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MEDIA RELEASE

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GOVERNMENT UNVEILS NEW PROTECTIONS FOR AGRICULTURAL LAND

For the first time in the State's history, the NSW Government is protecting prime agricultural land and water resources while providing greater certainty for landholders and the resources industry.

The Strategic Regional Land Use Policy released today includes 27 new measures designed to provide greater protections for farmers and to better balance competing land uses.

Minister for Planning Brad Hazzard said the package of initiatives provides comprehensive protection for valuable agricultural land and water resources, while allowing for the responsible development of the State's resources.

"The previous Labor government failed to protect our valuable agricultural land or deliver certainty for the resources industry. Since last year's election, we have been working hard to strike the right balance to protect agricultural land, water and the environment, and believe this policy achieves that balance," Mr Hazzard said.

The Policy, which has been the subject of extensive community and stakeholder engagement, extends well beyond the NSW Liberals & Nationals' pre-election commitments.

The Strategic Regional Land Use Policy achieves protection and balance through:

- Identification of **Strategic Agricultural Land** so that proposed projects must go through the new **Gateway process**, an independent, scientific and upfront assessment of the impacts of mining and CSG production proposals;
- A new **Land and Water Commissioner** to restore community confidence in the processes governing exploration activities in NSW and to oversee land access agreements between landholders and miners;
- An **Aquifer Interference Policy** that uses science to assess and protect water resources across the entire State;
- The requirement for an **Agricultural Impact Statement** as part of the assessment of exploration proposals;
- New **Codes of Practice** for the coal seam gas (CSG) industry, covering well drilling standards and hydraulic fracturing;
- Standard land access agreements to ensure fair outcomes for landowners;
- Additional compliance resources (40 positions) to ensure the tough new standards are met; and
- CSG producers to invest in local communities through **Regional Community Funds**.

Mr Hazzard said that changes to the Policy had been made following an extensive period of consultation during which over 2,000 submissions were received and over 1,100 people attended public forums and information sessions.

Key changes made following the release of the draft Strategic Regional Land Use Policy and consultation with farmers, the resources industry, councils, environmental groups and local communities also include:

- The Aquifer Interference Policy now applies statewide and is no longer restricted to Strategic Agricultural Land.

- The “exceptional circumstances” provision that would have allowed certain mining or CSG projects to bypass the Gateway has been scrapped.
- The amount of Strategic Agricultural Land mapped for protection in the Upper Hunter and New England North West regions has increased by 670,000 hectares to over two million hectares.
- The amount of Biophysical Strategic Agricultural Land in the New England North West region has been increased by a significant 60 per cent. Some land with moderate soil fertility has been included, which captures the important cotton producing areas around Gunnedah, Moree and Narrabri.
- In the Upper Hunter, the Viticulture Critical Industry Cluster has increased from 53,292 ha to 107,135 ha, and the Equine Critical Industry Cluster has increased from 183,452 ha to 233,286 ha. In response to submissions, the Viticulture Critical Industry Cluster now includes grape growing areas around Denman and the criteria for the Equine Critical Industry Cluster now includes land up to 18 degrees in slope.

“Recognising that mining operations require investment certainty, the Gateway process will focus on proposals which extend beyond the boundaries of an existing mining lease or where a new lease is required,” Mr Hazzard said.

“All mining proposals, whether subject to the Gateway or not, will still go through a full merit assessment process – including community consultation – when they lodge a development application.”

Over two million hectares of Strategic Agricultural Land has already been identified across the Upper Hunter and New England North West regions, with mapping of the Central West and Southern Highlands underway and other areas of the State, including the North Coast, also to be mapped.

Minister for Resources and Energy Chris Hartcher said, “We have spent the last 16 months introducing stringent new controls to regulate the industry and have considered feedback from the consultation process before any coal seam gas exploration licences are renewed.”

With the CSG industry now subject to the strictest controls in Australia, the Government will commence the exploration licence renewals process by making offers of renewal to a number of CSG companies across the State.

NSW Deputy Premier Andrew Stoner said the creation of a new Land and Water Commissioner to oversee the regulation of exploration activity right across the State, the creation of Regional Community Funds and the removal of the royalty holiday for CSG producers would restore community confidence in the processes governing CSG exploration and production activities.

“The Commissioner will provide independent advice to the community regarding exploration activities and will facilitate greater consultation between Government, the community and industry,” Mr Stoner said.

“The Strategic Regional Land Use Policy empowers landholders and communities, particularly in relation to exploration activity, and requires the mining and coal seam gas industries across NSW to meet higher standards.

“I would like to thank the farmers, miners, vignerons, horse stud owners and many other stakeholders who have contributed to the development of these policies, which sees NSW now boast the strongest regulation of coal seam gas exploration in Australia.”

Minister for Primary Industries Katrina Hodgkinson said, “The Aquifer Interference Policy is a critical step to protect our valuable groundwater systems from potential impacts of mining and coal seam gas exploration and extraction. This Policy works hand-in-glove with the Strategic Regional Land Use Policy to ensure we have the best available science and information protecting our water.”

The Strategic Regional Land Use Policy, Upper Hunter & New England North West Plans and Maps, Aquifer Interference Policy, CSG Codes of Practice, fact sheets and frequently asked questions are available online at www.nsw.gov.au/strategicregionallanduse. The list of proposed offers of renewal is available at <http://www.resources.nsw.gov.au/titles/status-reports>.

Protecting Our Land and Water

BEFORE MARCH 2011	UNDER THE STRATEGIC REGIONAL LAND USE POLICY
Exploration initiatives	
Handed out CSG exploration licences resulting in them now covering 23.7% of the state	Have issued no new CSG exploration licences until adequate protections for our land and water are in place
No advocate for landholders	Appointment of a Land & Water Commissioner to restore confidence in the exploration process
Regulators under-resourced No Government 'shop fronts' in regional areas	Creation of 40 new positions to meet increased assessment, compliance and community liaison functions, with most of these positions located in regional NSW
	State-wide audit of all CSG exploration licences
	Increased fines for breaches of requirements under the Petroleum Act to ensure that companies are held responsible for unauthorised activity including damage to private or Crown land
	Reviewing security bonds currently held by Government
No transparency of the exploration licence grant and renewal process	Implemented a public comment process for exploration licence applications
	The release of updated, improved environmental assessment guidelines for exploration activities
No transparency of the exploration activity approval process	Review of Environmental Factors and approval documents published on the Division of Resources and Energy website
No protection of agricultural land	Required impacts on valuable agricultural land to be carefully assessed at the exploration stage through an Agricultural Impact Statement
	Introduced an industry levy to fund improved enforcement functions, as well as assessment, approvals and communication capabilities
Planning initiatives	
No comprehensive mapping of prime agricultural land	The development and verification of strategic agricultural land mapping across the State
No recognition of the value of regional industries such as viticulture or equine breeding	Creation and verification of 'Critical Industry Clusters' to provide additional protections from the impacts of mining to key regional industries

Strategic Regional Land Use Policy



BEFORE MARCH 2011	UNDER THE STRATEGIC REGIONAL LAND USE POLICY
No expert overview of CSG or mining proposals	Introduced an independent upfront and scientific assessment known as the "Gateway" for mining and CSG proposals on strategic agricultural land
	Co-operation with the Commonwealth Government's independent expert scientific committee (IESC)
	Required groups of more than five CSG exploration wells to go through a detailed planning assessment process following public consultation
CSG initiatives	
Fracking allowed with no restrictions at all	Moratorium on fracking in place while a world-best practice Code of Practice was independently verified by the Chief Scientist & Engineer
5-year royalty holiday for CSG producers	Removal of royalty holiday
No minimum standards for well integrity	Code of Practice for CSG well integrity independently verified by the Chief Scientist & Engineer
No framework to support landholders' rights	Code of Practice for CSG explorers to ensure strong standards are set for industry during the exploration phase, including community consultation requirements
	Preparation of standard land access agreements with key stakeholders and a new mediation process
	The publication of median compensation payments
No restrictions on evaporation ponds, using considerable expanses of agricultural land & failing to utilise the value of the water.	Banned the use of evaporation ponds to encourage water treatment and beneficial re-use
No restrictions on use of BTEX chemicals, which could pollute aquifers	Banned the use of BTEX chemicals in drilling and hydraulic fracturing
No direct benefits for 'host' communities	Regional Community Funds so local communities receive a share of their region's assets
Aquifer protection initiatives	
No specific protection for aquifers	Introduced an Aquifer Interference Policy to ensure water sources across NSW are provided with an unprecedented level of protection
No accountability for water taken by certain activities that may interfere with aquifers	Water access licence required for extraction of more than 3 megalitres per year from groundwater sources