

The NSW Liberals & Nationals Strategic Regional Land Use Policy

The NSW Liberals & Nationals believe in the potential of regional NSW. Regional NSW will play a central role in our plan to Make NSW Number One Again.

Regional NSW contributes more than its fair share to the NSW economy through industries like mining and petroleum, agriculture and tourism. The future of regional NSW depends on a diversified economy, and the successful balanced existence of these industries.

Some areas of regional NSW are experiencing significant growth in the coal and coal seam gas industries, leading to increasing land use conflict. This growth presents an opportunity to create more jobs and economic benefits in regional areas. A lack of planning by successive NSW Labor Governments has meant that regional communities are unsure about what impact this growth will have on the environment, agricultural land, water resources and the community. The growth in regional areas needs to be better planned to ensure that businesses and the community can have confidence about what the future holds.

The NSW Liberals and Nationals believe in a triple bottom line approach to development. This will achieve a better balance in the growth of regional areas through a combination of:

1. strategic land use planning to better understand the constraints to, and opportunities for growth;
2. reforms to the planning assessment process to improve monitoring, compliance and cumulative impact assessment;
3. reforms to mining and coal seam gas legislation to protect strategic agricultural land and associated water resources; and
4. tougher planning assessments while strategic land use plans and planning reforms are developed.

This approach will ensure that regional NSW can enjoy the benefits of economic growth while maintaining our critical agricultural and environmental assets.

Strategic land use planning in regional areas

The NSW Liberals and Nationals will prepare strategic land use plans for the State on a regional basis, using a multi layered approach. The plans will initially focus on those areas that will be the target of increasing activity in the coal and coal seam gas industries.

Ahead of the granting of an Exploration Licence, Strategic land use planning is the process that will be used for identifying and defining land use priorities for different areas of land within a region. It will provide the community with certainty about how a region can be expected to change over time, and provide a clear indication of what type of development will be suitable in different areas. The process will identify the best places for agriculture, mining, coal seam gas extraction, viticulture, thoroughbred breeding, conservation, urban development and all other types of land uses in regional areas. It will provide certainty to local communities that cumulative impacts are being taken into account, effects on Regional

Tourism and about how close mining will come to their towns and what effect that proximity will have.

Strategic land use plans will be prepared using triple bottom line assessments of the environmental, social and economic values in regional areas. These assessments will inform our decisions about the best way to use land and identify the environmental, social and economic values that need to be protected. In some cases, this will involve trade-offs between two land uses competing to use the same area of land.

A key part of the strategic land use planning process will be to identify strategic agricultural land and associated water and ensure that it is protected from the impacts of development. Strategic agricultural land is a finite resource that must be conserved into the future to ensure future food security. It will be identified using a triple bottom line assessment of the environmental, social and economic characteristics of the area.

The NSW Liberals and Nationals believe that agricultural land and other sensitive areas exist in NSW where mining and coal seam gas extraction should not occur. There are other areas where mining and coal seam gas extraction are suitable and should be pursued following a tough assessment of potential impacts. Strategic land use plans will set the framework within which future development will be assessed.

Transitional arrangements

The preparation of strategic regional land use plans and the implementation of planning reforms will take time. The NSW Liberals and Nationals recognise, however, there is an immediate need to strengthen the assessment of mining and coal seam gas extraction impacts on agricultural land and water resources to ensure that these valuable resources have a much greater protection than is currently available in the interim.

Immediately following the election, the NSW Liberals and Nationals will introduce a period of tougher assessment, taking a precautionary approach. This may well be tougher than the final solution, but has to be to provide the necessary protection expected during the reform process. Whilst we don't believe in a blanket moratorium on all new mining and petroleum projects across the state, the NSW Liberals & Nationals believe the transition period will provide a method which will allow time for people to pause and catch their breath.

The transitional period will include:

1. Greater caution in granting exploration licences- The NSW Liberals & Nationals will implement a precautionary approach to consider the appropriateness of an area for future mining when releasing new exploration licence tenders for coal and coal seam gas. The granting of exploration licences will be made more transparent and the community will be given a say on coal and coal seam gas exploration licence applications.
2. Explicit agricultural impact assessments – All new mining and petroleum project applications will be required to undertake explicit agricultural productivity impact assessments as part of their environmental impact statement. During the transitional period, on strategic agricultural lands, approvals will not be granted where there will

be a detrimental effect on the agricultural productivity of the land and associated water resources.

3. Introduction of the Aquifer Interference Regulation – All development applications will be required to adhere to the Regulation.

NSW Liberals & Nationals to remove major cash payments at Exploration Stage

The community feels that hundreds of millions of dollars at the Exploration stage put at risk a fair process; we will still require similar amounts but only if it passes our tougher rules.

Acknowledging community concern where companies pay to the State between \$100 million and \$300 million up front, the NSW Liberals and Nationals will ensure major fees in relation to the project will only be paid if the project passes our tough assessment requirements and obtains a Mining Licence.

To ensure transparency:

1. fees paid will be based on a pre-determined 'Schedule of Fees' and based on the scale/tonnage of the approved mine, and
2. exploration licence is granted based on pre-determined criteria including the ability to implement best practice environmental and safety performance and management; ability to develop the mine, economic credentials to carry out exploration activity and potential mining project is sustained over the life of the mine and proximity of existing license holders/operators.

This will reassure the community that the process should not only be correct but *seen* to be correct.

The NSW Liberals and Nationals will also consult with the community prior to the tender for a Coal and Coal Seam Gas Exploration Licence and provide information about what exploration involves so that the community are the first to hear about any potential exploration activity.

Defining strategic agricultural land

Strategic agricultural land is highly productive land that has both unique natural resource characteristics (such as soil and water resources) as well as socio-economic value (such as high productivity, infrastructure and access to markets). Together, these characteristics make strategic agricultural lands essential assets to ensure future food security and retention of strategic agricultural industries.

Reforms to the planning assessment and approval process

The NSW Liberals and Nationals have committed to rewriting the State's planning laws. Our planning policy includes three key elements:

1. Scrapping Part 3A of the EP&A Act.
2. Ensuring local input into regional strategic plans.
3. Commencing an overhaul of the planning system soon after March 2011, with community input prior to the final determination of the D.A. This would include a thorough examination of enhanced buffer zones and 'ring fencing,' with particular reference to proximity to communities and effect on established industries.

Strategic land use plans will play an important part in a reformed planning assessment and approval process. Future development within a region, including major projects, will be assessed within the context of any relevant strategic land use plan and will need to demonstrate they are consistent with the outcomes and objectives of the plan.

The NSW Liberals and Nationals will ensure that major projects are subject to greater scrutiny during the assessment and approval process. Some of the key changes that will be made to strengthen the assessment process include:

1. Introduction of an Aquifer Interference Regulation – The Aquifer Interference Regulation, which the NSW Labor Government has continually delayed, will be rapidly finalised and implemented. The Regulation will provide clear guidance on the acceptability of impacts on aquifers to ensure our water resources are protected for current and future generations. Statutory timeframes will be introduced so that assessments and approvals by the NSW Office of Water are undertaken rapidly and concurrently with existing requirements.
2. Amendment of existing legislation to require the proponent to provide an agricultural productivity impact assessment.
3. Improved monitoring and compliance; including benchmarking and data collection.
4. Adequate resourcing for environmental and planning agencies – Key agencies involved in the development assessment process are poorly resourced, leading to delays in the assessment process and the potential for inadequate reviews of environmental impact statements. The NSW Liberals and Nationals will ensure that these assessment teams are given the resources they need to efficiently and effectively assess environmental impact statements.
5. The Department of Primary Industries must consider and report on the potential cumulative impact at each major stage.

NSW Labor Government's Coal & Gas Strategy Scoping Paper

Whilst the NSW Liberals & Nationals believe this process should have started several years ago, given it's underway and community meetings are taking place; in government, we will take any useful outcomes from this process which are consistent with our policy.

Review of Exploration Licences

The NSW Liberals and Nationals understand that some sections of the community are concerned about existing exploration licences.

The NSW Liberals and Nationals will undertake a State-wide audit of exploration licences to review their current status and ensure that exploration licence holders are adhering to conditions obtained in their licence. The status of all exploration licenses will be publicly available so that communities can easily access information about potential activities in their local area.

Food Security

As part of an incoming Government, an independent section on agricultural sustainability and food security will be established within the new Department of Primary Industries.

Proper Recognition of Landholder Property Rights

The NSW Liberals and Nationals recognise the rights of landholders and communities to be fully informed and fairly compensated for any impacts on their land, water and capital improvements.

The NSW Liberals and Nationals have already given a commitment of a complete review of the Just Terms legislation, in particular, as it applies to property rights. That review will have important ramifications in this area.

Coal Seam Gas

Coal Seam Gas is in many regards a newer entrant in the mining and petroleum sector of NSW.

To avoid problems that are obvious in other states and overseas, growth in the coal seam gas industry will require responsible management by the State Government and the formulation of new approaches to issues such as water and land access for resource industries and will be linked to our new land use policy.

The mining and petroleum sector in NSW can exist in the same areas as agricultural production. The balanced existence of the mining and petroleum sector and agricultural production shouldn't force a binary choice but should necessitate careful management.

To achieve this outcome, an elected NSW Liberals & Nationals Government will:

1. where CSG activities involve interference with groundwater systems, we will require that proponents must obtain an Aquifer Interference Approval under S91 of the Water Management Act 2000;
2. review relevant petroleum well construction and fracking standards to ensure that inter-aquifer leakage is prevented; develop better standards;
3. ban the use of benzene, toluene, ethylbenzene, and xylene (BTEX) in fracking fluids;

4. require CSG proponents to report on the location of wells to be stimulated by fracking, details of chemicals used, the toxicity of ingredients and mixtures, and demonstrate that fracking activities won't result in environmental harm; including inter-aquifer damage and contamination.
5. reform the project approvals system in NSW so that there is enhanced cooperation across all relevant departments and agencies. Planning approvals for CSG exploration and pilot testing must be timely, consistent across the State, appropriate to the level of impact and take into account the different requirements for project development when compared to conventional petroleum projects, while also maintaining the existing environmental standards;
6. review existing arrangements for land access for mining and petroleum industries to ensure they achieve our goal of facilitating good relations and timely access. This will include promoting the use of crown land, such as Travelling Stock Routes, for pipeline routes where viable and the establishment of energy and transport corridors;
7. review the *Water Management Act 2000*, the *Water Act 1912*, the *Petroleum (Onshore) Act 1991* and related legislation to ensure aquifers are protected;
8. review environmental regulations for the natural gas industry to ensure they are safe and environmentally appropriate for coal seam gas development;
9. examine options to protect prime agricultural land so that natural gas development exists in a balanced manner so that the commercial activities of both industries are not compromised;
10. ban the use of evaporation ponds for mining and petroleum production activities; and
11. support the continuation of the Namoi Catchment Water Study.

Timeline

The NSW Liberals & Nationals are committed to a better land use planning process in the state. They therefore make the following commitments for all prospective applications:

1. Within one month of taking office, the transition period will come into effect;
2. Within three months of taking office, agricultural productivity and associated water data collection requirements will be implemented for all new mining and coal seam gas titles;
3. Within three months of taking office, an Aquifer Interference Regulation will be implemented;
4. Within three months of taking office, the department will initiate reviews of 'exploration licences across the state;
5. Within 6 months of taking office, we will have established an independent Office of Food Security and Agricultural Sustainability;
6. Within one year of taking office, Regional Strategic Plans will be underway in the Liverpool Plains, Gloucester Region, Gunnedah Basin, Upper Hunter & Southern Highlands with at least one completed;
7. Within three years of taking office, Regional strategic plans will be developed across the state.