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27 January 2016



General Manager  
Hunter & Central Coast Region  
Department of Planning & Environment  
PO Box 1226  
NEWCASTLE NSW 2300



Dear Sir/Madam

**Submission - Draft Hunter Regional Plan**

Thank you for the opportunity to provide a submission on the draft Hunter Regional Plan.

Council is pleased that the draft Plan recognises the diverse landscapes within the region and identifies four new landscape subregions, including the Western Hunter and Northern Tops, both of which impact on the diversity of our Shire.

You will be aware that Council has made representations recently to the Minister for Planning, the Honourable Rob Stokes, outlining the concerns Council has with regard to land use conflicts within the Shire. We also discussed opportunities to create more certainty for our Shire and the hope that our economic future can be assured through more surety for investors. The Minister has recommended that the start of this process was the implementation of the draft Hunter Regional Plan and that ongoing and more detailed studies would eventuate from the Plan.

In this regard, Council would like to see a comprehensive study undertaken into land use conflict in the Upper Hunter and is committed to working with the NSW Government, other agencies and local government authorities to see this realised. Such a study would allow the development of strategic planning tools such as Land Use Conflict Risk Mapping to better inform planning decisions and provide greater certainty for future land use in the Hunter Valley. Council firmly believes that a commitment should be made in the draft Plan to undertake this study.

Council recognises the importance the draft Plan for growing Hunter City plays in the overall framework for the Hunter. We would however point out that the Upper Hunter is a significant economic driver for NSW and Australia and although a focus will be on planning for growth in the Lower Hunter, the significance of the Upper Hunter to the State must not be overlooked.

Attached is commentary on various parts of the draft Plan, which we provide for your consideration and further discussion.

Also attached is a copy of Council's Position Statement on Coal and Coal Seam Gas Activities adopted by Council in March 2015. The Position Statement relates to some of the key issues covered by Goal 2 of the draft Plan and highlights the importance of managing land use conflict and providing certainty for the rural and resource industries of the Hunter.

We look forward to continued dialogue with the Department on planning a sustainable and prosperous future for our Shire.

Yours faithfully

Waid Crockett  
GENERAL MANAGER

**A Quality Rural Lifestyle - in a vibrant, caring and sustainable community**

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## UHSC Submission to draft Hunter Regional Plan – Commentary

Section	Reference / Description	Council Comment
<b>All</b>	<ul style="list-style-type: none"> <li>General Comment – Maps</li> </ul>	<ul style="list-style-type: none"> <li><b>RECOMMENDATION:</b> Maps of the Hunter region within the document should be amended to include the townships of Murrumbidgee, Aberdeenshire and Merriwa as well as regional roads. These townships and regional roads play an important role in the social and economic fabric of the Upper Hunter. The maps in their current form suggest that the Upper Hunter is more sparsely populated than is in fact the case and do not recognise the important interconnections provided by regional roads.</li> </ul>
<b>Foreword</b>	<ul style="list-style-type: none"> <li>Page 3</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> Council supports the government's recognition of the diverse landscapes within the region and the new subregional framework including the Western Hunter and Northern Tops, however it does divide our Shire into separate parts which have potentially competing objectives. Council hopes that the recognition of these areas highlights the unique character, our points of difference and the need to protect them with appropriate planning instruments as opposed to a blanket broad planning approach.</li> <li><b>NOTE:</b> It appears that the Upper Hunter Strategic Regional Land Use Plan (SRLUP) is the only document sourced for the Upper Hunter. The SRLUP now several years old (2012) and the consultation for its content was undertaken in 2010-2011. Council does not believe that the consultation undertaken at this time is relevant enough given changes during this time and particularly given a whole of Hunter approach.</li> <li><b>RECOMMENDATION:</b> Council commends the government for recognising "protecting the environment" but Council would be far more comforted by the amendment to "protecting the natural environment".</li> </ul>
<b>Vision</b>	<ul style="list-style-type: none"> <li>Page 9</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Vision statement that states the plan "will offer an array of quality lifestyles within sustainable and healthy environments."</li> </ul>
	<ul style="list-style-type: none"> <li>Page 9</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Council strongly support the Goals 1, 3 and 4 of the draft plan.</li> </ul>

	<ul style="list-style-type: none"> <li>• Goal 2 – Grow the largest regional economy in Australia - Page 9</li> </ul>	<ul style="list-style-type: none"> <li>• <b>NOTE:</b> If the intent is to "grow" the largest regional economy in Australia, Council fails to see how this will be implemented if the resource sector grows at the expense of other industries that require the land to operate? Surely as the resource sector grows it negates the growth of other sustainable industries in the long term, even with adequate foresight and intervention for a positive, diverse legacy post mining. Council would support any plan that can accomplish such an outcome, however Council remains adamant that certain areas must be afforded protection for (proven) future industry growth. It is critical that growth is managed in such a way as to minimise land use conflict to ensure that all industries can prosper and that economic diversity is maintained.</li> </ul>
	<ul style="list-style-type: none"> <li>• Structure and Operation of the Plan - Page 11</li> </ul>	<ul style="list-style-type: none"> <li>• <b>SUPPORTED:</b> Council also recognises that different parts of the region will develop in a different manner and at a different speeds and we hope that this is reflected in any future planning policies and instruments developed as a result of the Plan.</li> </ul>
	<ul style="list-style-type: none"> <li>• Delivering the Plan - Page 11</li> </ul>	<ul style="list-style-type: none"> <li>• <b>NOTE:</b> Council understands that further detail is yet to be provided and recommend that adequate consultation and acknowledgment of the community's needs are included in any legislative changes if these are to occur. It would be prudent of each Council to have its own consultative group to allow feedback and input from the local community, Council staff and local industry.</li> </ul>
	<ul style="list-style-type: none"> <li>• Delivering the Plan - Para 3, Page 11</li> </ul>	<ul style="list-style-type: none"> <li>• <b>SUPPORTED:</b> Council believes that the establishment of any feedback or committee structure would be appear rational and an acceptable course of action. Council would like to be included in any conversations or as part of the committee.</li> </ul>
	<ul style="list-style-type: none"> <li>• Establishing the Hunter Regional Plan Coordination and Monitoring Committee – Pages 11 &amp; 12</li> </ul>	<ul style="list-style-type: none"> <li>• <b>SUPPORTED:</b> Council supports the formation of this committee, however we will wait to see the Terms of Reference before making any further comment. Council notes the anticipated line items for reporting but questions why there appears to be no recent reporting on industry growth/decline (outside of the resource sector). The efficacy of planning to resolve and mitigate land use conflict which must be a premise of this plan's outcomes.</li> </ul>

	<ul style="list-style-type: none"> <li>Page 12</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Council supports a five year review as this makes the plan a "living document" and subject to change to meet the changing demands.</li> </ul>
<b>Goal 1 – Grow Australia’s Next Major City</b>		
DIRECTION 1.1	<ul style="list-style-type: none"> <li>Page 13</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED</b></li> </ul>
<b>Goal 2 – Grow the Largest Regional Economy in Australia</b>		
DIRECTION 2.1	<ul style="list-style-type: none"> <li>General comment – Page 18</li> </ul>	<ul style="list-style-type: none"> <li><b>RECOMMENDATION:</b> This section does not discuss the importance of other critical industries (including agriculture) to regional investment growth. This should be included.</li> <li><b>RECOMMENDATION:</b> The introduction of renewable energies is also a key message, which should be included in commentary throughout the plan.</li> </ul>
	<ul style="list-style-type: none"> <li>Paragraph 2, Page 18</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> This paragraph is of concern as it does not acknowledge the decline in demand of this particular fossil fuel nor does it recognise global concern for the use of fossil fuels, particularly coal. We would also question the terminology "undeveloped coal resources" as this does not acknowledge the cumulative effects already experienced within the Hunter Valley particularly around issues such as air quality.</li> </ul>
	<ul style="list-style-type: none"> <li>Paragraph 4, Page 18 - <i>"In the coming decades, the growth and diversification of the Hunter's mining and energy industries will be influenced by global and national energy demands and policies"</i></li> <li><i>It can also manage the interim use of identified lands to safeguard future access to these resources"</i></li> </ul>	<ul style="list-style-type: none"> <li><b>RECOMMENDATION:</b> This acknowledgment should have prefaced the earlier comments (e.g. para 2), not supplemented them.</li> <li><b>NOTE:</b> This may be acceptable in some areas where mining is suitable, but not all areas, hence the need for more comprehensive strategic planning.</li> </ul>

	<ul style="list-style-type: none"> <li>• Paragraph 5, Page 18 - <i>"These industries will continue to benefit from the quality of the region's natural features and systems"</i></li> <li>• <i>"More integrated planning and management of industry clusters will support their long term viability"</i></li> <li>• Bullet 3, Page 18</li> </ul>	<ul style="list-style-type: none"> <li>• <b>NOTE:</b> Not if the resource sector is grown within their immediate vicinity. It is however acknowledged by the statement 'More integrated planning and management of industry clusters will support their long term viability'</li> <li>• <b>RECOMMENDATION:</b> Council agrees with this statement but asks the government to consider future growth of these industry clusters.</li> <li>• <b>SUPPORTED:</b> Council supports the intentions listed here and suggests that a comprehensive study be undertaken into land use conflict in the Upper Hunter to facilitate improved management of competing interests.</li> </ul>
	<ul style="list-style-type: none"> <li>• Action 2.1.2 – Figure 9 – Page 30</li> </ul>	<ul style="list-style-type: none"> <li>• <b>RECOMMENDATION:</b> The current Critical Industry Clusters although mapped, they do not allow for growth outside of the identified areas. An allowance for growth would create certainty for industry.</li> </ul>
	<ul style="list-style-type: none"> <li>• Action 2.1.2 - Page 29</li> <li>• Action 2.1.2 - Page 32</li> </ul>	<ul style="list-style-type: none"> <li>• <b>NOTE:</b> A report commissioned by the NSW Planning Assessment Commission into the potential impacts of the proposed Drayton South Coal Project on Coolmore and Woodlands Horse Studs found that large thoroughbred horse studs and open-cut coal mining are incompatible land uses and cannot co-exist in close proximity to one another. In view of these findings, it is considered that more comprehensive strategic land use planning needs to be undertaken to provide these industries with greater certainty and to ensure that well-established, sustainable businesses such as thoroughbred horse studs are afforded the highest level of protection. Council is of the view that land use buffers and exclusion zones are the most effective means of dealing with land use conflict.</li> <li>• <b>RECOMMENDATION:</b> In order to provide greater protection and investment certainty for the region's important primary industries, Council would like to see a comprehensive study undertaken into land use conflict in the Upper Hunter. Council is committed to working with the NSW Government, other agencies and local government authorities to see this realised. Such a study would allow the development of</li> </ul>

		<p>strategic planning tools such as Land Use Conflict Risk Mapping to better inform planning decisions and provide greater certainty for future land use in the Hunter Valley. Accordingly, Action 2.1.2 should be amended to include the following commitment:</p> <p><i>'the NSW Government will:</i></p> <ul style="list-style-type: none"> <li><i>work with local councils and industry to undertake a comprehensive study into land use conflict in the Upper Hunter including the development of strategic planning tools such as Land Use Conflict Risk Mapping to better inform planning decisions and provide greater certainty for future land use.'</i></li> </ul>
	<ul style="list-style-type: none"> <li>Bullet 1, Page 32 (Blue Section)</li> <li>Bullet 2, Page 32 (Blue Section)</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> Council believes the current Gateway process is inadequate as reflected in the Planning Assessment Commission's determination of the Drayton South Coal Project.</li> <li><b>SUPPORTED:</b> This has been a positive action that has lifted the community's spirits.</li> </ul>
	<ul style="list-style-type: none"> <li>Action 2.1.2 - Bullet 1, Page 32 - "Work with industry to develop and maintain sector-specific considerations for the viticulture, equine and oyster aquaculture industries, to guide strategic land use planning and approvals processes"</li> <li>Bullet 2, Page 32 - "Provide the right regulatory environment to prioritise the protection of strategic agricultural lands"</li> <li>Bullet 3, Page 32 - "Refine and enhance biophysical strategic agricultural land mapping to reflect updated data"</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Sector-specific consideration is a very big step in the right direction.</li> <li><b>SUPPORTED</b></li> <li><b>NOTE:</b> We are unsure of what this means exactly and would like to know more about the diagnostics testing and classification matrix that will be used for final determination?</li> </ul>

	<ul style="list-style-type: none"> <li>Action 2.1.3 - Bullet 2, Page 33</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Council agrees that the development and maintenance of a region-wide database of important agricultural lands would be highly desirable.</li> </ul>
DIRECTION 2.2	<ul style="list-style-type: none"> <li>Page 33</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED</b></li> </ul>
DIRECTION 2.3	<ul style="list-style-type: none"> <li>Page 36</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED</b></li> </ul>
DIRECTION 2.4	<ul style="list-style-type: none"> <li>Para 1, Page 38 - <i>"This draft Plan identifies strategic locations and priorities for protecting energy and mineral resource lands"</i></li> <li>Top of Page 39 " ... establishing clear parameters and transparent processes to support new development"</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> If we are to protect these items then we need an up-front and overarching policy that dictates what can and cannot be done with the land so that there is no misinterpretation about what the future may hold.</li> <li><b>NOTE:</b> Noted but where is the solution? Current parameters and transparent processes have proved unworkable, open to interpretation and do not provide sufficient certainty of an outcome.</li> </ul>
	<ul style="list-style-type: none"> <li>Para 4, Page 39 Blue Box – Draft Strategic Release Framework for Coal and Petroleum</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> If this gives certainty, whether in favour of a development or against it, we approve the up-front assessments.</li> </ul>
	<ul style="list-style-type: none"> <li>Action 2.4.1 - Para 1, Page 39</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> Some activities are not temporary and have perpetual residual effects, e.g. voids, water table disruption and the disruption or even the wiping out of communities.</li> </ul>
	<ul style="list-style-type: none"> <li>Action 2.4.3 - Page 41 - <i>"Biosecurity risks can often be minimised through appropriate land zoning as well as by applying buffers to separate different land uses by distance, vegetation or topography"</i></li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> This same principle should be applied to the management of land use conflict.</li> </ul>

	<ul style="list-style-type: none"> <li>• <i>"Promote the application of buffer areas to minimise biosecurity risks when assessing the potential impacts of new development"</i></li> </ul>	
	<ul style="list-style-type: none"> <li>• Action 2.4.4 - Page 41</li> </ul>	<ul style="list-style-type: none"> <li>• <b>NOTE:</b> If adequate parameters are given and early enough in the process, a lot of the conflicts may never arise.</li> <li>• <b>RECOMMENDATION:</b> Council would like to see a comprehensive study undertaken into land use conflict in the Upper Hunter to allow the development of strategic planning tools such as Land Use Conflict Risk Mapping to better inform planning decisions regarding mining projects and provide greater certainty for future land use in the Hunter Valley. Accordingly, Action 2.4.4 should be amended to include the following commitment:  <i>'the NSW Government will:</i> <ul style="list-style-type: none"> <li>• <i>work with local Council's and industry to undertake a comprehensive study into land use conflict in the Upper Hunter including the development of strategic planning tools such as Land Use Conflict Risk Mapping to better inform planning decisions and provide greater certainty for future land use.'</i></li> </ul> </li> <li>• <b>NOTE:</b> This assumes that the environment may be destroyed, often in perpetuity, and is of less social and environmental worth than the short term financial gain - this is an uncomfortable presumption from Councils point of view.</li> </ul>
	<ul style="list-style-type: none"> <li>• Page 43 - <i>"Improving mechanisms to protect biodiversity and manage offsets in mining areas, as demonstrated by the strategic biodiversity assessment of proposed mines in the Upper Hunter"</i></li> </ul>	



	<ul style="list-style-type: none"> <li>Page 43 - "The NSW Government will develop a cumulative impact assessment methodology to manage the cumulative health and amenity impacts of all relevant activities (including mining) and coal seam gas proposals"</li> <li>Page 43 - "The NSW Government will investigate appropriate methods for encouraging best-practice rehabilitation and visual impact management for closed mines; and"</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Council strongly supports the development of a cumulative impact assessment methodology. Recognition of the cumulative impacts of mining proposals is long overdue.</li> <li><b>NOTE:</b> Greater consideration needs to be given to the final use of land following the end of mine life.</li> <li><b>RECOMMENDATION:</b> 'Investigate appropriate methods for encouraging sustainable and appropriate land uses, best-practice rehabilitation and visual impact management for closed mines; and'</li> </ul>
<b>Goal 3 – Protect and Connect Natural Environments</b>		
DIRECTION 3.1	<ul style="list-style-type: none"> <li>Page 45</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Council supports the protection of areas of high conservation value.</li> </ul>
	<ul style="list-style-type: none"> <li>Action 3.1.1 - Page 51</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> Council is aware of the work completed by Hunter Councils in relation to the reliability and accuracy of biodiversity mapping prepared by the NSW Government (OEH) for the Hunter Valley. Verification of this mapping needs to be undertaken as a matter of priority.</li> </ul>
DIRECTION 3.2	<ul style="list-style-type: none"> <li>Page 57</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED:</b> Council strongly supports actions to protect and secure water supplies and their catchments.</li> </ul>
<b>Goal 4 – Support robust regional communities.</b>		
DIRECTION 4.1	<ul style="list-style-type: none"> <li>Page 63</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED</b></li> </ul>

DIRECTION 4.2	<ul style="list-style-type: none"> <li>Action 4.2.3 - Page 67</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> Council supports the preparation of local housing strategies to identify the housing needs of the community. Financial assistance should be made available by the State Government to help cover the cost of preparing such strategies.</li> </ul>
DIRECTION 4.3	<ul style="list-style-type: none"> <li>Page 71</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED</b></li> </ul>
DIRECTION 4.4	<ul style="list-style-type: none"> <li>Page 75</li> </ul>	<ul style="list-style-type: none"> <li><b>SUPPORTED</b></li> </ul>
<b>The Hunter's Landscape Subregions</b>		
	<ul style="list-style-type: none"> <li>Page 77</li> </ul>	<ul style="list-style-type: none"> <li><b>NOTE:</b> Council supports the government's recognition of the diverse landscapes within the region and the new subregional framework including the Western Hunter and Northern Tops, however it does divide our Shire into separate parts which have potentially competing objectives. Council hopes that the recognition of these areas highlights the unique character, our points of difference and the need to protect them with appropriate planning instruments as opposed to a blanket broad planning approach.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 79 - 83 – Western Hunter and Northern Tops</li> </ul>	<ul style="list-style-type: none"> <li><b>RECOMMENDATION:</b> The Western Hunter and Northern Tops covers the Western and Eastern parts of the Upper Hunter Shire however there appears to be inconsistencies between the points relating to industry in either parts of the plan. For instance "<i>sustainable agribusiness, including the Hunter's world-class horse thoroughbred breeding industry based around Scone</i>". This statement does not exist in the Western Hunter area, but it should as a large part of the CIC is in this area.</li> </ul>



## **Position Statement Coal and Coal Seam Gas Activities March 2015**

### ***Council Vision:***

***"A Quality Rural Lifestyle in a Vibrant, Caring and Sustainable Community"***

Council is committed to:

- Protecting the Shire's prime agricultural land, surface and groundwater resources and air quality, by opposing coal mining and at this time, Coal Seam Gas (CSG) exploration and extraction activities within the Shire.
- Protecting the Shire's agricultural and equine industries from any negative impact of extractive industries by opposing coal mining and at this time, CSG exploration and extraction activities within the Shire.
- Protecting our unique identity based around "the Horse Capital of Australia".
- Protecting our clean and green identity as a unique point of difference in attracting industry, tourism and residents to the area.
- Protecting the community's health, amenity, social and emotional well-being in keeping with its vision of a "quality rural lifestyle in a caring and thriving community".
- Protecting the wider equine industry and therefore the gazetted Equine Critical Industry Cluster in our region by opposing coal mining developments that have the potential to adversely impact upon those major thoroughbred breeding farms located outside the Shire.
- Providing a certain investment future for all sustainable industries, especially agriculture and the jobs that support and grow our unique reputation and identity.

## **SUPPORTING INFORMATION**

In updating its Position Statement, Council acknowledges the release of the following reviews and plans:

- The NSW Chief Scientist's Final Report of the Independent Review of Coal Seam Gas Activities in NSW (2014),
- NSW Gas Plan by the NSW State Government (2014) and
- Upper Hunter Strategic Regional Land Use Plan (2012)

Council recognises that it is not:

- The consent authority for mining or CSG developments,
- The regulator of either the mining or CSG industries,
- The issuer of Exploration, Petroleum Exploration or Environmental Protection Licenses, or Assessment Leases.

## **PART A**

In preparing the position statement, Council considered the following:

1. The Upper Hunter Shire Council (UHSC) recognises that the dominant land use in the Shire is agriculture (most notably the beef and equine industries ) and further recognises its role as custodian and guardian of all its established rural enterprises, our unique 150 year old identity based around "the Horse Capital of Australia", the critical mass of thoroughbred breeding ventures and interrelated services located within the Shire and the pristine natural environment which supports those industries and enhances the Shire as a preferred place to live and work.
2. The Upper Hunter Shire Council encourages the development of renewable energy projects and industries that are compatible with the Shire's objective of sustainable growth, reflect community attitudes and complement established sustainable industries.
3. The Upper Hunter Shire currently has the expired Assessment Lease 19 (Muswellbrook Coal Company) partially within it, current Authority 256 (Anglo American), the Dartbrook underground coal mine (in care and maintenance mode) partially within it, expired Exploration Licences 5306 and 5888 (Bickham Coal Company) wholly within it and current Petroleum Exploration Licences 4 (AGL) and 456 (Santos) both partially within it.
4. The Upper Hunter Shire Council supports the conclusion of the Bickham PAC Report 2010,

*"That open-cut mining and a viable international scale thoroughbred breeding enterprise are incompatible land-uses"*

and repeats its call on the State Government to initiate an exclusion zone to ring fence and protect the equine industry from land conflict with coal mining. This type of "Land Zoning" has been afforded to other "internationally recognised centres of thoroughbred breeding excellence" as recognised in the expert advice from Mr. Terry Short to the NSW Planning Assessment Commission (Drayton South Coal Project Review Report – Appendix 4 part 3.4 "Global equine cluster case studies"). Regions in Kentucky-USA, Newmarket-England and Lower Normandy-France have all had planning instruments developed that ensure the protection of their agricultural industries and environmental amenity from the imposition of all conflicting developments.

5. The UHSC supports the conclusion of the Drayton South Final Determination PAC Report:

*"On the evidence the Commission agrees that Coolmore and Darley Studs are at the 'epicentre' of the thoroughbred breeding industry in NSW and Australia. They are 'pivotal' to the sustainability of the Upper Hunter Critical Industry Cluster [CIC] because of their size and market share. They are the largest international scale thoroughbred studs in Australia and have economic and reputational significance to the region, NSW and Australia. The commission supports the recommendation of the PAC Review and the Gateway Panel report that both studs should be afforded the highest level of protection".*

Council recognises that these major industry representatives, although contained within our neighbouring Shire, are integral components that make up the critical mass of what has been recognised by the NSW State government as the Hunter Equine Critical Industry Clusters contained within the Upper Hunter and Muswellbrook Local Government Area's.

6. The UHSC broadly but cautiously welcomes the NSW Chief Scientist's *Review of Coal Seam Gas Activities in NSW* as a reasoned step forward. The Chief Scientist concluded:

*"That the technical challenges and risks posed by the CSG industry can in general be managed through:*

- careful designation of areas appropriate in geological and land-use terms for CSG extraction*
- high standards of engineering and professionalism in CSG companies*
- creation of a State Whole-of-Environment Data Repository so that data from CSG industry operations can be interrogated as needed and in the context of the wider environment*
- comprehensive monitoring of CSG operations with ongoing automatic scrutiny of the resulting data*
- a well-trained and certified workforce, and*
- application of new technological developments as they become available".*

7. The UHSC supports the ban on CSG activities within the Equine CIC (existing), urban areas and surrounding buffer zones (existing) and National Parks [proposed] and notes that a significant proportion of the Shire is therefore already off-limits to the CSG industry.

8. The UHSC notes the following comments from the Chief Scientist's Review:

- careful designation of areas appropriate in geological and land-use terms for CSG extraction [page iv]*
- there is still considerable uncertainty associated with the development of any new resource province. Currently CSG activities tend to be considered mainly at a site-specific level. A better understanding of the industry impacts at scale and over time is needed. [page 10]*
- More detailed knowledge of the structure and composition (especially regarding hydrogeology) of the sedimentary basins is needed . . . [page10]*
- There is a need to understand better the nature of risk of pollution or other potential short- or long-term environmental damage from CSG and related operations . . . [page 10]*
- The Review studied the risks associated with the CSG industry in depth and concludes that – provided drilling is allowed only in areas where the geology and*

*hydrogeology can be characterised adequately, and provided that appropriate engineering and scientific solutions are in place to manage the storage, transport, reuse or disposal of produced water and salts – the risks associated with CSG exploration and production can be managed. That said, current risk management needs improvement to reach best practice. [page 10]*

- In particularly sensitive areas, such as in and near drinking water catchments, risk management needs to be of a high order with particularly stringent requirements on companies operating there in terms of management, data provision, insurance cover, and incident-response times. [page 10]*
- All industries have risks and, like any other, it is inevitable that the CSG industry will have some unintended consequences, including as the result of accidents, human error, and natural disasters". [page11]*

After careful consideration of the above, the UHSC cannot at this point in time, support any further CSG exploration or extraction activity within the Shire. The 'learning-by-doing' approach is simply not appropriate and poses too great a risk for "sensitive areas" such as our Shire, which has:

- An acknowledged and as yet unquantified - possibly unquantifiable - level of geological and hydrogeological complexity,*
  - Is an area that takes in all of the Upper Hunter Catchment and also much of the catchment of the Hunter River's main tributary, the Goulburn River.*
  - A range of sustainable existing rural industries and communities that are reliant on the region's surface and groundwater resources.*
9. The UHSC will maintain this precautionary approach until such time as the CSG industry has proven itself to be safe, reliable and trustworthy, and until such time as the NSW Gas Plan has shown that it is delivering a safe, properly licensed, effectively regulated industry that is of benefit to the public of NSW.
10. The UHSC notes the Chief Scientist's report "Placement of monitoring equipment for water resources in NSW" June 2014 and broadly recognises the merits of the 5 step process recommended by the report:

*"That Government establish a formal process consisting of five parallel but interacting steps. The five steps are:*

- Companies or organisations seeking to mine, extract CSG or irrigate as part of their initial and ongoing approvals processes should, in concert with the appropriate regulator, identify impacts to water resources, their pathways, their consequence and their likelihood, as well as the baseline conditions before activities start. Appropriate monitoring to detect these possible risks should then be installed.*
- Data from these monitors should be deposited (in as close to real time as possible) in the State Environment Data Repository and continuously interrogated by intelligent software looking for:*
  - evidence of likely risks or even of discontinuities. The relevant companies or organisations would need to review the data and data analysis on a regular basis and provide a risk assessment report to government, especially highlighting any alerts or anomalies. They would also need to respond immediately to any significant alert.*

- *confirmation of predictions made in approved plans. If the impacts of activities significantly depart from those predicted and approved, the regulator and the company would be alerted.*
- *In a separate process, an expert committee should examine all data relevant to a region or a sedimentary basin on a frequent basis, using data from a range of sources (the companies' monitoring data along with triangulation/cross-validation data such as that from satellites, reports from local councils, seismic data, etc.) to check for any other signs of problems in that region and, if any are found, recommend to government that appropriate action be taken with regard to the relevant actors.*
- *In parallel, government should construct and maintain a variety of models of each region and in particular one that seeks to address cumulative impact along the lines of that constructed in Queensland. These should feed into the planning and approvals process.*
- *Also in parallel, government should commission formal scientific characterisation of in New South Wales groundwater.*

*These steps would not be independent but rather would mutually inform each other. This process should be overseen by an appropriate governance body such as an expertise- based, independent statutory authority (possibly called the NSW Water Resources Impacts Commission) that can bring together regulatory and technical oversight, research and development ability, and the necessary information and communication technology prowess”.*

The UHSC is of the view that given the significant level of community mistrust with CSG companies, those companies should not be involved in the collection and collation of data outlined in step one above, and that that role should be undertaken by the NSW Office of Water and perhaps paid for by the CSG industry. Building trust in the community will take time and can only be achieved through an independent, expert and rigorous appraisal of the water resources the community and rural industries rely upon.

The UHSC believes that the 5 step process should occur prior to the granting of exploration licences and should inform the decision of which areas are, and are not, suitable for CSG exploration and extraction.

Council understands that in order to obtain base-line data, from time to time surveying and monitoring may need to be undertaken to ensure the protection of surrounding areas.

## **PART B**

Endorse and actively pursue the following objectives for Coal Mining, Exploration and Transportation:

1. Council remains of the view that exclusion zones remain the simplest and most effective means of easing land use tensions, offering protection to sustainable agricultural industries from the impacts of mining, providing greater certainty to all industries and providing for an economically diverse range of industries.
2. To ensure that any proposed expansion outside the exclusion zones incorporate the principals of cumulative impact assessments, improved regulations, more robust monitoring and control and development of regional plans to provide a strategic

framework within which assessments of individual resource development proposals can be made.

3. To ensure thorough assessment of social, economic and environmental impacts, together with community health and human well-being, are carried out for individual resource development proposals and that the cumulative impacts of the proposal together with other unrelated projects are considered accordingly.
4. The UHSC remains of the view that the Exploration Licences 5306 and 5888 of the Bickham Coal Company, which expired in May 2012, should not be renewed and repeats its call on the State Government to gazette their non-renewal.
5. To enable local government to negotiate suitable compensation in order to address impacts and stress placed on local infrastructure and that a proportion of the royalties paid to State and Federal Government by companies be paid to relevant local government authorities in order to address these impacts. The UHSC notes that it has not received any funding at all under the Royalties for Regions scheme.
6. To require the submission of a Social Impact Statement for all exploration and production licence applications to enable a thorough assessment of the proposed development and its impact on the health and general well-being of local residents.
7. To require the covering of all coal wagons or to use coal-veneering on all coal loads moving through the Shire to protect the health and general well-being of local residents, particularly those living on the rail corridor.

Council's Additional Objectives for CSG Exploration and Extraction include:

1. The UHSC supports current legislation prohibiting CSG exploration and extraction within the mapped Critical Industry Clusters and around populated areas and their buffer zones. Council also supports the proposed ban on CSG exploration and extraction within National Parks.
2. To support the rights of Landholders in relation to the granting of access to their landholdings to CSG explorers. Landholders must have the right to deny or permit access to their property. Council commends AGL and Santos on their Memorandum of Understanding formed with the NSW Farmers Assoc., Cotton Aust. and NSW Irrigators which declares that they will not enforce arbitration over land access for CSG operations, nor will they drill without landholder consent. Council urges the State Government to make such an agreement mandatory and binding for all CSG companies through legislation.
3. To support ongoing investigation into appropriate methods of treating, storing and transportation of the waste materials, including salt, produced from the extraction process and to have an environmentally sustainable solution prior to any CSG production commencing.
4. To support the NSW Government's policy for Aquifer Interference Regulations being an integral component for both exploration and extraction proposals for CSG.