability

Councils are acutely aware of the importance of economic diversification to the long term sustainability in their local economies. Agriculture, tourism, service and other local employers need to be able to compete with the mining industry for employees (inability to pay high wages etc) to preserve this economic diversity. While the draft SRLUPs provide estimates of predicted additional direct and indirect employment from mining in the regions, councils are cautious about the reliability of these figures over the long term. Local Government has an obligation to focus on diversification and post mining plans to provide for their economic future.

A diverse local economy is critical to sustaining not only a healthy social fabric but also to protecting the natural environment. For example, Local Government wishes to ensure that the expansion of new mines into what have been traditionally ‘agricultural’ and ‘tourist’ areas (e.g. Gloucester LGA) does not undermine existing investment by established local businesses in a broad-based economy that is based on agriculture and tourism activities. The assessment of new extractive industry applications therefore should not only measure the economic benefit offered by the specific development proposal, but should also take into account the economic impact of sustaining a diverse local economy.

Measures and mechanisms need to be activated to promote and provide for economic diversification and long term sustainability. Appropriate exclusion zones, buffer zones, regulatory controls and monitoring are some of the strategies that should be considered to provide for that sustainability. In addition, some communities have expressed the view that it is appropriate to have exclusion zones/buffer zones around the town to help shore up that long term economic sustainability across a range of industry sectors.

3 Mining Royalties

Mining royalties are a major revenue source for the NSW Government, raising an estimated \$1 billion in 2009/10, with forecasts that they will rise to \$1.6 billion in future years. This is largely the result of the boom in coal exports. Gold and other mineral exports have also been growing. Mining royalties are currently paid into state consolidated revenue.

It is acknowledged that the NSW Association of Mine Related Councils (AMRC) had been developing and promoting a regional grants scheme currently known as “Royalties for Regions”. The proposal is to return a share of mining royalties to regional communities. The Associations are generally supportive of the proposal. At this stage the AMRC are advocating the return of 30% of mining royalties to regional communities. This would amount to \$300 million per annum at present but would escalate to up to \$500 million based on royalty forecasts.

The proposal was originally based on the Western Australian “Royalties for Regions Program”. This program shares a percentage of royalties with Local Government in regional areas generally (whether they are directly affected by mining or not), while providing additional funding to those communities that are directly affected. It also funds regional services and key regional infrastructure through Western Australia’s Regional Development Commissions.

Local Government needs additional sources of revenue if it is to address infrastructure funding shortfalls and to remain financially viable. A permanent share of mining royalties would provide one such source. It is fair that the NSW Government’s revenue windfall generated by the mining boom be shared with Local Government generally and with additional recognition of those communities impacted by mining.

The Associations note that the NSW Government has announced a ‘Resources for the Regions’ program to provide up to \$160 million over the first term of government for infrastructure projects in mining affected communities. However, this equates to only \$40 million per annum and is only to be available to councils directly affected by mining activities. The scheme is yet to be implemented and the recent *Economic Assessment of Mining Affected Communities* by the NSW Department of Trade and Investment indicate that allocations under the scheme may be limited to only a couple of councils. The Associations consider this assessment to be flawed in several ways, including that it is static and fails to address impacts.

Recommendation (iv)

The Associations advocate the establishment of a “Royalties for Regions” type scheme (incorporating the Resources for the Regions program) with two funding pools, the first for Local Government generally, to help address the identified infrastructure renewal backlogs and the second to help address the major impacts that mining has on the communities surrounding the mine sites (e.g. damage to roads and the environment, and increased demands for infrastructure and services).

4 Baseline Data, Benchmarking and Monitoring

The Associations support other organisations (such as NSW Farmers Association⁴) in calling for benchmarking of water quality, air quality, health and other parameters before mining and/or CSG exploration activities take place. A standard set of parameters needs to be developed for benchmarking and ongoing monitoring, to enable regional and catchment wide analysis of health, environmental and community indicators before, during and after mining and CSG development. This data collection is a crucial part of undertaking a comprehensive triple bottom line assessment, as proposed by Government, to ensure that all potential environmental and social impacts are also identified.

⁴ *Submission to the Senate Standing Committees on Rural Affairs and Transport - The Management of the Murray Darling Basin – impact of coal seam gas*, NSW Farmers’ Association, July 2011

5 Gateway Process

i. Cabinet power to by-pass gateway assessment in ‘exceptional circumstances’

The Associations do not support the proposal in the draft strategic land use plans to give Cabinet Ministers the power to declare certain projects to be an ‘exceptional circumstance’ and to thus proceed to full merit assessment without the requirement for a gateway certificate. This provision contravenes the principle of having a scientific assessment and therefore is not supported. The Associations hold the view that no proposal for mining or CSG within identified SAL should be exempt from the gateway test. If the process is sound, then there should be no reason to introduce such an exemption provision. Such an exemption would undermine the community’s confidence with the proposed new system and would in turn undermine support for it. If the Government does consider a need to retain the power to declare a project to be an ‘exceptional circumstance project if the resource is of exceptional value to the state’, then perhaps the gateway process as proposed might be flawed and will need to be revised. Should the Government consider there is a compelling reason to include such an exception, the Associations consider any discretion should only be provided by the full parliament.

ii. Gateway expert panel

The Associations endorse the Government’s intention to place the gateway process at arms length from the Government by establishing a panel of experts to assess mine proposals that are required to go through the gateway test. The Associations note that the panel will consist of experts selected from the fields of agricultural and soil science, water, economics and mining. We note that this list does not include expertise from Local Government or other such expertise in the area of social and community interests.

Recommendation (v)

In view of the Government’s original commitment to triple-bottom line assessment of these developments, the Associations recommend that:

- **The panel include a suitably qualified and experienced social and economic expert; and**
- **Local Government is represented on the panel by inclusion of a council or other appropriate Local Government representative.**

We expect the independence of the expert panel to be upheld, and its deliberations to be based on well-grounded scientific and other relevant data and information, within a formal meeting framework. To maintain transparency, clear mandatory guidelines should be in place that clarify how the panel will operate (e.g. meeting structure, public hearing procedures, acceptance of additional information) and measures to ensure accountability and probity of panel members.

Recommendation (vi)

The Associations recommend that mechanisms be established (in legislation if necessary) to maintain transparency of the expert panel and ensure it remains truly independent. These should include:

- **specifications about tenure, independent oversight and governance arrangements (e.g. procedures for the identification of panel experts, nomination of the Chair and the term limit of panel members’ appointments);**
- **provisions for public involvement and participation, and power to hold public hearings; and**
- **administrative arrangements (including meeting procedures, site inspections).**

6 Local Government Experience of CSG Development in Queensland

An insight into the experience of local communities in Queensland as a result of the expansion of the CSG industry in recent years has enabled Local Government to form a picture of what could be expected and to consider how best to prepare for themselves to be able to support their communities as the resource industry develops further into the Upper Hunter and North West regions of NSW.

For an overview of Local Government's experience of CSG and mining projects generally in Queensland the Associations contacted the Local Government Association of Queensland (LGAQ). Key points are summarised below:

- Queensland communities where mining is expanding are experiencing the same impacts as their NSW counterparts, with extreme housing pressure, concerns about impacts on water, agriculture, 'poaching' of employees with offers of higher salaries and transport impacts.
- Councils wish to benefit from the economic development and growth from the resource sector, however Local Government's experience is that the finances are not 'trickling down' and hence the local communities are not seeing the benefits.
- Along with NSW Local Government, Queensland councils are also advocating the WA Resources for Regions model.
- The LGAQ and Queensland Government Resources Council (QRC) established a partnership project in 2008, signing a "Sustainable Resource Communities Partnership Agreement" to better manage the social consequences of mining across the Bowen and Surat basins and the north west minerals province.⁵ The Agreement is based around the formation of a Partnership Group⁶. The Partnership Group is supported at a local level by Local Leadership Groups which provide an avenue for communication with companies, contribute to regional planning, and consider solutions to address local and cumulative issues. LGAQ advised that the partnership project and leadership groups are working well, though the success of each is somewhat dependent on the commitment and know-how of the individual managers/leaders involved in each group.
- The LGAQ reported in its December 2011 circular that a recent survey of central western Queensland residents found that people in the region have major concerns about the impact of resource activity on agriculture, grazing and water quality. The results of the survey, commissioned by the Remote Area Planning and Development Board (RAPAD), suggest that locals want more information on the impacts of the CSG industry in particular. About 42 percent of respondents said they believed CSG would bring economic benefits, but another 40 percent said they thought it would not.⁷

In addition, councils in NSW (including Gunnedah and Upper Hunter Shires) have taken the initiative to visit their counterparts in Queensland to gain insight into the experience of local communities as a result of the expansion of the CSG industry in recent years. A summary of the main observations from these tours is provided in **Attachment 1** to this submission. The focus of councils' delegations has been to look at the implications for people in the areas affected by the expanding CSG industry and how the councils have been able to support their communities having regard to state legislation and the development of the industry.

Based on observations from the Queensland experience, the visiting councils' delegations recognise that the State Government has ultimate control over when, where and how major mining projects will proceed. Local Government however is a key player and needs to focus on the matters that it can control and where it has a significant role to play – i.e. provision of local community, social and infrastructure.

As a result of observations and learnings from the Queensland experience, Local Government has identified the following outcomes for further considerations:

- Local Government expects and requests regular updates from mining proponents during all phases of development.
- CSG proponents should be required to engage with Local Government at an early stage regarding compensation for development impacts.

⁵ Refer to: <https://www.qrc.org.au/01 cms/details.asp?ID=1859>

⁶ Partnership Group comprises QRC, LGAQ, relevant Local Government general managers and mayors, and State Government represented by Department of Employment, Economic Development and Innovation (including Mines and Energy) and the Department of Infrastructure and Planning.

⁷ http://us2.campaign-archive1.com/?u=89d7023514d8f3c62d42215c5&id=1dd2375b40&e=4d42820d0e#article_1

- Local Government requests that State Government and other support agencies facilitate early engagement with councils to address impacts on communities particularly in respect of health, housing, employment and training.
 - Local Government should have the opportunity and ability to establish definitive agreements with proponents and their sub contractors regarding maintenance and use of council roads and infrastructure.
 - CSG proponents should be required to provide compliance officers to oversee the maintenance of operational standards by its staff and contractors.
 - Local Government needs to work alongside the relevant State agencies to ensure there is adequate provision of residential and industrial land to support industry development.
- Some councils may need to consider/assess the need for and value of establishing a specialised unit within council to deal with all new major proposals and to liaise with government and developers as to impacts and methods by which contributions or compensation could be obtained to mitigate such impacts.

7 Next Stage of the SRLUP Process and Ongoing Implementation

i. Time Period for Consultation

As mentioned in section 1f of this submission, the Associations call on the Government to release the cost benefit analysis of the Gateway process for consultation prior to closing off the consultation period. It is unreasonable to expect the community and stakeholders to ‘sign-off’ on these draft plans, when this key component has still not been finalised or publicly released. While we understand the pressures on the Government to complete the regional plans expeditiously, we consider it crucial to put in place a robust and broadly-accepted planning, assessment and decision-making process for determining future land use activities in our regional areas, and we expect this will be more likely to succeed if councils and regional communities have adequate time to absorb the information and respond accordingly.

Until the cost benefit analysis is completed and released for public comment, and given the complexity of the information presented in the documents and the heightened sensitivity around mining and in particular, CSG extraction, the Associations, along with other stakeholders, request that the Government extends the time for public consultation on the draft plans, policy documents and guidelines. Comparisons are made with consultation recently undertaken for the Murray-Darling Basin Plan - another complex set of issues and potentially competing stakeholder interests - for which the Government allowed a period of over four months to consult with stakeholders and communities.

ii. Completion of Outstanding Studies and Plans

By admission in the draft plans, there are a number of components that are yet to be completed, and the Associations are concerned that decisions on the plans may be made in the absence of complete information (such as mapping of industry cluster areas in the NE NW SRLUP, the cost benefit analysis and public interest test methodology). As previously mentioned, it is unreasonable to expect the community and stakeholders to ‘sign-off’ on these plans, when a number of their essential components have not been finalised. The Associations call for the Government to commit resources to the completion of these outstanding studies and other information before the plans are finalised. (Refer also to section 8iv for comments on the related issue of coordination and delivery of actions in the plans.)

PART 2 – SPECIFIC COMMENTS ON DRAFT DOCUMENTS

8 Draft Strategic Land Use Plans

i. Definition of Strategic Agricultural Lands

The Associations congratulate the NSW Government for undertaking mapping at a regional scale to identify SAL and its relationship to coal and gas resources. However, we consider that the criteria (in Table 1 of the SRLUPs) used to define ‘Strategic Agricultural Land’ (SAL) are too narrow, with the outcome that only a

relatively small proportion of lands within each region has been identified as SAL. For example, the identified SAL includes Class II & III (from former Soil Capability Mapping) agricultural land (basically river flats) and the viticulture and equine industry clusters. This omits large tracts of Class III (Soil Suitability Mapping) agricultural land which was formerly included in the Prime Agricultural Land definition. In addition, some productive agricultural land could have a high soil fertility and reliable access to water without necessarily meeting the specified criteria for rainfall/water resource access, because they have or potentially have, secure access to water provided by a significant investment in irrigation infrastructure. Some agricultural land might meet all of the criteria, however it is greater than 150m from a waterway, thus disqualifying it (based on the current criteria) as SAL. This means that large areas of productive agricultural land will have no additional level of protection at all.

Recommendation (vii)

The Associations consider that the criteria used to define SAL should be broadened and we question why such land should have to meet *all* of the criteria listed in the table. The broadening of the criteria would effectively result in a larger proportion of land being classified as ‘SAL’, which the Associations consider to be a response that is consistent with the precautionary approach recommended in section 2vi of this submission.

ii. Social Impact Assessment

As discussed in section 2v of this submission, it is critical that demand and improvement to service levels is addressed in the socio-economic analysis of proposals. This should lead to a requirement for financial commitments from resource development industries and the State Government to support any necessary upgrades to social/community infrastructure to meet the increasing demands generated as a consequence of the industry. However, while the SRLUPs propose a “funded infrastructure plan” to be prepared for both regions by December 2012 (Action 4.1) there appears to be no requirement in these plans for proponents to undertake any meaningful social impact assessment to support their proposal. The Associations acknowledge that this is mentioned in the *Guideline for Agricultural Impact Statements* (AISs) (with a reference on page 4 that that the AIS should include an assessment of social-economic impacts). However, we do not consider this requirement enough to constitute a thorough assessment of social impacts such that it could lead to provisions being made for financial commitments from resource development industries.

This issue has been given significant consideration by some councils, most notably, Gloucester Shire Council⁸. A detailed social impact assessment could lead to preparation of a social impact management plan, developed by the proponent for the life of the project, to promote a dynamic role for communities, local authorities and all levels of government through the construction, operation and decommissioning stages. The Association of Mining Related Councils (AMRC) has previously recommended that consideration be given to implementing social impact management plans, similar to a scheme introduced in Queensland as part of mine development lifestyle approval processes.⁹

Recommendation (viii)

To determine the community and individual impacts, the Associations recommend that:

- **Consideration be given to requiring mining and CSG proponents to prepare detailed social impact studies prior to exploration, and as part of an environmental assessment for all new mining projects;**
- **Mining and CSG proponents be required to engage suitably qualified and experienced social and economic planning practitioners (or equivalent) to assist in the analysis of this aspect of the project; and**
- **The Department of Planning and Infrastructure, in consultation with Local Government, develop clear guidelines for preparation of social impact assessments.**

⁸ *Consideration of Exploration and Mining Applications – A New Approach, Submission to NSW Draft Coal and Gas Strategy*, Gloucester Shire Council April 2011

⁹ *Submission to NSW Coal and Gas Strategy Scoping Paper*, Association of Mining Related Councils, April 2011

iii. Funded Infrastructure Plans

As mentioned in section 1e, the Associations are concerned that there is no discussion in the plans of funding sources particularly for local and regional infrastructure, despite detailed identification and acknowledgement in the plans of the many issues that will need to be addressed to support the growth of resource development in these regions of the state. While Local Government supports the concept of the funded infrastructure plans, we make the following points in relation to these plans:

- a. Funding sources - The Associations expect that a fundamental component of the ‘funded infrastructure plans’ (referred to in chapter 4 of the draft plans) will be the identification of suitable funding sources. The preparation and *delivery* of these infrastructure plans, including suitable funding sources, will be critical. As discussed in section 3 of this submission, the Associations are calling for a portion of mining royalties as one of several funding sources to be allocated for this purpose.
- b. As mentioned in section 2iv of this submission, the Associations support the preparation of guidelines for VPAs between councils and mining and CSG companies relating to local infrastructure provision. This is one mechanism available to firm up negotiations between Local Government, resource developers and the NSW Government to fund impacts on local communities and the long term maintenance and support for any new assets. However, these are only voluntary documents, therefore the Associations hold the view that any strategic fund should be underpinned by legislation that encourages and supports a more direct negotiation between Local Government, industry and the NSW Government to fund infrastructure investment and provide for the long term maintenance support for any new assets.
- c. Scope of plans - Councils are concerned that these plans will be targeted at ‘regional’ infrastructure and may not address areas of significant expenditure on what might be deemed ‘local’ infrastructure that councils will be required to address. For example, infrastructure required in Gunnedah includes a sewage treatment plant (STP) upgrade (estimated to cost \$8m- \$25m) to accommodate the expected population growth, and an additional overhead rail crossing of the North West Rail Line on a local road. Both are ‘local’ but it is likely that the rail bridge would gain government support as it is closely linked to coal transport and will benefit the state highway network whereas the STP is seen as a function that council must undertake for its community.

The Associations recommend that the scope of the funded infrastructure plan should look more broadly at councils’ ability to address issues associated with major development within their local areas, taking into account the constraints on their income streams. Given the Integrated Planning and Reporting process, some long term strategies could be put in place to meet demand and long term liabilities of councils, as a consequence of these developments.

- d. Delivery and overseeing expenditure - It is unclear what form the delivery and implementation of such a funded plan would take. The Associations therefore expect that in addition to the identification of suitable funding sources, the plans must include consideration of management options for coordinating and overseeing expenditure. (For example, options might include having a regional group to oversee expenditure, or providing for state government authorisation of projects and expenditure of funds.) Given Local Government’s significant role and responsibility to its community in this area it must be recognised and remain a key participant in the decision making process.

Recommendation (ix)

In order for the funded infrastructure plans to meet the scheduled timeframe of December 2012, the Associations recommend that the Department of Planning and Infrastructure immediately clarify:

- **The scope, tasks and resources required;**
- **Intended involvement of relevant State agencies and consultation with stakeholders including Local Government; and**
- **Timeline for development and delivery of these plans.**

iv. Implementation and Delivery of Actions

The Associations note there is a range of ongoing actions and timeframes identified for state agencies in the draft plans, including:

- Preparation of additional supporting plans, mapping, methodologies and guidelines, including the critical ‘funded infrastructure plan’;
- Consideration of industry clusters particularly in the NE NW SRLUP; and
- Establishing improved monitoring mechanisms with councils (e.g. in relation to supply and demand in housing and employment lands).

For these activities to be completed and the key outputs delivered will not only require a significant commitment of resources and stakeholder engagement, but also a high level of coordination, to ensure that all these lead agencies commit to their actions and deliver on time. Local Government looks forward to working on these important initiatives with the relevant lead agencies, however we would like to see some clarification from the NSW Government as to how the actions will be coordinated and delivered.

Recommendation (x)

The Associations recommend that the Government nominates an agency or suitably empowered and qualified person to fulfill a role as ‘program director/coordinator’ with the principal task of keeping track of progress on the actions in the draft plans, and maintaining communication and coordination across all agencies.

The Associations strongly support the need to regularly monitor and review the final SRLUPs (p.88) and this should be integrated with LEP review processes.

v. Upper Hunter Strategic Regional Land Use Plan

Refer to Attachment 2 for specific comments on Actions in the draft plan for the Upper Hunter.

vi. New England/North West Strategic Regional Land Use Plan

Refer to Attachment 3 for specific comments on Actions in the draft plan for the NE NW region.

9 Draft Code of Practice for Coal Seam Gas Exploration

The Associations support the Government’s initiatives to improve community consultation and engagement by mining companies, through the new requirements set out in the *Draft Code of Practice for Coal Seam Gas Exploration* and *Guidelines on Community Consultation Requirements for Coal and Petroleum Exploration, Including Coal Seam Gas*. The Associations endorse the premise underlying these documents that meaningful public consultation and participation is a critical foundation for generating positive collaboration and mutual benefits for communities, governments and developers. The Associations make the following specific comments and recommendations on the draft Code:

- a. Assessment prior to pilot testing - The Associations join with other stakeholders in calling for more rigorous assessment during the mining and CSG exploration phase. (Refer also to section 1a of this submission.) The nature, scale and time period potentially involved in the pilot testing aspect of exploration (as described in the Code (pp4-5)) has the potential for significant local impact and therefore should be subject to some form of assessment and any relevant conditions before pilot testing actually commences.
- b. Access arrangements with landholders - Councils have reported that many people feel they are at a significant disadvantage and feel pressured when dealing with large and well-resourced companies. As stated previously, Local Government strongly supports the development of the standard access arrangement template by NSW Farmers’ Association and the Australian Petroleum and Exploration Association (APEA) referred to the *Draft Code of Practice for Coal Seam Gas Exploration*.

- c. Contacting landowners – The draft Code refers to a requirement to contact landowners “in the area”, however this is not defined. It is not clear whether companies are only required to consult with just the owners of land to which they want access, or with other adjoining property owners who will have an interest in the activity because of its potential impacts (such as noise, air pollution, water resource impacts etc).
- e. Expand draft Code to encompass all types of mining exploration – The Associations consider that the Code’s scope should be expanded to encompass all forms of mining exploration, so that a “best practice framework” can apply to all (not just CSG) companies in their dealings with NSW landholders and communities. Alternatively, there should be similar codes of practice developed for these other forms of mining.
- f. Revise/reword draft Code to improve clarity and consistency – There is some overlap and confusion between the *Guidelines on Community Consultation Requirements for Coal and Petroleum Exploration, Including Coal Seam Gas* and the draft *Code of Practice*. The Associations therefore recommend that these two documents be reviewed and revised/reworded to increase consistency.

10 Guidelines for the Preparation of Agricultural Impact Statements

As mentioned previously in this submission, the Associations support the NSW Government’s requirement for all new state significant development applications for coal and CSG projects to be accompanied by an Agricultural Impact Statement (AIS). However, we believe this requirement should apply to every mining and CSG proposal irrespective of the status of the agricultural land once the SRLUPs are finalised.

Recommendation (xi)

The Associations recommend that the requirement for proponents to prepare an AIS should apply to every mining and CSG proposal irrespective of the status of the agricultural land once the SRLUPs are finalised.

Specific comments on the draft guidelines for preparation of AIS’s are as follows:

- The guidelines include a wide-ranging list of matters and information that is to be included in an AIS. However, as previously discussed (refer to section 2v) the Associations consider social-economic impact assessment as a crucial component of the assessment of mine and CSG proposals, and as this is given only brief mention in the guidelines, we do not consider this requirement enough to constitute a thorough assessment of social impacts. As discussed in section 8ii of this submission, the Associations would like to see mining companies being required to prepare detailed social impact assessments, and clear guidelines developed by the Department of Planning and Infrastructure for preparation of such assessments. There should be a separate assessment of social impacts undertaken by a suitably qualified expert, rather than a cursory discussion about social impacts as part of the AIS.
- Councils have expressed concern that an unintended consequence of resource development companies’ practice of purchasing land (which contains some steep or wooded country) for the purpose of biodiversity offsets has been to effectively remove whole properties from the agricultural market, thus shrinking productive agricultural land areas in the locality. The knock-on effects of this practice for the local economy are reduced employment for local workers and impacts on agricultural-support businesses (e.g. stock and station agents). The Associations therefore recommend that the AIS needs to include assessment of the impacts on agricultural production as a result of the purchasing of offset lands as part of a mine proposal.
- We note an AIS will not be a requirement for projects that “do not have the potential to affect agricultural resources”. We question who is responsible for deciding whether a proposal “has the potential to affect agricultural resources” and how this is to be determined (i.e. what criteria will used).
- As discussed in section 8i, we consider that the criteria used to define SAL are too narrow, and should be broadened to effectively capture a larger proportion of land being classified as ‘SAL’.

11 Guidelines on Community Consultation Requirements for Coal and Petroleum Exploration, Including Coal Seam Gas

Better communication and consultation will be essential to negotiate a path through the multitude of differing knowledge, views and expectations amongst stakeholders of the CSG extraction industry. The proposed *Guidelines on Community Consultation Requirements* provide a framework for improvements in consultation between industry and the community to occur. The Associations support the proposal to include conditions on mining applications requiring mining proponents to undertake certain consultation activities, including the establishment of consultative committees. However, the Associations would like to make the following specific comments about matters that need to be included/addressed or clarified in the Guidelines:

- a. Compliance – The Associations would like to see mention included as to how compliance with these consultation requirements will be regulated, monitored and demonstrated so that the community can be satisfied that compliance with these guidelines will be clearly met.
- b. Formalise consultation with councils - The Associations would like to see communication enhanced in addition to what is proposed in the guidelines by formalising consultation with Local Government by the relevant State government agencies assessing mining and CSG project applications, to discuss the proposals before determinations are made. There may be a need to review existing legislation to provide for and formalise more effective communication between Government, industry, Local Government and the community throughout the mining decision making process.
- c. Community consultative committees (CCCs) – The Associations understand that the requirement to establish CCCs is a condition of consent for many mining and gas projects and we support the requirement (in the draft *Code of Practice*) for CCCs to be established by mining companies for both exploration and production phases. Community consultative committees (both during exploration and after development approval has been granted) are dependent on the diversity of the local community they represent and the personalities of the group. However, some councils have reported concerns that there are no clear standardised guidelines to ensure that the process for appointing committee members and running these committees is transparent, equitable and follows consistent practice. The Associations therefore recommend that the Department of Planning and Infrastructure develop clear guidelines for resource development companies to follow when they are required to establish and operate community consultative committees as part of their consent conditions. In calling for these guidelines, the Associations acknowledge that many mining companies use a suite of measures to keep their communities informed, and that CCCs are only one mechanism used by these companies to engage with the broader community.
- d. Consistency with the draft *Code of Practice* – The Associations consider there is some overlap and confusion between the guidelines and the draft *Code of Practice* and recommend that these two documents be reviewed and revised/reworded to increase consistency.

12 Draft Aquifer Interference Policy

It cannot be understated that local communities are particularly concerned about the potential impacts on and risks of mining and CSG to sustainable water management. The consequences of not managing the water are substantial, and the Associations are pleased to see the Government's commitment to implement an Aquifer Interference Policy, along with its announcement of the ban on the use of toxic chemicals in CSG extraction in NSW and a moratorium on the controversial hydraulic fracturing process. The Associations make the following comments on the draft Aquifer Interference Policy:

- As the current ban on hydraulic fracturing is set to expire in April 2012 (Draft SRLUP Appendix A) we would like the Government to clarify the future status of this moratorium.
- While we support the concept of the Aquifer Interference Policy, the Associations are concerned at the number of exemptions that appear to be included in the policy. These widespread exemptions could compromise the strength of the policy and its effectiveness to actually protect our water resources. This is of particular concern in view of the current uncertainties that surround the data about the impacts of mining and CSG on aquifers. The lack of clarity and numerous exemptions built into the draft policy,

make it difficult to interpret and to understand exactly what mining and CSG companies are required to do to support their applications. (For example, when will the policy be ‘switched on’ and will it apply statewide?) The policy should be revised so that all stakeholders, including the industry itself, can be clear about the nature of the policy provisions and exactly when and how they are to apply.

CONCLUSION AND RECOMMENDATIONS

The Associations endorse the principle of introducing tighter controls for mining and CSG proposals that underpins the draft plans, codes and guidelines. We also acknowledge the NSW Government’s undertaking to map and identify at a regional scale strategic agricultural land and its relationship to coal and gas resources. We consider the new provisions and requirements being introduced in these documents as a step in the right direction and a notable improvement on the current framework for assessments and decisions about mining and CSG projects. However, what has been presented is a departure from the undertaking made by the NSW Government in the original announcement of its *Strategic Regional Land Use Policy*. The Associations therefore recommend that the NSW Government amend the gateway process to incorporate the exploration phase, to be consistent with the original policy and expectations. This would help to reinstate trust and faith in the process amongst landholders and communities affected by mining. .

The key points made in this submission relate to:

- The expectation that the gateway process should be consistent with the NSW Government’s original *Strategic Regional Land Use Policy*, and should therefore be amended to apply at the exploration stage of mining and CSG proposals;
- The need to broaden the criteria for biophysical SAL so that the proportion of agricultural land areas identified as SAL within each region would be increased, and more mining applications would be required to go through the gateway process, thus being consistent with a precautionary approach;
- The need for mechanisms to enable Local Government to negotiate and obtain contributions from a variety of funding sources to meet the significant demands of resource development on local infrastructure, and for these to be incorporated in the funded infrastructure plans; and
- The need to address the practice of mining and CSG applications currently undertaking only nominal social impact assessment, and the need for draft plans and guidelines to mandate these assessments and specify detailed requirements for social impact assessment.

Following is a summary of the Associations’ recommendations in this submission:

Recommendation (i)

The Associations emphasise that Local Government must be provided an opportunity to negotiate suitable compensation with mining companies, and a proportion of royalties and taxes collected by the State and Federal Government should be redirected back to the local regions in order to address these impacts. The Associations advocate the establishment of a Royalties for Regions scheme to ensure an appropriate share of mining royalties is returned to regional communities. (Refer to section 3 of this submission for more detail).

Recommendation (ii)

The Associations join with other stakeholders in calling for a thorough assessment of social, economic and environmental impacts and more effective management requirements for mining approvals. We welcome the scientific assessment process proposed by the State government in its strategic regional land use plans, provided this process enables a robust assessment to be undertaken of all the impacts (i.e. social/community, environmental, economic) of resource development.

Recommendation (iii)

Until the baseline data and other information are available to monitor the potential long term impacts on water, the Associations join with other stakeholders, including NSW Farmers and the National Water Commission, in calling for industry and governments to adopt a precautionary approach.

Recommendation (iv)

The Associations advocate the establishment of a “Royalties for Regions” type scheme (incorporating the Resources for the Regions program) with two funding pools, the first for Local Government generally, to help address the identified infrastructure renewal backlogs and the second to help address the major impacts that mining has on the communities surrounding the mine sites (e.g. damage to roads and the environment, and increased demands for infrastructure and services).

Recommendation (v)

In view of the Government’s original commitment to triple-bottom line assessment of these developments, the Associations recommend that:

- The panel include a suitably qualified and experienced social and economic expert; and
- Local Government is represented on the panel by inclusion of a council or other appropriate Local Government representative.

Recommendation (vi)

The Associations recommend that mechanisms be established (in legislation if necessary) to maintain transparency of the expert panel and ensure it remains truly independent. These should include:

- Specifications about tenure, independent oversight and governance arrangements (e.g. procedures for the identification of panel experts, nomination of the Chair and the term limit of panel members’ appointments);
- Provisions for public involvement and participation, and power to hold public hearings; and
- Administrative arrangements (including meeting procedures, site inspections).

Recommendation (vii)

The Associations consider that the criteria used to define SAL should be broadened and we question why such land should have to meet *all* of the criteria listed in the table. The broadening of the criteria would effectively result in a larger proportion of land being classified as ‘SAL’, which the Associations consider to be a response that is consistent with the precautionary approach recommended in section 2vi of this submission.

Recommendation (viii)

To determine the community and individual impacts, the Associations recommend that:

- Consideration be given to requiring mining and CSG proponents to prepare detailed social impact studies prior to exploration, and as part of an environmental assessment for all new mining projects;
- Mining and CSG proponents be required to engage suitably qualified and experienced social and economic planning practitioners (or equivalent) to assist in the analysis of this aspect of the project; and
- The Department of Planning and Infrastructure, in consultation with Local Government, develop clear guidelines for preparation of social impact assessments.

Recommendation (ix)

In order for the funded infrastructure plans to meet the scheduled timeframe of December 2012, the Associations recommend that the Department of Planning and Infrastructure immediately clarify:

- The scope, tasks and resources required;
- Intended involvement of relevant State agencies and consultation with stakeholders including Local Government; and
- Timeline for development and delivery of these plans.

Recommendation (x)

The Associations recommend that the Government nominates an agency or suitably empowered and qualified person to fulfill a role as ‘program director/coordinator’ with the principal task of keeping track of progress on the actions in the draft plans, and maintaining communication and coordination across all agencies.

Recommendation (xi)

The Associations recommend that the requirement for proponents to prepare an AIS should apply to every mining and CSG proposal irrespective of the status of the agricultural land once the SRLUPs are finalised.

ATTACHMENTS

ATTACHMENT 1 – Observations from the Local Government Experience of Coal Seam Gas Development in Queensland

From the Queensland experience, Local Government has made the following observations:

General

- While Local Government does not have any control over when, where or how any CSG project proceeds - this is clearly the role of the State Government – it has become abundantly clear that councils play a large role in addressing local community, social and infrastructure needs related issues created by the presence of the CSG industry.
- Councils have an overriding focus to ensure that the CSG industry operates in accordance with environmental management standards and is responsible for the impacts on local communities. There is as a consequence an awareness of issues and some concern relative to potential impacts on ground water and the environment generally.
- Notwithstanding this there was also an acceptance that the industry had reinvigorated local communities, in particular the towns of Dalby and Roma which had seen virtually no growth prior to the establishment of the CSG industry into the region eight years ago. Councils' observation was that if the individual landholder or community can see a tangible net benefit from the presence of CSG then there is much more acceptance and harmony.
- Queensland appears to have a much better system than NSW to require companies to contribute to local community infrastructure and services. Also, some councils (e.g. Western Downs Regional) have well developed programs in place to quantify impact on local infrastructure and require developers to make appropriate targeted contributions.
- In areas that were principally grazing land and generally of a lower agricultural potential it appears that the country lends itself to this type of development. However, where the land was of a higher agricultural capability or where cropping could occur there greater tension has been experienced in development of CSG facilities. There are also higher levels of concern and resistance to CSG in some regions (e.g. Dalby) compared with others (e.g. Roma district), probably reflecting the closer settlement near Dalby and the better quality and more diverse nature of agricultural land in the Western Downs LGA.

Water management

- There is considerable work being done by Santos in conjunction with property owners on water reuse and management, with a focus on water management with significant treatment through Reverse Osmosis (RO) and to establishing storage and irrigation facilities to support activities including cattle fodder, tree plantation and agricultural feed crops.
- At stations where the CSG is pressurised for transport to a gas hub, these stations are significant industrial developments and require isolation in order that environmental impacts, particularly noise issues are eliminated.
- There is concern in the community and landholders about potential interference with water aquifers and that there is a critical need to protect existing groundwater reserves for their future sustainability.

Housing availability and cost

- There is a need to ensure that there is a capacity to cater for the accommodation needs of the short-term construction employees and attracting the long-term operational employees and their families to stay and become part of the community.
- There is extreme difficulty in meeting accommodation demands and providing affordable accommodation for the community (e.g. rental accommodation of \$550+ per week for a three bedroom

dwellings at Injune, which has a population of about 400 and a relatively modest standard of housing). Similarly, Roma is experiencing extremely high rentals with serious concerns that a multi speed economy is in operation. Councils report a particular concern that those who are not within the CSG sector and are on lower wages, will effectively be unable to obtain accommodation at an affordable cost.

- Maranoa Regional Council has been particularly active in developing relationships with gas companies, government agencies and service providers to address the demand for housing in Roma with a view to managing availability and affordability issues for people not employed in the resources industry. Roma has considerable private housing, an affordable housing estate and other government supported targeted housing proposals under consideration.

Accommodation of workers

- Service contractors with large teams may provide or utilise camps to accommodate their workers, however companies with smaller teams will look for private accommodation in nearby centres.
- In general the worker camps are unattractive and uninviting places with a specific purpose of accommodating workers during their tour of duty. There appears to be no interaction between the towns and the camps. Due to the isolation of the camps (e.g. 50km from the nearest town), most workers generally remain within the camps rather than visiting the town. Nevertheless, there are economic advantages for some small businesses (e.g. road house, new independent supermarket, and motel) as a result of a considerable number of workers living in the town.
- While temporary construction camps are set up primarily made up of containers adapted as accommodation units. While these are not particularly attractive it is accepted that these camps are an essential part of the development of the industry. However there are examples of worker camps which are significantly above this standard that demonstrate what can be done to meet worker accommodation needs, particularly where such accommodation is to be of a permanent nature (e.g. Santos' Fairview CSG Field - a 120 bed worker village, which has been architect designed in a village layout containing a dining hall, fully equipped gymnasium, recreation hall, lap pool and multi use outdoor sports court). While this may be difficult to achieve, it should be the standard expected of resource companies to accommodate their long term staff.

Dealing with companies/contractors

- While feedback from both Local Government and landholders in Queensland was that some CSG companies are regarded as the good to deal with from a community perspective, councils have reported potential issues with contractors to these companies who may not adhere to the same operational standards as the development company (e.g. in road construction and maintenance, and use of road routes designated by traffic management plans).

Property access and compensation

- Property access and compensation is one of the most critical areas of concern within the rural community. Some companies manage and deal with compensation and access matters better than others. Some landholders have been able to negotiate satisfactory access agreements and good on-farm improvements as compensation but others feel disadvantaged by the free access gas companies effectively have to properties and the level of compensation that has been provided for occupation and use of their properties.

Assessment and analysis of major developments

- Western Downs Regional Council has highlighted the need for Local Government to be adequately prepared to deal with issues associated with major resource developments. The council identified about three years ago a deficiency in its ability to adequately respond to proposals for major developments that involved complex and extensive EIS documents. The Council established a specialised unit to deal with all new major proposals and to liaise with government and developers as to impacts and methods by which contributions or compensation could be obtained to mitigate such impacts.

ATTACHMENT 2 – Specific Comments on Draft Upper Hunter SRLUP

Ch	Action	Lead Agencies	Timeframe	LGSA Comment
3	Balancing Agricultural & Resource Development			
3.1	Implement the gateway process to provide a rigorous and evidence-based up front means of ensuring that mining and coal seam gas development likely to significantly impact on strategic agricultural land does not proceed.	Department of Planning and Infrastructure Department of Primary Industries	June 2012 / Ongoing	The gateway process should be amended to apply at the exploration phase. Refer to sections 1a and 9a of this submission for details. Resource mapping shows potential coal and CSG in urban areas including villages, residential, commercial and industrial areas. This could result in significant land use conflicts and perpetuate uncertainty amongst landowners and investors and requires consideration of what exclusions should be given to protect urban areas from mining and CSG activity.
3.2	Continue to refine and review the methodology, mapping and application of strategic agricultural land to ensure it remains current and relevant to the gateway and development assessment processes.	Department of Primary Industries Office of Environment and Heritage	Ongoing	While the resource industry is a potential source of wealth and employment generation, agricultural production continues to dominate the economic output of the NE NW region and this must not be overlooked. Agricultural production in the region is not limited to areas identified as SAL, and agricultural land outside of the SAL areas also plays a vital role in food production and the local and regional economies. The relevance to and linkage with council LEPs in relation to the mapping of strategic agricultural land need to be considered. Local Government will need to be engaged where any possible amendments to LEPs are required.
3.3	Continue to refine the identification of critical industry clusters through workshops held with key industries. Any additional clusters identified through this process will then be mapped.	Department of Primary Industries	Ongoing	Local Government should be invited to participate in any workshops to identify and map critical industry clusters in the region.
3.4	Require an agricultural impact statement for the following: a) until the relevant Strategic Regional Land Use Plan is finalised – all new State Significant Development applications for mining and coal seam gas proposals (as well as applications for associated State Significant Infrastructure such as pipelines) which have the potential to impact on agricultural resources or industries; b) following the finalisation of the relevant Strategic Regional Land Use Plan - all State Significant Development and Infrastructure applications (including mining and coal seam gas proposals that have passed the gateway) located on strategic agricultural land.	Department of Planning and Infrastructure Department of Primary Industries	Immediate June 2012 / Ongoing	The Associations support the concept of proponents being required to prepare an AIS. However, we believe this requirement should apply to all mining and CSG proposals irrespective of the status of the agricultural land once the SRLUPs are finalised. Refer to section 10 of this submission for further discussion.
3.5	Include appropriate zonings and provisions in local environmental plans to protect agricultural land including, as a minimum, the mapped strategic agricultural land.	Councils	Ongoing	This could require amendment of some LEPs and would necessitate some additional resources to achieve this.
4	Infrastructure			
4.1	Prepare a funded infrastructure plan for the Upper Hunter region, in liaison with local, state and federal governments,	Department of Planning and	December 2012	Refer to section 8iii of this submission for discussion and recommendations about the funded infrastructure plan.

	business and the community to address key regional and sub-regional infrastructure needs.	Infrastructure/ Infrastructure NSW NSW Trade & Investment Transport for NSW		
4.2.	Prepare a guideline to provide a consistent framework and methodology for voluntary planning agreements between mining and coal seam gas companies and local councils relating to local infrastructure provision.	Department of Planning and Infrastructure	2012	<p>The Associations support the preparation of guidelines for VPAs. However, these are only voluntary documents, therefore we hold the view that any strategic fund should be underpinned by legislation that encourages and supports a more direct negotiation between Local Government, industry and state government to fund infrastructure investment and provide for the long term maintenance support for any new assets.</p> <p>Refer to discussion in sections 2iv and 8iii b of this submission.</p> <p>The Associations request that Local Government be engaged during the development of the guidelines. Some councils already have experience in negotiating VPAs with mining and CSG companies and will make a valuable contribution to formulating the guidelines.</p>
4.3.	Local environmental plans are to ensure housing and employment development occurs in areas which can be appropriately serviced.	Councils	Ongoing	<p>This has already and will continue to occur in preparation of draft LEPs by councils in the Region. However a major issue is servicing land - refer to comments in 5.1 below.</p> <p>Councils report inconsistencies between different regional offices of the Department of Planning and Infrastructure in the degree of flexibility and control that is applied to zoning of land for housing and employment as part of the LEP process. If councils are expected to rezone adequate land to meet forecast housing and employment demands, they need to have the flexibility to determine the amount and location of the rezoned land.</p>
5	Economic Development & Employment			
5.1	Local councils will zone land through their local environmental plans to ensure an adequate supply of employment land.	Councils	Ongoing	<p>Note that this plan uses the term “employment land” whereas the NE NW SRLUP refers to “commercial and industrial land”. There should be consistency terminology between the two plans.</p> <p>While adequate land may be zoned for the purpose, a major issue is servicing land and the costs of upgrading existing infrastructure. Refer to section 8iii of this submission.</p>
5.2	Prepare a Regional Workforce Plan, in cooperation with Regional Development Australia (Hunter), local employers and industry groups, to address workforce and skills issues. The plan will clarify current and future demand and supply of skills in the region and devise skills and workforce development strategies, including apprenticeship programs, to address critical shortages.	Department of Education and Communities Department of Primary Industries	2013	<p>Most initiatives are likely to occur locally, with a ‘bottom-up’ approach, and councils are best placed to achieve this. Councils may require resources (e.g. such as to appoint additional staff). Regional Development Australia will require resources to undertake this role; this action cannot be achieved if the RDA is not suitably resourced.</p> <p>The plan should recognise the Singleton Army Base being a major long term employer, both direct and indirect with associated support industries. There is only a single mention</p>

				of the defence industry in this LGA (p. 39).
5.3	Work with mining and coal seam gas companies to develop a regional apprenticeship program to be funded by these industries.	Department of Education and Communities	2012	Refer to comments in 5.3.
5.4	Work with local councils to implement the recommendations of the Upper Hunter Economic Diversification Report.	NSW Trade & Investment	2012	
6	Housing and Settlement			
6.1	Work with Singleton and Muswellbrook councils to identify the nature of change in population growth and demand for housing and to identify sufficient land and other opportunities to facilitate an adequate supply of appropriately located housing to meet identified demand.	Department of Planning and Infrastructure	Ongoing	This will require resources within councils.
6.2	Work with Landcom and the housing and development industry to develop models and demonstration projects for the delivery of more housing, and a more diverse range of housing types, focussing on the major towns of Singleton and Muswellbrook.	Department of Planning and Infrastructure Landcom	2013	<p>The focus of this work should not be limited to Singleton and Muswellbrook; towns such as Aberdeen and Scone should also be considered as these are close to the mines, albeit that the mines themselves are not necessarily located within their LGAs.</p> <p>Councils may require additional resources.</p> <p>Conversion of zoned land into urban housing projects is confronting in the current economic climate – there is need to identify mechanisms/programs and funding assistance or a loan guarantor role by state government. The expanding mining industry is having a significant impact on housing demand and affordability and should be part of the solution. The mines should assist in providing more housing for their employees. They should especially take up any opportunities to provide housing in the villages, which are struggling to survive because of mining impacts.</p> <p>Some councils are engaging with state government agencies (e.g Education Department) about land held by agencies for a specific purpose. There is potentially an opportunity for Landcom to establish targeted housing on such land for government agency workers. This has been an approach in Roma (Queensland) particularly for medical workers and in the development of an affordable housing estate.</p>
6.3	Local councils will zone land through their local environmental plans to ensure an adequate supply of land for residential development and to facilitate delivery of a range of housing types.	Councils	Ongoing	This has already and will continue to occur in preparation of draft LEPs by councils in the region. Supporting DCPs or other integrated strategies will be needed to further refine these requirements, with potential resource implications for councils.
6.4	Local councils will ensure that new residential development makes a positive contribution to liveability and character by ensuring residential areas are planned in accordance with the settlement planning principles in this plan.	Councils	Ongoing	This has already and will continue to occur in preparation of draft LEPs by councils in the region. Supporting DCPs or other integrated strategies will be needed to further refine these requirements, with potential resource implications for councils.
6.5	Work with local councils, infrastructure providers and the housing and development industry to establish the Upper Hunter Urban Development Program. This program will monitor the supply of residential land and the delivery of new housing, as well as establishing priorities for the delivery of	Department of Planning and Infrastructure	Ongoing	This action is supported.

	housing.			
7	Community Health and Amenity			
7.1	Develop a cumulative impact assessment methodology to manage the cumulative health and amenity impacts of mining and coal seam gas proposals. This methodology will consider whether cumulative impact thresholds or tipping points can be adequately described and predicted. It will also address cumulative impacts on agricultural lands and water resources.	Department of Planning and Infrastructure Office of Environment and Heritage Department of Primary Industries	September 2012	<p>One of the main issues for Local Government relates to the need for detailed assessment of cumulative social and economic impacts of resource developments at a local level. It is emphasised that cumulatively, the <i>direct</i> impacts of mining developments are not just inside the LGA boundary within which they are situated; direct impacts can occur on neighbouring LGAs and this needs to be taken into account.</p> <p>The Associations therefore strongly support the development of a cumulative impact assessment methodology based on the significant work of the Namoi Catchment Management Authority in developing its proposed methodology for calculating and managing the cumulative risks to environmental assets from mining.</p> <p>Refer also to sections 1d and 2iv of this submission.</p> <p>We request that Local Government be engaged as part of its development.</p>
7.2	Require all new coal mines and applications seeking to modify existing approvals to benchmark their proposals against best management practice defined in the NSW Coal Mining Benchmarking Study: International Best Practice Measures to Prevent and/or Minimise Emissions of Particulate Matter from Coal Mining (2011) and ensure they incorporate all reasonable and feasible measures to reduce their dust emissions. Director-General's requirements and development assessments will reflect these requirements.	Department of Planning and Infrastructure	Immediate / Ongoing	Local Government supports this action.
7.3	Continue to place legally binding pollution reduction programs on all existing coal mines requiring them to assess their current operations against best management practice and ensure they are using all reasonable and feasible measures to reduce their dust emissions.	Environment Protection Authority	Immediate / Ongoing	Local Government supports this action.
7.4	Commence review of the Industrial Noise Policy, including consultation with all key stakeholders, and consider a wide range of options for addressing noise impacts from emerging mining precincts within rural areas.	Environment Protection Authority	Commence July 2012	<p>Rail noise (including horn noise at level crossings) is a concern to residents, land owners and communities in small and larger townships within the region, particularly with rail traffic increasing exponentially in recent years. The Associations note that the NSW Government (Office of Environment and Heritage) has recently conducted public consultation on Draft Rail Infrastructure Noise Guidelines. Stakeholder submissions on these guidelines will be pertinent to the proposed review of the Industrial Noise Policy.</p> <p>Local Government supports any consistent-inter-agency policy initiatives which facilitate the appropriate management and mitigation of rail noise at the planning approval stage for mining and CSG developments.</p>
7.5	Review the Synoptic Plan: Integrated Landscapes for Coal Mine Rehabilitation in the Hunter Valley of NSW (1999) in consultation with government agencies, the NSW Minerals Council and community stakeholders to ensure best practice rehabilitation and visual impact management for closed	Department of Planning and Infrastructure	December 2012	<p>Local Government supports this initiative, although it may have some resource implications.</p> <p>Mines need to put greater effort into rehabilitation to ensure that landscapes can be returned to their previous land uses. 'Naturalistic' rehabilitation is not necessarily the best</p>

	mines.			end use of the land. Mines need to investigate developing partnerships for rehabilitation (e.g. plantation production / reuse of effluent etc).
7.6	Review the Guidelines for Establishing and Operating Community Consultative Committees for Mining Projects (2007) in consultation with government agencies, the NSW Minerals Council and community stakeholders to ensure that it remains relevant and reflects best practice.	Department of Planning and Infrastructure	December 2012	Local Government expects to be a key stakeholder in the review of the Guidelines for Establishing and Operating Community Consultative Committees for Mining Projects (2007). The guidelines and their relationship with the <i>Draft Code of Practice for Coal Seam Gas Exploration and Guidelines on Community Consultation Requirements For Coal and Petroleum Exploration, Including Coal Seam Gas</i> will need to be clearly articulated. In addition all three documents should be consistent with one another, and the respective purpose and scope of each document made clear. (Refer to section 9f of this submission.)
7.7	Prepare a development assessment guideline for impacts on human health from dust generated by mining and other activities. The guideline will include maximum thresholds for both incremental and cumulative dust emissions.	NSW Health Department of Planning and Infrastructure Office of Environment and Heritage	December 2012	Development Applications for mines should include a Health Impact Statement. Mine assessment should also include dust impacts on animals (e.g. cows – dairy production, animal health / pasture health). Local Government expects an opportunity to have an input to this review.
8	Natural Environment			
8.1	Develop, in consultation with the Commonwealth Department of Sustainability, Environment, Water, Population and Communities, the Upper Hunter Strategic Biodiversity Assessment to create a streamlined and ecologically effective approach to offsetting the impact of mining projects in the Upper Hunter.	Office of Environment and Heritage Department of Planning and Infrastructure Department of Primary Industries Commonwealth Department of Sustainability, Environment, Water, Population and Communities	Mid 2014	
8.2	Compile a biodiversity offsets database of lands currently held	Department of	September	

	for conservation purposes as a result of development consents.	Planning and Infrastructure	2012	
9	Natural Hazards and Climate Change			
9.1	Ensure that local environmental plans zone areas subject to natural hazards appropriately to reflect the risks associated with the hazard and the limitations of the land.	Councils	Ongoing	This will to some degree occur in the draft LEP process however a higher level of mapping will highlight issues of this nature. Additional resources will be required by councils to support this level of analysis and incorporation of the information into LEPs.
9.2	Work with local councils and industry to develop opportunities to use waste coal mine methane to provide low emissions and potentially low cost energy for regional development.	Office of Environment and Heritage Environment Protection Authority	Ongoing	Additional specialised resources will be required and engagement with regional waste groups.
9.3	Work with local councils to identify significant renewable energy resources within local strategies and ensure compatible land uses.	Office of Environment and Heritage	Ongoing	Additional specialised resources will be required.
10	Cultural Heritage			
10.1	Prepare Aboriginal cultural heritage assessment guidelines for state significant projects to ensure early and thorough consideration of Aboriginal cultural heritage in the assessment process.	Department of Planning and Infrastructure Office of Environment and Heritage	July 2012	The NSW Aboriginal land Council and Local Government should be involved in developing these guidelines.
10.2	Compile a database of lands currently identified for cultural heritage conservation as a result of development consents, established heritage studies, ongoing assessment and statutory heritage registers. The database will be used to inform future assessments and ensure that these areas are not compromised by further development.	Department of Planning and Infrastructure Office of Environment and Heritage	September 2012	The NSW Aboriginal land Council and Local Government should be involved. The information contained in councils' community based heritage studies where available would provide valuable information.
10.3	Prepare a regional heritage study of 19 th century homesteads in the Hunter region to identify homesteads and landscapes of significance and their condition to inform Environmental Impact Assessment processes.	Office of Environment and Heritage	December 2012	See comments in 10.2 above.
10.4	Continue landform mapping and a desktop assessment of the region for the regional assessment, to understand how Aboriginal sites, objects and places are linked to various parts of the landscape. It will be used as the basis for engagement	Office of Environment and Heritage	June 2012	The NSW Aboriginal land Council must be involved.

	and investigation with Aboriginal people about those values in regional planning and Environmental Impact Assessment processes.			
10.5	Complete landscape-scale Aboriginal heritage assessments to guide conservation outcomes across the region through effective Aboriginal community engagement.	Office of Environment and Heritage	Ongoing	See 10.4

ATTACHMENT 3 – Specific Comments on Draft New England/North West SRLUP

Ch	Action	Lead Agencies	Timeframe	LGSA Comment
3	Balancing Agricultural & Resource Development			
3.1	Implement the gateway process to provide a rigorous and evidence-based up front means of ensuring that mining and coal seam gas development likely to significantly impact on strategic agricultural land does not proceed.	Department of Planning and Infrastructure Department of Primary Industries	June 2012 / Ongoing	<p>The gateway process should be amended to apply at the exploration phase. Refer to sections 1a and 9a of this submission for details.</p> <p>Resource mapping shows potential coal and CSG in urban areas including villages, residential, commercial and industrial areas. This could result in significant land use conflicts and perpetuate uncertainty amongst landowners and investors and requires consideration of what exclusions should be given to protect urban areas from mining and CSG activity.</p>
3.2	Continue to refine and review the methodology, mapping and application of strategic agricultural land to ensure it remains current and relevant to the gateway and development assessment processes.	Department of Primary Industries Office of Environment and Heritage	Ongoing	<p>Further work is needed to accurately map SAL this resource, taking account of both land characteristics and existing agricultural activity as well as soil fertility and rainfall.</p> <p>While the resource industry is a potential source of wealth and employment generation, agricultural production continues to dominate the economic output of the NE NW region and this must not be overlooked. Agricultural production in the region is not limited to areas identified as SAL, and agricultural land outside of the SAL areas also plays a vital role in food production and the local and regional economies.</p> <p>The relevance to and linkage with council LEPs in relation to the mapping of strategic agricultural land need to be considered. Local Government will need to be engaged where any possible amendments to LEPs are required.</p>
3.3	Consider, through workshops held with key industries, the potential identification and mapping of critical industry clusters.	Department of Primary Industries	Ongoing	<p>Clearly, more work is needed to identify and map critical industry clusters in the NE NW region. For example, Tamworth is a significant poultry hub in the state, Inverell is a notable producer of peanuts (pp40-41 of the draft SRLUP) and in Armidale Dumaresq LGA, there is limited recognition for the area's significance as a fine wool growing district.</p> <p>Local Government should be invited to participate in any workshops to identify and map critical industry clusters in the region.</p>
3.4.	Require an agricultural impact statement for the following:	Department of		The Associations support the concept of proponents being required to prepare an AIS.

	<p>a) until the relevant Strategic Regional Land Use Plan is finalised – all new State Significant Development applications for mining and coal seam gas proposals (as well as applications for associated State Significant Infrastructure such as pipelines) which have the potential to impact on agricultural resources or industries;</p> <p>b) following the finalisation of the relevant Strategic Regional Land Use Plan - all State Significant Development and Infrastructure applications (including mining and coal seam gas proposals that have passed the gateway) located on strategic agricultural land.</p>	<p>Planning and Infrastructure</p> <p>Department of Primary Industries</p>	<p>Immediate</p> <p>June 2012 / Ongoing</p>	<p>However, we believe this requirement should apply to all mining and CSG proposals irrespective of the status of the agricultural land once the SRLUPs are finalised. Refer to section 10 of this submission for further discussion.</p>
3.5	<p>Include appropriate zonings and provisions in local environmental plans to protect agricultural land including, as a minimum, the mapped strategic agricultural land.</p>	<p>Councils</p>	<p>Ongoing</p>	<p>This could require amendment of some LEPs and would necessitate some additional resources to achieve this.</p>
4	<p>Infrastructure</p>			
4.1	<p>Prepare a funded infrastructure plan for the New England North West region, in liaison with local, state and federal governments, business and the community to address key regional and sub-regional infrastructure needs.</p>	<p>Department of Planning and Infrastructure/ Infrastructure NSW</p> <p>NSW Trade & Investment</p> <p>Transport for NSW</p>	<p>December 2012</p>	<p>The chapter addressing infrastructure is heavily focused on mining and the North West, with limited regard for infrastructure in the New England sub-region.</p> <p>Refer to section 8iii of this submission for discussion and recommendations about the funded infrastructure plan..</p>
4.2.	<p>Prepare a guideline to provide a consistent framework and methodology for voluntary planning agreements between mining and coal seam gas companies and local councils relating to local infrastructure provision.</p>	<p>Department of Planning and Infrastructure</p>	<p>2012</p>	<p>The Associations support the preparation of guidelines for VPAs. However, these are only voluntary documents, therefore we hold the view that any strategic fund should be underpinned by legislation that encourages and supports a more direct negotiation between Local Government, industry and state government to fund infrastructure investment and provide for the long term maintenance support for any new assets.</p> <p>Refer to discussion in sections 2iv and 8iii b of this submission.</p> <p>The Associations request that Local Government be engaged during the development of the guidelines. Some councils already have experience in negotiating VPAs with mining and CSG companies and will make a valuable contribution to formulating the guidelines.</p>
4.3.	<p>Local environmental plans are to ensure housing and employment development occurs in areas which can be appropriately serviced.</p>	<p>Councils</p>	<p>Ongoing</p>	<p>This has already and will continue to occur in preparation of draft LEPs by councils in the Region. However a major issue is servicing land - refer to comments in 5.1.below.</p> <p>Councils report inconsistencies between different regional offices of the Department of Planning and Infrastructure in the degree of flexibility and control that is applied to zoning of land for housing and employment as part of the LEP process. If councils are expected to rezone adequate land to meet forecast housing and employment demands,</p>

				they need to have the flexibility to determine the amount and location of the rezoned land.
5	Economic Development & Employment			
5.1	Local councils will prepare local strategies to identify an adequate supply of appropriately located commercial and industrial land in order to meet local demand.	Councils	Ongoing	<p>Note that this plan refers to “commercial and industrial land” whereas the Upper hunter SRLUP uses the term “employment land”. There should be consistency terminology between the two plans.</p> <p>This has been initiated at a local level by some councils (e.g. Gunnedah Commercial & Industrial Strategy 2009 & Gunnedah LES 2005 (reviewed in 2009)). However, while adequate land may be zoned for the purpose, a major issue is servicing land and the costs of upgrading existing infrastructure (e.g. major upgrade of Gunnedah STP - \$8m-\$25 million), with council having to act as banker to recover a portion of these significant capital costs over time from contributions. Refer to section 8iii of this submission).</p>
5.2	Local councils will zone land through their local environmental plans to ensure an adequate supply of employment land.	Councils	Ongoing	Refer to above comment.
5.3	Work with local councils, infrastructure providers and the development industry to monitor the supply of employment lands.	Department of Planning and Infrastructure	Ongoing	Refer to comments above in 5.1.
5.4	Prepare a Regional Workforce Plan, in cooperation with Regional Development Australia Northern Inland, local employers and industry groups, to address workforce and skills issues. The plan will clarify current and future demand and supply of skills in the region and devise skills and workforce development strategies, including apprenticeship programs, to address critical shortages.	<p>Department of Education and Communities</p> <p>Department of Primary Industries</p>	2013	<p>There should be interaction with Local Government through Namoi Councils on this matter. (Namoi Councils consist of 5 LGAs – Gunnedah, Liverpool Plains, Narrabri, and Walcha Shires and Tamworth Regional Council and the Namoi Catchment Management Authority.)</p> <p>The plan does not give sufficient attention to or acknowledgement of Tamworth as a regional centre that is likely to attract both business and housing growth as a result of mining and CSG development in the wider region.</p>
5.5	Work with mining and coal seam gas companies to develop a regional apprenticeship program to be funded by these industries.	Department of Education and Communities	2012	Discussions in this area are occurring through the Namoi Councils’ Mining and Energy Working Group. However there is a need for more emphasis on this initiative, which may require resources being provided at a regional level.
5.6	Work with Regional Development Australia Northern Inland and local councils to identify specific initiatives to diversify the economy through the New England North West Regional Action Plan.	NSW Trade & Investment	2012	<p>Regional Development Australia will require resources to undertake this role; this action cannot be achieved if the RDA is not suitably resourced. Most initiatives are likely to occur locally, with a ‘bottom-up’ approach, and councils are best placed to achieve this.</p> <p>Councils may require resources (e.g. such as to appoint additional staff).</p>
6	Housing and Settlement			
6.1	Local councils will prepare land and housing supply strategies that identify sufficient land to facilitate an adequate supply of appropriately located housing to meet identified demand.	Councils	Ongoing	This will require resources – some work has been done in this area, although a more integrated strategy is required in Gunnedah particularly related to service provision and costs (refer to comments in 5.1 above).

6.2	Local councils will zone land through their local environmental plans to ensure an adequate supply of land for residential development and to facilitate delivery of a range of housing types.	Councils	Ongoing	<p>This has already and will continue to occur in preparation of draft LEPs by councils in the region, however a major issue is servicing land - refer to comments in 5.1.above.</p> <p>Conversion of zoned land into urban housing projects is confronting in the current economic climate – there is need to identify mechanisms/programs and funding assistance or a loan guarantor role by state government. The expanding mining industry is having a significant impact on housing demand and affordability and should be part of the solution. The mines should assist in providing more housing for their employees. They should especially take up any opportunities to provide housing in the villages, which are struggling to survive because of mining impacts.</p>
6.3	Local councils will ensure that new residential development makes a positive contribution to liveability and character by ensuring residential areas are planned in accordance with the settlement planning principles in this plan.	Councils	Ongoing	<p>This has already and will continue to occur in preparation of draft LEPs by councils in the region. A supporting DCP or other integrated strategy will be needed to further refine these requirements, with potential resource implications for councils.</p>
6.4	Work with the housing and development industry to develop models for the delivery of more housing and a more diverse range of housing types.	Department of Planning and Infrastructure Landcom	2013	<p>Councils may require additional resources. This is currently occurring in Gunnedah – mostly through passive encouragement, (e.g. varying subdivision standards or density standards for medium density development in order to encourage/facilitate more development). However, this does not guarantee housing. Some councils are also engaging with state government agencies about land held by agencies for specific purpose that could be used for housing. (e.g. Education Department land in south-west Gunnedah).</p> <p>There is potentially an opportunity for Landcom to establish targeted housing on such land for government agency workers. This has been an approach in Roma (Queensland) particularly for medical workers and in the development of an affordable housing estate. Discussions have already occurred between Gunnedah Council and Department of Education at the regional level to highlight the opportunities in this regard.</p>
6.5	Work with local councils, infrastructure providers and the housing and development industry to monitor the supply of residential land and the delivery of new housing.	Department of Planning and Infrastructure	First monitor report 2012	<p>We question why monitoring in this region is not going to take the form of an Urban Development Program as proposed in the Upper Hunter SRLUP.</p>
7	Community Health and Amenity			
7.1	Develop a cumulative impact assessment methodology to manage the cumulative health and amenity impacts of mining and coal seam gas proposals. This methodology will consider whether cumulative impact thresholds or tipping points can be adequately described and predicted. It will also address cumulative impacts on agricultural lands and water resources.	Department of Planning and Infrastructure Office of Environment and Heritage Department of Primary Industries	September 2012	<p>One of the main issues for Local Government relates to the need for detailed assessment of cumulative social and economic impacts of resource developments at a local level. It is emphasised that cumulatively, the <i>direct</i> impacts of mining developments are not just inside the LGA boundary within which they are situated; direct impacts can occur on neighbouring LGAs and this needs to be taken into account.</p> <p>The Associations therefore strongly support the development of a cumulative impact assessment methodology based on the significant work of the Namoi Catchment Management Authority in developing its proposed methodology for calculating and managing the cumulative risks to environmental assets from mining.</p> <p>Refer also to sections 1d and 2iv of this submission.</p>

				We request that Local Government be engaged as part of its development.
7.2	Require all new coal mines and applications seeking to modify existing approvals to benchmark their proposals against best management practice defined in the NSW Coal Mining Benchmarking Study: International Best Practice Measures to Prevent and/or Minimise Emissions of Particulate Matter from Coal Mining (2011) and ensure they incorporate all reasonable and feasible measures to reduce their dust emissions. Director-General's requirements and development assessments will reflect these requirements.	Department of Planning and Infrastructure	Immediate / Ongoing	Local Government supports this action.
7.3	Continue to place legally binding pollution reduction programs on all existing coal mines requiring them to assess their current operations against best management practice and ensure they are using all reasonable and feasible measures to reduce their dust emissions.	Environment Protection Authority	Immediate / Ongoing	Local Government supports this action.
7.4	Progressively establish a regional air monitoring network in the New England North West as mining activity increases. The network will be established using the Upper Hunter Air Quality Monitoring Network model. Network design will be conducted in consultation with local communities, with an initial focus of obtaining baseline data in population centres.	Environment Protection Authority Office of Environment and Heritage	Commence consultation April 2012	Councils fully support this initiative, although it may have some resource or role impacts on Local Government. The Associations understand that the air quality monitoring system in the Upper Hunter has had some positive outcomes and received universal support.
7.5	Commence review of the Industrial Noise Policy, including consultation with all key stakeholders, and consider a wide range of options for addressing noise impacts from emerging mining precincts within rural areas.	Environment Protection Authority	Commence July 2012	Rail noise (including horn noise at level crossings) is a concern to residents, land owners and communities in small and larger townships within the region, particularly with rail traffic increasing exponentially in recent years. The Associations note that the NSW Government (Office of Environment and Heritage) has recently conducted public consultation on Draft Rail Infrastructure Noise Guidelines. Stakeholder submissions on these guidelines will be pertinent to the proposed review of the Industrial Noise Policy. Local Government supports any consistent-inter-agency policy initiatives which facilitate the appropriate management and mitigation of rail noise at the planning approval stage for mining and CSG developments.
7.6	Review the Synoptic Plan: Integrated Landscapes for Coal Mine Rehabilitation in the Hunter Valley of NSW (1999) in consultation with government agencies, the NSW Minerals Council and community stakeholders and consider expanding the plan to include the New England North West region.	Department of Planning and Infrastructure	December 2012	Local Government supports this initiative, although it may have some resource implications. Mines need to put greater effort into rehabilitation to ensure that landscapes can be returned to their previous land uses. 'Naturalistic' rehabilitation is not necessarily the best end use of the land. Mines need to investigate developing partnerships for rehabilitation (e.g. plantation production / reuse of effluent etc).
7.7	Review the Guidelines for Establishing and Operating Community Consultative Committees for Mining Projects (2007) in consultation with government agencies, the NSW	Department of Planning and Infrastructure	December 2012	Local Government expects to be a key stakeholder in the review of the Guidelines for Establishing and Operating Community Consultative Committees for Mining Projects

	Minerals Council and community stakeholders to ensure that it remains relevant and reflects best practice.			(2007). The guidelines and their relationship with the <i>Draft Code of Practice for Coal Seam Gas Exploration and Guidelines on Community Consultation Requirements For Coal and Petroleum Exploration, Including Coal Seam Gas</i> will need to be clearly articulated. In addition all three documents should be consistent with one another, and the respective purpose and scope of each document made clear. (Refer to section 9f of this submission.)
7.8	Prepare a development assessment guideline for impacts on human health from dust generated by mining and other activities. The guideline will include maximum thresholds for both incremental and cumulative dust emissions.	NSW Health Department of Planning and Infrastructure Office of Environment and Heritage	December 2012	Local Government would expect to have an input to this review. Development Applications for mines should include a Health Impact Statement. Mine assessment should also include dust impacts on animals (e.g. cows – dairy production, animal health / pasture health).
8	Natural Environment			
8.1	Compile a biodiversity offsets database of lands currently held for conservation purposes as a result of development consents.	Department of Planning and Infrastructure	September 2012	See comment at 8.2
8.2	Complete priority offset mapping for the entire region which will be used to inform the location of proposed terrestrial biodiversity offsets through strategic planning and development assessment decisions. Offsets will be required to address similar types of vegetation or ecosystems impacted by development ('like for like or better' approach).	Office of Environment and Heritage Department of Planning and Infrastructure	Ongoing	Priority must be given to completing the offset mapping for the entire region. The mapping in the draft plan is limited to a small portion of the New England and North West Region (the Gunnedah Basin) and the 'Natural Environment' discussion has focused chiefly on the LGAs where mining and CSG activities are most likely to occur. Although councils are not a lead agency, the mapping process certainly should involve Local Government. There is already considerable concern among councils about the amount and location of offset areas and the acquisition and potential 'locking up' of rural land and shrinking productive agricultural land by resource development companies to achieve biodiversity offsets. To partially address this concern, the Associations have recommended that AIS's be required to include assessment of the impacts of offset lands on agricultural production. (Refer to section 10 of this submission for further discussion.)
8.3	Complete mapping of terrestrial and aquatic biodiversity values for the entire region.	Office of Environment and Heritage (for terrestrial biodiversity) Department of Primary Industries (Fisheries NSW) (for aquatic biodiversity)	Ongoing	See comment at 8.2.
9	Natural Hazards and Climate Change			

9.1	Ensure that local environmental plans zone areas subject to natural hazards appropriately to reflect the risks associated with the hazard and the limitations of the land.	Councils	Ongoing	This will to some degree occur in the draft LEP process however a higher level of mapping will highlight issues of this nature. Additional resources will be required by councils to support this level of analysis and incorporation of the information into LEPs.
9.2	Work with local councils and industry to develop opportunities to use waste coal mine methane to provide low emissions and potentially low cost energy for regional development.	Office of Environment and Heritage Environment Protection Authority	Ongoing	Additional specialised resources will be required and engagement with regional waste group Northern Inland Regional Waste (NIRW).
9.3	Work with local councils to identify significant renewable energy resources within local strategies and ensure compatible land uses.	Office of Environment and Heritage	Ongoing	Additional specialised resources will be required.
10	Cultural Heritage			
10.1	Prepare Aboriginal cultural heritage assessment guidelines for state significant projects to ensure early and thorough consideration of Aboriginal cultural heritage in the assessment process.	Department of Planning and Infrastructure Office of Environment and Heritage	July 2012	The NSW Aboriginal land Council and Local Government should be involved in developing these guidelines.
10.2	Compile a database of lands currently identified for cultural heritage conservation as a result of development consents, established heritage studies, ongoing assessment and statutory heritage registers. The database will be used to inform future assessments and ensure that these areas are not compromised by further development.	Department of Planning and Infrastructure Office of Environment and Heritage	September 2012	The NSW Aboriginal land Council and Local Government should be involved. The information contained in councils' community based heritage studies where available (e.g. Gunnedah) would provide valuable information.
10.3	Undertake a thematic survey of rural heritage of the historic Central Lands Division (of which this region is a part) to identify and list items of state heritage significance not currently on the state heritage register	Office of Environment and Heritage	2014	See comments in 10.2 above.
10.4	Complete the Aboriginal heritage thematic program to identify and list items of state heritage significance not currently on the state heritage register.	Office of Environment and Heritage	2014	The NSW Aboriginal land Council must be involved.
10.5	Continue landform mapping and a desktop assessment of the region for the regional assessment, to understand how Aboriginal sites, objects and places are linked to various parts of the landscape. It will be used as the basis for engagement and investigation with Aboriginal people about those values in regional planning and Environmental Impact Assessment processes.	Office of Environment and Heritage	Ongoing	See 10.4