Wingecarribee Shire Council Community Coal Reference Panel

Submission on Draft Code of Practice for Coal Seam Gas Exploration

May 3, 2012

The draft CSG policy tabled requires considerable strengthening to be effective. This is a high level summary of the most important areas that we believe need to be refined in the policy framework.

1. The policy document provides **too much discretion to the proponent**. Many comments, which specify that the applicant or licence holder "should" need to be replaced with "must".

2. **A "Gateway" process before the exploration phase** is approved is vital in the case of CSG because the exploration process involves the same potentially destructive processes as the production process. This includes coal seam fracturing and dewatering, extensive surface infrastructure, handling of produced water plus disposal of extracted salts and toxic chemicals.

3. **All renewals of existing licences should involve a thorough independent review** Given that many CSG licences were issued under the previous government with minimal conditions this process is mandatory**.** Exploration activity hasn't commenced in many cases.

4. **Significantly more balanced Land Access Agreement requirements** including, but not limited to, legal compensation, mutual agreement of specific work requirements, clear explanation of total project scope, appropriate compensation and just terms for decline in property values, amenity and business impacts. Ability for landowners to refuse access. Appropriate dispute resolution process and ability to appeal.

5. **Many uncertainties remain with regard to water issues.** Application of a strengthened Aquifer Interference Policy is mandatory. Resolution of outstanding issues such as the nature and extent of hydraulic fracturing, chemical usage, disposal of produced water including salts and toxins plus the development of appropriate Australian standards are fundamental before these projects can be contemplated.