



**Australian Government**  
**Department of Agriculture**

Ref: EC15-000352

Committee Secretary  
Senate Standing Committees on Environment and Communications  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Secretary

**Inquiry into the Landholders' Rights to Refuse (Gas and Coal) Bill 2015**

Thank you for the opportunity to provide a submission to the Senate Environment and Communications Legislation Committee's inquiry into the *Landholders' Rights to Refuse (Gas and Coal) Bill 2015*.

The Department of Agriculture does not support the *Landholders' Rights to Refuse (Gas and Coal) Bill 2015* (the Bill).

The Bill is not an appropriate use of the Commonwealth's constitutional powers. While the department supports better land access arrangements for landholders, we believe that this should be progressed at a state level. Creating strong relationships between landholders and gas companies will not only help to address many concerns of agricultural stakeholders, but also promote responsible development of gas resources in a way that can benefit regional communities.

The Agricultural Competitiveness Green Paper sets out the Australian Government's principles for coal seam gas development:

- Access to prime agricultural land should only be allowed with the farmer's agreement, and farmers must be entitled to financial compensation for access to any of their land.
- There must be no long-term damage significant enough to impact surface or subsurface water resources which are utilised for agriculture or local communities.
- Prime agricultural land and quality water resources must not be compromised for future generations.

The Department of Agriculture has a role in representing agricultural stakeholders in Australian Government discussions on land access, coal seam gas and coal mining. The Department also advises the Minister for Agriculture on matters relating to extractive industries, with a focus on the potential impacts of resources development on Australian farmers.

The Australian Government has limited involvement in land access matters. While some work has been progressed on land access principles, the Australian Government cannot bind the states and territories to a resolution on land access. Improvements to land access arrangements should be pursued at a state and territory level.

## **Environmental considerations**

Agricultural stakeholders and rural communities expect governments and gas companies to adequately communicate the potential environmental impacts of gas development. The Australian Government's Domestic Gas Strategy outlines work that is progressing at a Commonwealth level to ensure there is a better public understanding of scientific information that informs regulatory decisions and cumulative impacts of resources development.

In particular, the Department of Environment has specific portfolio responsibilities in relation to strengthening the understanding of the impacts of coal and coal seam gas developments on water resources and water-related assets. The work of the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development is important to ensure that regulatory decisions on coal seam gas projects are underpinned by the best available science, and Bioregional Assessments will assist some communities in better understanding the potential impacts of coal seam gas and large coal mining developments in their local environments.

The department is concerned that remote communities may not have adequate access to state-based information, and are currently not well-informed about extractive industries and gas company activity. The Australian Government's promotion of scientific information should be supported by transparency and current information from both state governments and the resources industry.

## **Land access issues**

Rural landholders are often inadequately prepared for land access negotiations with gas companies. Land access arrangements will be successful where companies negotiate in good faith with well-informed landholders; some resistance to gas development has come from landholders who feel that they have not been treated respectfully by gas companies. Any language that promotes gas companies' 'entitlement' to access land should be carefully avoided to foster better relationships between the resources and agricultural industries and encourage shared land use. State-based information on negotiating land access should be easy to find. The department understands that some states are providing comprehensive and accessible resources to assist landholders in the negotiation process.

In considering land access agreements, landholders should be aware of, and have input to, rehabilitation plans following gas extraction on their properties. Landholders should also be compensated for impacts to farm businesses where applicable, including where gas exploration and production impacts daily agricultural operations or causes unexpected damage to land, water, and/or air resources. The department notes that some landholders have successfully negotiated land access agreements that provide additional income, and these experiences should be well-communicated by trusted agricultural stakeholders to ensure that landholders are aware of potential benefits to farm businesses. Regional communities should also receive compensation for increased gas activity, including improved capital and social infrastructure.

## **Ban on hydraulic fracturing**

The department notes that it is important to distinguish between hydraulic fracturing and other forms of gas extraction. There is some confusion in the community about the term 'fracking', with some groups using it to describe all coal seam gas extraction. In practice, the department understands that while hydraulic fracturing is always used for shale gas extraction, it is only used in about 20 to 40 per cent of coal seam gas extractions.<sup>1</sup>

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<sup>1</sup> <http://www.csiro.au/en/Research/Energy/Hydraulic-fracturing/a-What-is-hydraulic-fracturing>

The department does not support a legislative ban on hydraulic fracturing. While regulators must ensure that hydraulic fracturing operations are carefully planned, operated and monitored, scientific evidence confirms that hydraulic fracturing can be undertaken without causing long-term damage to natural resources. Community confidence in shale and coal seam gas extraction will be improved by monitoring the impact of hydraulic fracturing activities on local environments, including water resources.

Thank you again for the opportunity to provide a submission to this inquiry.

Yours sincerely

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Sustainability and Biosecurity Policy Division

*ref* May 2015