



James Jackson
President

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Independent Planning Commission NSW
Narrabri Gas Project
Level 3, 201 Elizabeth Street
Sydney NSW 2000
Via email: ipcn@ipcn.nsw.gov.au

Dear Chair

RE: Narrabri Gas Project

NSW Farmers' Association (NSW Farmers) welcomes the opportunity to comment on the Narrabri Gas Project and the additional documents provided by The Department of Planning, Industry and the Environment and the Applicant (Santos Ltd). NSW Farmers is Australia's largest state farming organisation, representing the majority of commercial farm businesses in New South Wales, ranging from broadacre livestock, dairy, wool and grain producers, to more specialised producers in the horticulture, egg, pork, oyster and goat industries.

NSW Farmers is significantly concerned of the impact the Narrabri Gas Project could pose on agriculture and the environment and urges the government to act cautiously in regard to any proposal to re-commence coal seam gas mining in New South Wales. NSW Farmers' policy opposes the approval of the Narrabri Gas Project due to the unacceptable risks the project poses on precious water sources, soil and air quality, the agricultural industry and communities.

The June 2020 DPIE assessment report notes that the risks to the aquifer and other environmental risks should be reduced to an 'acceptable' level if the project operates as designed, provided that the proponent properly implements mitigation measures. However, it is clear from this DPIE report that in balancing the social, economic and environmental risks of the project the specific interests of the farming communities of western NSW were not at the forefront of the Department's assessment of this State Significant energy development.

Security of groundwater and other water sources and protection of prime agricultural land is of paramount importance to farmers and our members cannot support any activity that could pose a risk to the precious Great Artesian Basin, to locally important aquifers and other water sources. Placing agricultural production over vast areas of western New South Wales at risk, is short sighted and poses a grave risk to the rural and regional communities that depend on the farming sector in these areas.

The NSW Government, Planning Department and the project proponents have not properly addressed the genuine concerns of many of our members that the Narrabri Gas project will pose unacceptable risk to the critical water sources in western New South Wales. The Government's own Independent Water Expert Panel identified that the Narrabri Gas Project may result in groundwater depressurisation and drawdown of aquifers and changes to surface water flow and quality as a result of discharges. The Water Expert Panel also

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identified that “small impacts from connected water sources can potentially have cumulatively significant local impacts”. Additional information provided by the Applicant states that “the potential risk of impact to bores greater than the minimal impact criteria of 2 meters drawdown is considered negligible” and that there are four bores located close enough to the project area to be potentially affected. Any risk of drawdown would have significant impact to farmers and is not considered to be negligible to our members. NSW Farmers’ members in Western NSW have indicated very clearly that they have no appetite to risk their precious water sources, and the Association believes that it is unfair that our members and their communities should have to take this risk when there are other, arguably more cost competitive, sources of gas available.

NSW Farmers’ members are especially concerned that the Chief Scientist’s recommendations regarding the need for a robust and comprehensive insurance and environmental risk coverage framework have not been properly addressed by government. A number of general insurers providing farm insurance have indicated that they are not willing to insure the public liability risk on land where there is CSG mining. For this reason, Santos has been working with the insurance industry to agree a standard clause in an agreement that will be entered into with all landholders where CSG mining will take place under which Santos will indemnify the landholder directly for public liability risk. So far information provided has not addressed the concerns of NSW Farmers’ members in regards to the proposed contractual indemnity clause, including:

- How the indemnity would be provided if Santos was not solvent, or sold on the project to another proponent;
- What protections will be provided by Government against ‘commercial breach’ of the agreement by Santos or its successor
- Whether landholders will be protected by the usual regulations and common law that relate to insurance contracts, especially the legal obligation on insurers to act with utmost good faith
- The definition of ‘negligence’ and other detail of the proposed clause
- The costs involved in a claim by a landholder to enforce their rights under the proposed contract – including the availability of statutory protections and dispute resolution processes that limit the cost of resolving disputes under insurance contracts

The NSW Parliamentary Inquiry has also described the coal seam gas industry as “uninsurable”, and the NSW EPA has said that the insurance position for the coal seam gas industry is “not straightforward”, and that “Operators choosing not to hold relevant insurance will be required to instead prove to the EPA the existence of sufficient potential clean up funds.” To date there is no option for insurance against future risks, including financial loss as well as environmental damage, and there is no clear indication of the actions that Government will take to guarantee to landholders that they will not bear the risk of coal seam gas development. Notably, insurance requirements are not comprehensively dealt with in the DPIE assessment report or the draft development consent prepared by the Department. The Upper House Committee’s findings that the enhanced insurance coverage envisaged by the Chief Scientist is not available, that these risks are uninsurable, and that farmers will ultimately be left to bear the risks posed by CSG activities explain in large part the very deep and genuine reservations the NSW farming community hold about this proposal.

Yours sincerely



James Jackson
PRESIDENT