



Agriculture and CSG

Deb Kerr

**Manager – Natural Resource
Management**



National Farmers'
FEDERATION

About the NFF

- Voice of farmers since 1979
- Federated structure
 - State Farming Organisations
 - Commodity Councils
 - Value chain
- Represent agriculture at national issues or on cross jurisdictional issues
- NFF brand is well respected and valued



National Farmers'
FEDERATION



NFF Vision

“A strong, progressive and sustainable farming sector in Australia”

- **Strategic priorities:**
 - Increase productivity and competitiveness
 - Secure and grow markets
 - Effective and sustainable NRM
 - Focus on people
 - Improved community perceptions and awareness



National Farmers'
FEDERATION



2012 Year of the Farmer

- Growth in farm sector has consistently outperformed other sectors over the past 20 years (2.8% per annum)
- We have a well earned reputation for producing clean, healthy and fresh food
- The need to feed, clothe and house a booming world population is driving demand



National Farmers'
FEDERATION



2012 Year of the Farmer

- The sector employs 1.6 million Australians (17% of the workforce), and we have thousands of jobs available
- We contribute \$32 billion in export income to the economy per annum
- We underpin 12% of national GDP
- Farmers produce 93% of Australia's food supply – and still export 60%
- Farmers manage 77% of the landscape

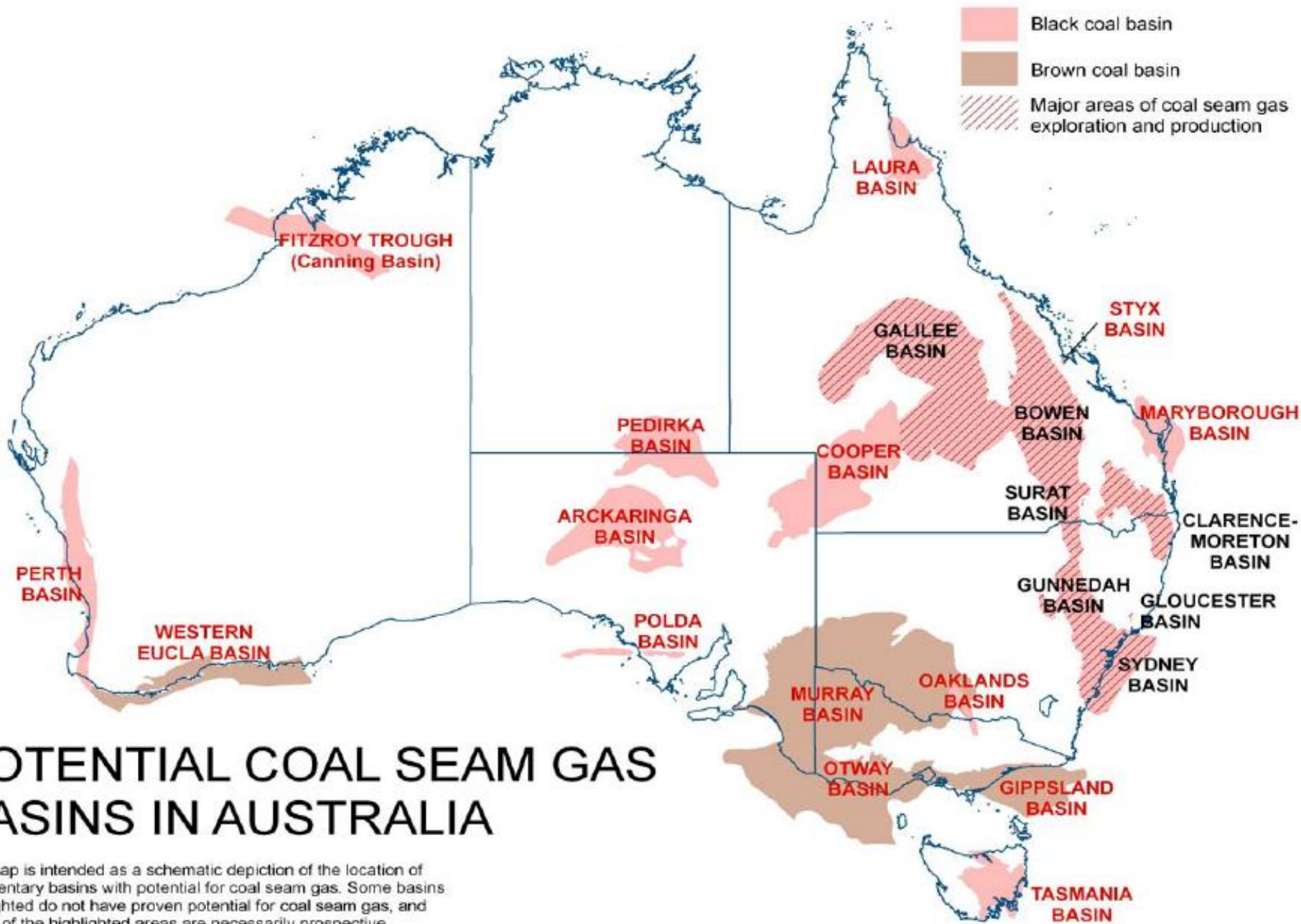


National Farmers'
FEDERATION

Past (and current) conflict

- Mining has traditionally operated in remote locations, while the petroleum industry was offshore
 - Easy to “purchase” acceptance for small population centres and few farmers
- Both are moving into closer settled regions which have been held for generations
 - Do not underestimate the connection that farmers have to their land
 - And their community

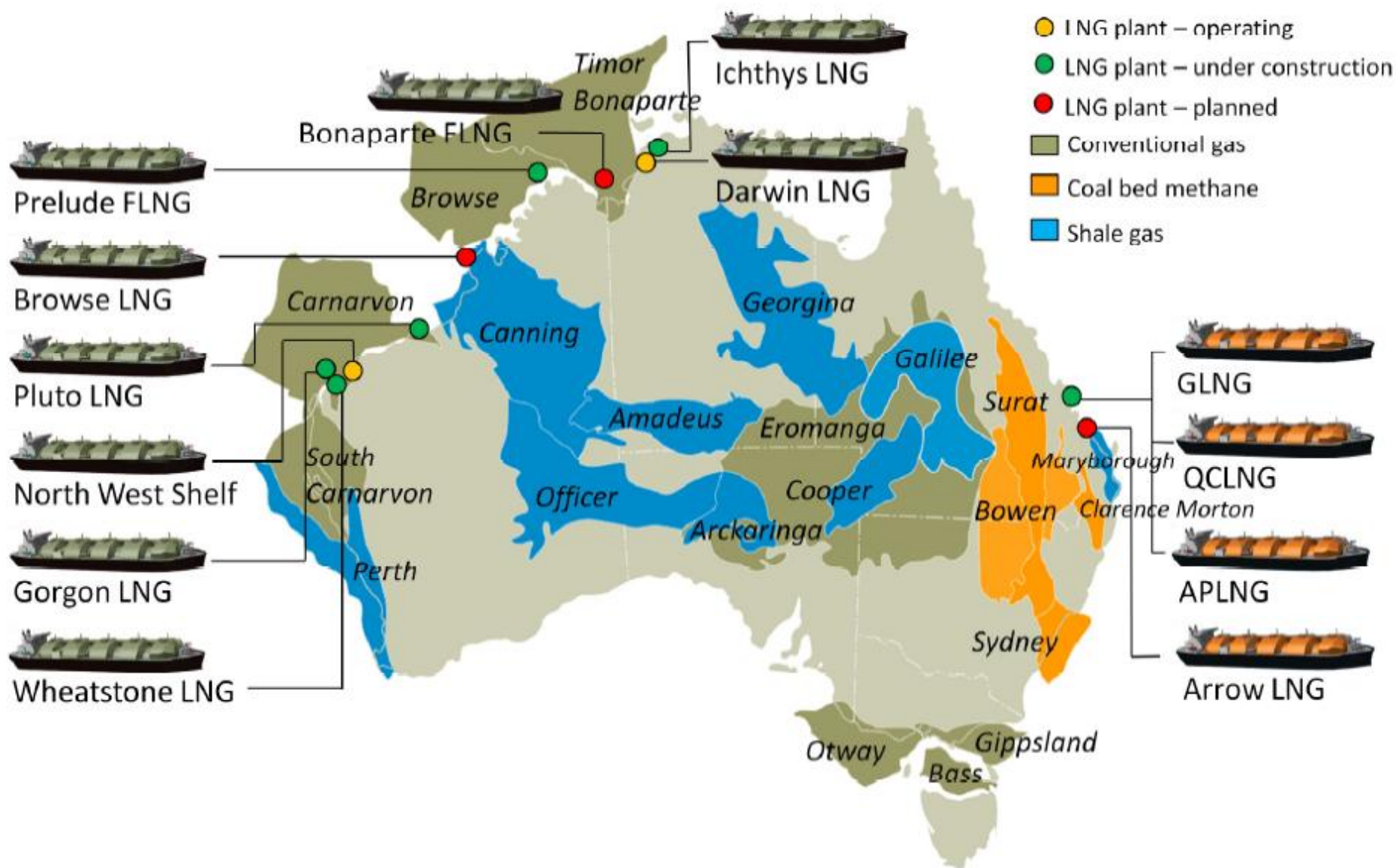




POTENTIAL COAL SEAM GAS BASINS IN AUSTRALIA

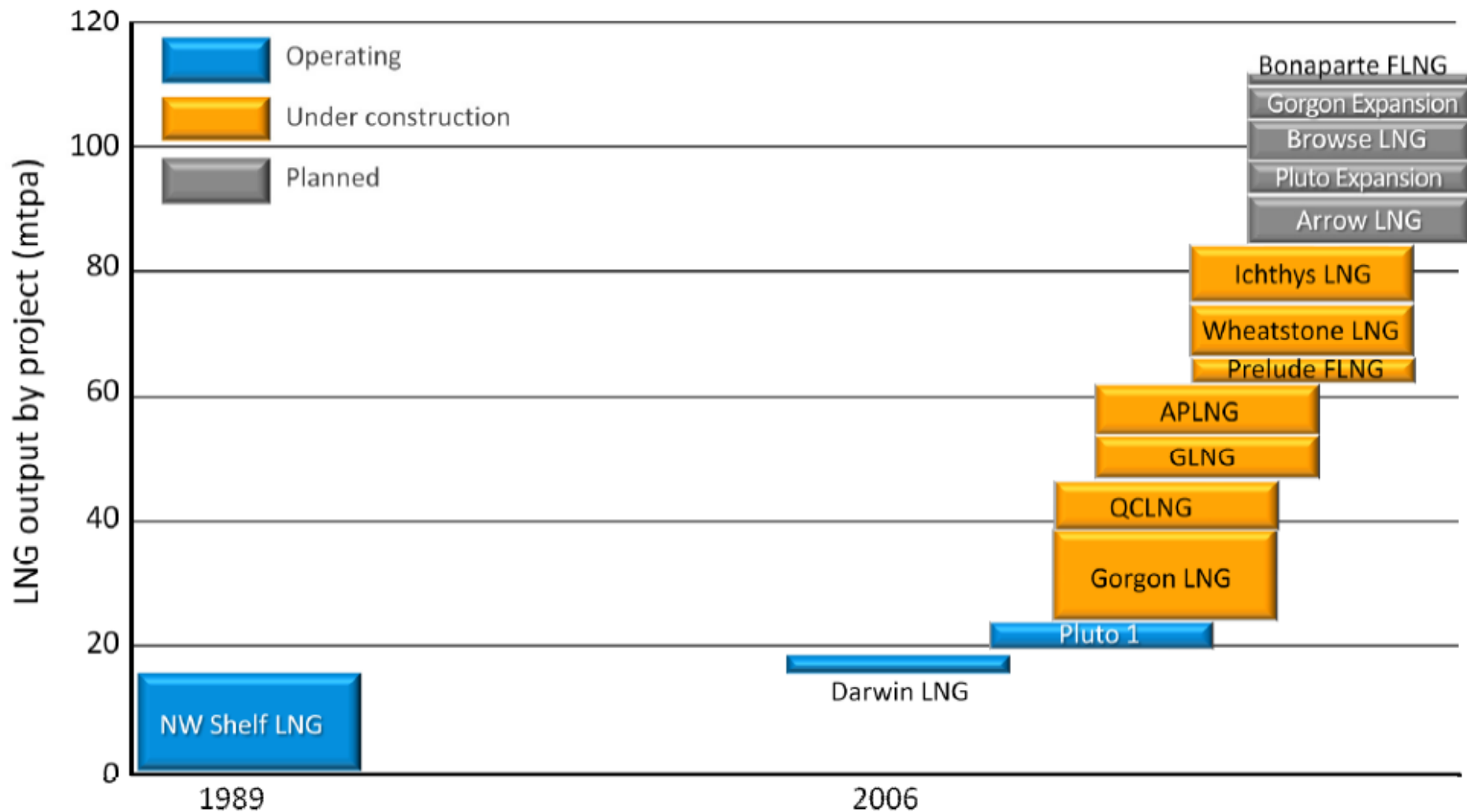
The map is intended as a schematic depiction of the location of sedimentary basins with potential for coal seam gas. Some basins highlighted do not have proven potential for coal seam gas, and not all of the highlighted areas are necessarily prospective.

CURRENT DEVELOPMENT – AND THE FUTURE SHALE GAS



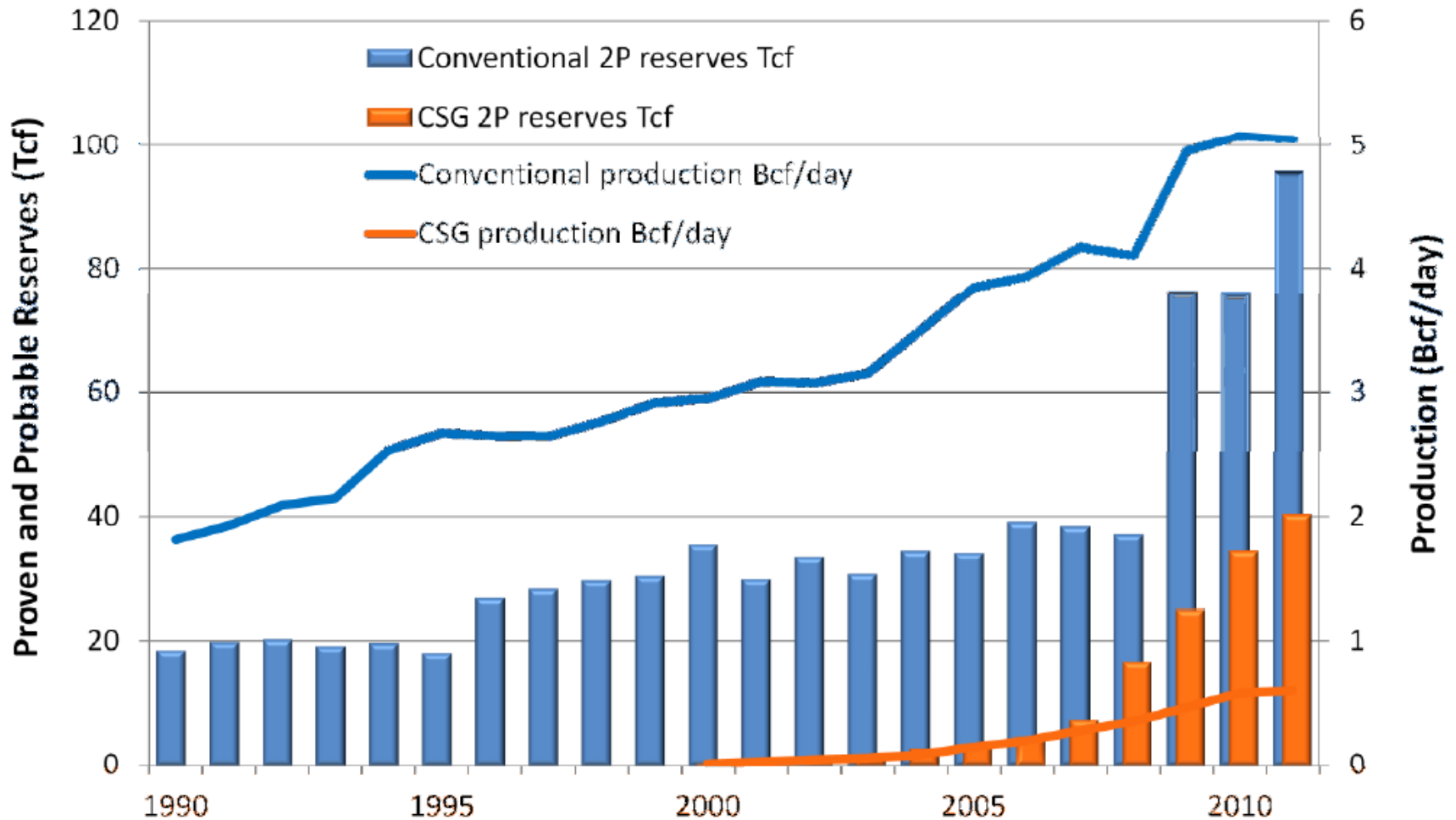
Source: Presentation by David Knox, Santos CEO/MD to 2012 World Gas Conference

The pace of development in Australian LNG in the past few years has been exponential.



Source: Presentation by David Knox, Santos CEO/MD to 2012 World Gas Conference

Australian Conventional and CSG Reserves & Production

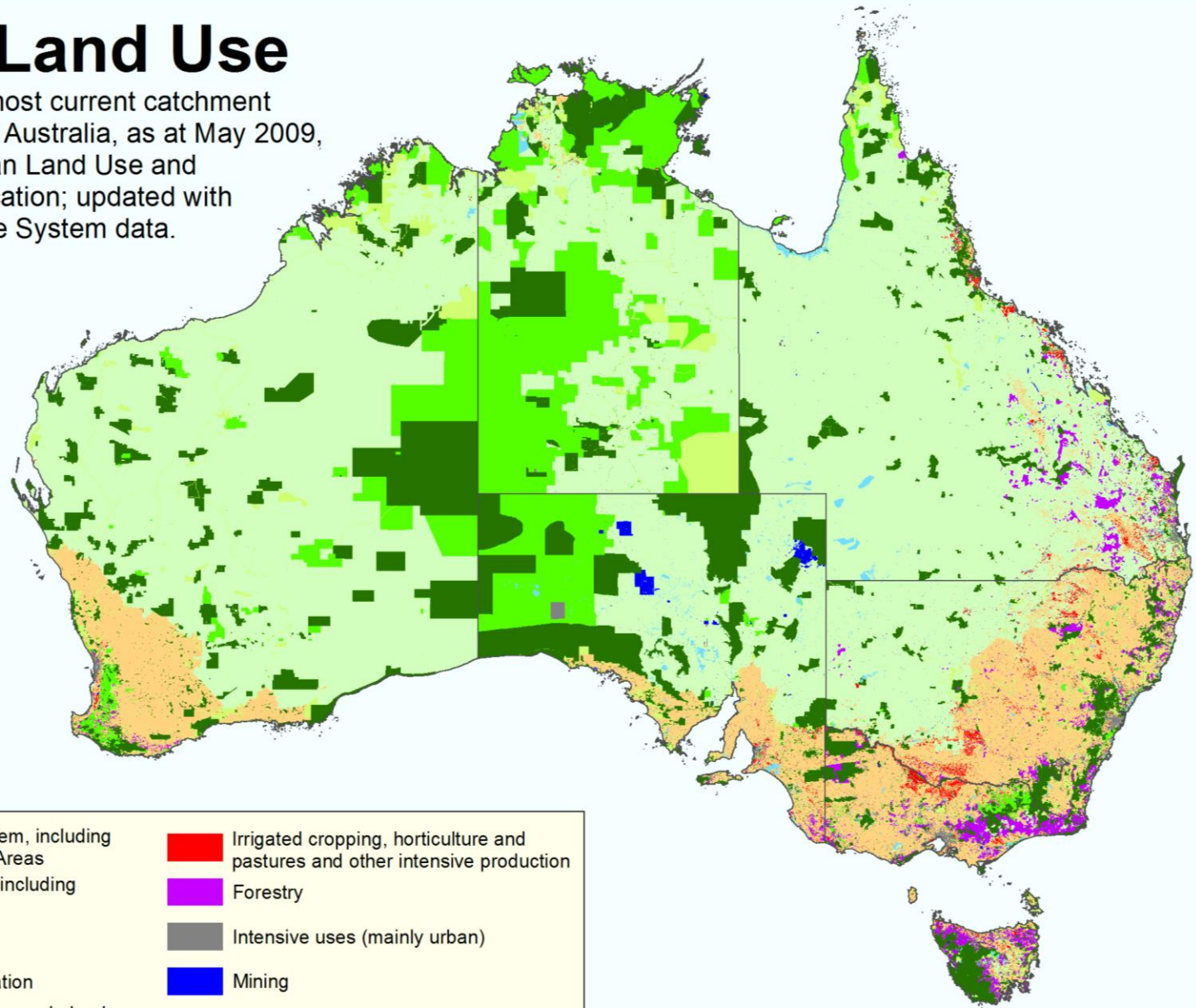


Source: EnergyQuest, WA Dept Mines and Petroleum, Geoscience Australia, APPEA

Source: Presentation by David Knox, Santos CEO/MD to 2012 World Gas Conference

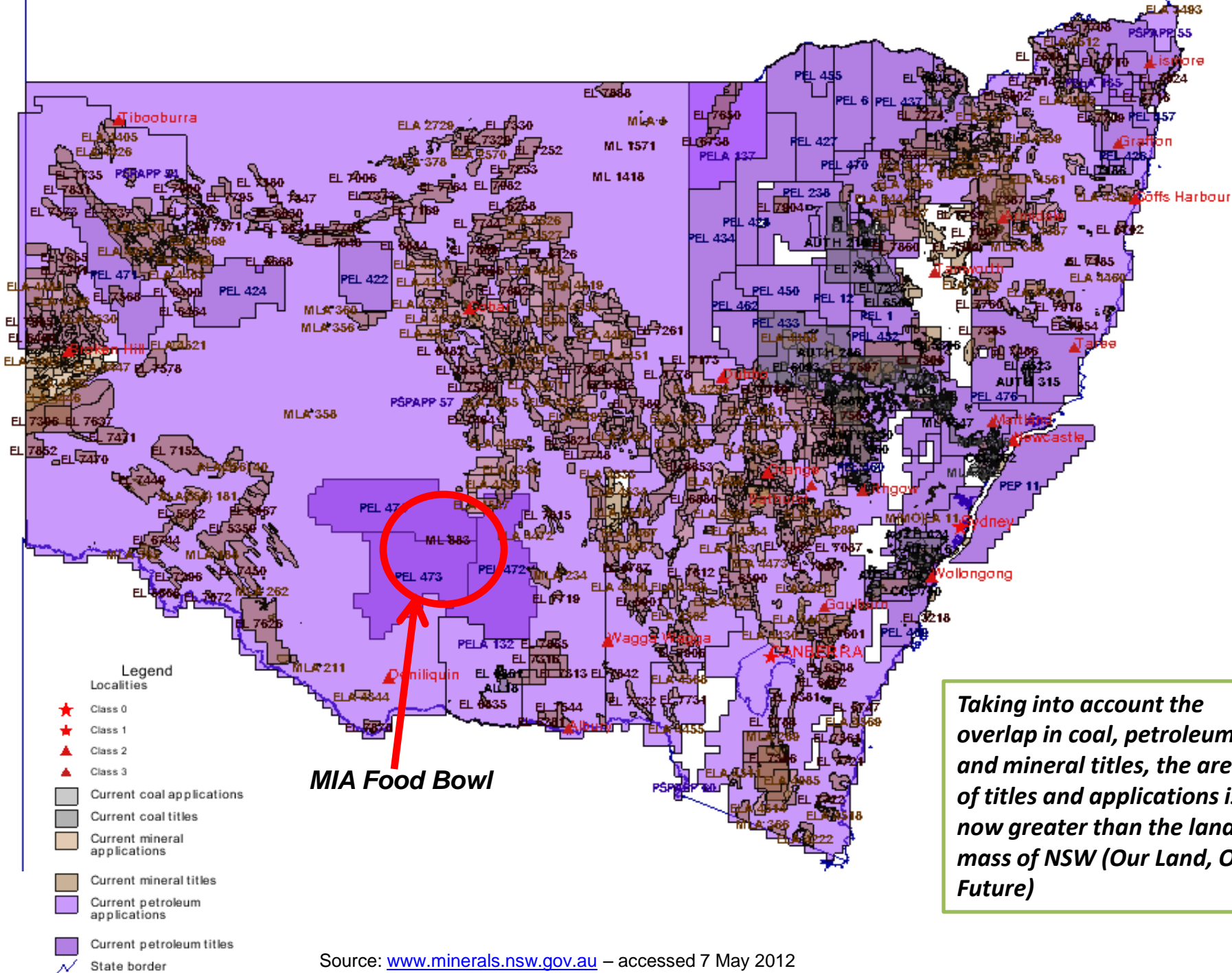
Primary Land Use

This map shows the most current catchment scale land use map of Australia, as at May 2009, based on the Australian Land Use and Management Classification; updated with 2011 National Reserve System data.



- | | |
|---|--|
| National Reserve System, including Indigenous Protected Areas | Irrigated cropping, horticulture and pastures and other intensive production |
| Other protected areas including Indigenous uses | Forestry |
| Minimal use | Intensive uses (mainly urban) |
| Grazing natural vegetation | Mining |
| Grazing modified pastures, dryland cropping and horticulture | Water |

0 500 1,000 1,500 kilometres





Past (and current) conflict

- Some Qld farmers have been interacting with the CSG industry for 15 years:
 - Initially opportunity to access additional water;
 - Then understood the potential areas of concern (chemicals, water etc)
 - Now are more “comfortable” with their interaction, and importantly know how to deal with companies
- Now seeing some innovation in dealings with farmers
- But its been a long learning process
- Likely to be similar in other areas of Qld and NSW?

A close-up photograph of two bees on a honeycomb. The honeycomb is a golden-yellow color with a hexagonal pattern. One bee is on the left, facing right, and the other is on the right, facing left. They are both in focus.

Past (and current) conflict

- The significant ramping up of the industry has created conflict
 - But it should not have
- Why?
 - Behaviour & practices of individuals, companies and sub-contractors
 - Lack of credible & independent information, knowledge to assist understand
 - State Governments not seen as independent because they receive royalties and approve projects
 - Risks to food and water security
- Now
 - Pressure to meet export deadlines



National Farmers'
FEDERATION

Result = conflict and loss social licence

- As farmers and communities saw no way past these issues and conflict, start of public campaign
 - New groups e.g. Lock the Gate
 - And “unholy” alliance between natural enemies (ag and environmental NGOs)
- Legal action, e.g. Coorona Coal
- Calls for veto to drive change
- Start of 2011 not a federal issue but by the end, PM & COAG engaged





National Farmers'
FEDERATION



However, some are better than others

- Farmers' social licence has been hard won and is subject to whims of interest groups, e.g. animal welfare and tobacco
- Farmers now recognise that the conduct of some companies is better than others
- Implication for all companies but particularly “cowboys”
- **KEY CHALLENGE:** how the petroleum industry collectively can improve its social licence to operate



National Farmers'
FEDERATION

Issues for agriculture

- An independent scientific reassurance that water quantity, quality will be protected and that groundwater aquifer integrity is assured
- Access agreements are negotiated to fully realise the benefits and opportunities for both parties
- That there is good communication between landholders and the company (including any subsidiary companies and contractors)



National Farmers'
FEDERATION



Issues for agriculture

- **Fracking**
 - Transparency in the use chemicals and the volume of water co-produced
 - Undertaken in a safe manner and without impacting on the environment and landholders
- **Well integrity is assured**
- **Industry footprint is minimised**
 - High Vs low impact sites/pipelines on farms
- **That landholders and communities are treated respectfully**



National Farmers'
FEDERATION



NFF Policy

- The profitability and sustainability of food and fibre production must not be compromised
- Australia's reputation for safe, clean quality food must not be compromised
- There should be no net decline in water quality or water quantity
- Water management must be National Water Initiative consistent



National Farmers'
FEDERATION



NFF Policy

- Social, economic and environmental outcomes must not be compromised
- The key to productive relationships between agriculture and mineral and petroleum industries is relationships built on genuine trust and goodwill and appropriate community engagement



National Farmers'
FEDERATION



NFF Policy

- Landholder rights impacted by mineral and petroleum licences must be protected by strong regulatory frameworks
- Land access agreements should recognise landholder and occupier property rights, and the negotiations must be respectful of farmers



National Farmers'
FEDERATION




Land Access

- Seek advice of SFO
- Know the legislation and your rights
- Ensure access requests are legally correct, relevant to the activity, cover all activities (wells, pipes) and people
- Records, records, records
- Document your future development plans – use this for negotiation
 - Infrastructure beyond BAU is your benefit
- Do not tolerate inappropriate behaviour or activities, e.g. rain access
- **SEEK LEGAL ADVICE**



National Farmers'
FEDERATION

A close-up photograph of two bees on a golden honeycomb. One bee is on the left, facing right, and the other is on the right, facing left. The honeycomb cells are hexagonal and filled with a golden liquid.

**While NFF does not have
a veto policy, some of
our Members do support
individual landholder
veto.**

**But we are a long way
from co-existence and
there is a strong case for
change**



National Farmers'
FEDERATION

COAG & Australian Government

- The Standing Committee on Energy & Resources CSG National Harmonised Framework will help
 - Leading practice (well integrity), chemicals, multiple land use framework and legislative review
- While governments will not be compelled to adopt recommendations in full or in part, their involvement speaks towards their intent
- Independent Expert Scientific Committee
 - Water and bioregional assessments



National Farmers'
FEDERATION



Future Harmony

- There is some light
 - Some companies are changing their behaviour to be respectful of and work with landholders and communities
 - Santos/Origin regarded more highly than others
- Need to fully realise the opportunities for agriculture, regional communities and the CSG industry
- Unfortunately, the behaviour of some in the CSG industry continues to threaten this future harmony



National Farmers'
FEDERATION

Farm for sale: what's missing?





Photograph by Pandora Karavan



KEY FUTURE CHALLENGE

- Ultimate integration of CSG into the agriculture landscape will be determined by whether farmers market gas wells on their property as an attractive selling point and asset and do not hide them as a liability!



National Farmers'
FEDERATION