



COTTON
AUSTRALIA

**Review of CSG-Induced
subsidence management
framework**

Michael Murray
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Cotton Australia

Cotton Australia is the peak body representing the interest of Australia's 1,500 cotton growers, who primarily operate in New South Wales and Queensland, with some development in the Northern Territory and Western Australia.

Cotton Australia is committed to a sustainable and profitable cotton and is rightly proud of the industry's sustainability achievements over the past three decades, which has seen our applied insecticide load reduced by 97% and improvements in water use efficiency of 52%.

In some geographical areas, the Australian cotton industry intersects with the Coal Seam Gas industry, and there are varying degrees of acceptance amongst our growers, with some embracing the opportunity to work with the Coal Seam Gas industry, while others are strongly opposed to co-existence. Others accept a co-existence approach with the gas industry and manage their farming operations accordingly.

In summary Cotton Australia's Coal Seam Gas policy is:

- The productive capacity of the water resources our industry relies on must be sustained.
- The productive capacity of the land our industry relies on must be sustained.
- If the two points above can be achieved, then our growers should share in the financial and other benefits generated by the gas industry.

BACKGROUND

Over the past few years, it has been scientifically proven that Coal Seam Gas extraction has and will lead to landscape wide subsidence. What is not definitive is whether that subsidence will result in economic loss to our growers, through a reduction in the productivity of their land.

Cotton Australia has submitted on this issue, throughout the development of the Subsidence Management Framework concept, including a detailed submission on the Mineral and Energy Resources and Other Legislation Amendment (MEROLA) Bill, and a witness appearance to the Parliamentary Committee examining the Bill.

Cotton Australia's position at the time, was that while the Framework proposed in the Bill was a significant "step in the right direction", there had been not enough time to fully understand how the Framework would operate in practice.

Subsequently the Subsidence Management Framework aspects of the MEROLA Bill were withdrawn, and the Queensland Government re opened the framework for further consultation.

Cotton Australia welcomes this opportunity to provide additional feedback, and in particular wishes to acknowledge a detailed meeting/briefing that occurred between The Department of Resources, the Queensland Farmers Federation (QFF) and Cotton Australia on Thursday, September 5. Detailed notes were captured by the Department of that meeting, and they should be viewed in part, as Cotton Australia's response to the consultation.

It must be noted, one of the reasons why the Framework component of the Bill was withdrawn was that it was not clear as to how the Framework would be applied in practice, and to a greater or lesser degree this remains the case.

Therefore, it is recommended by Cotton Australia that there be a formal review of the Framework one year after implementation, three years after implementation and five years after implementation. These reviews must cover the adequacy of the legislation (both Act and supporting regulations, as well as the practical implementation.

Further, in recent weeks Cotton Australia has heard of some interest in bringing the Framework provisions, into the Regional Planning Interest (RPI) Act.

Cotton Australia has strongly argued that the Regional Planning Interest Act must be maintained, in particular the provisions of Section 22.

Cotton Australia has no position as to whether there is merit in bringing the Subsidence Management Framework into the RPI Act, however, it does see value in exploring the concept further provided all relevant Government Departments are willing to openly participate.

Comments on the Framework

The following comments centre around the Flow Chart provided for the September 5 meeting referenced above. The Flowchart is titled – **Flowchart B – Subsidence management framework - general pathway.**

Declaration of a subsidence management area – Cotton Australia supports the role of the Office of Groundwater Impact (OGIA) providing advice to the Minister as to whether a Subsidence Management Area should be declared.

However, Cotton Australia believes the advice provided should also cover whether there are any landscape wide issues, such as changes or potential changes to overland flow, or other landscape drainage concerns, and also whether OGIA has identified any issues that could be considered critical consequences that the Minister should act on immediately, rather than relying on a landholder application. This would be very important should OGIA identify either actual critical impacts or Lilley critical impacts across the landscape, at a scale greater than individual farms.

Company Obligations – Farm Field Assessments

Cotton Australia is concerned that the wording has Farm Field Assessments on Category A land to be carried out by the company. It is Cotton Australia's view the Resource Company must fund this assessment, but the work must be carried out by independent, suitably qualified people. Cotton Australia suggests there should be a pre-approved list of suitable people, and the landholder and the resource company should mutually agree on the person to carry-out the work.

To ensure ongoing quality and independence, a suitable sample of assessments would then be audited.

Subsidence Management Plan – A Subsidence Management Plan could be prepared by the same person who carried out the assessments, or another mutually agreed qualified person. Again, the development of the plan must be funded by the Resource Company but prepared by an independent person.

It is noted that the Plan, is separate to a Subsidence Compensation Agreement, and does not include financial compensation.

However, what is very unclear is what is the desired outcome. In Cotton Australia's view, the plan must ensure the productive capacity of the land is restored, maintained or improved. It cannot be acceptable for a plan to allow the productive capacity to be degraded, and simply rely on financial compensation under the Subsidence Compensation Agreement.

There also needs to be put in place a compliance system to ensure Subsidence Management Plans are being followed by both the Landholder and the Resource Company.

Opting Out – There should not be an “Opt-Out” option. If a farm is assessed as Category A, a Plan must be put in place.

Conclusion

Cotton Australia looks forward to continuing to work with the Queensland Government on the development and implementation of this policy.

For further information please contact Cotton Australia General Manager Michael Murray – 0427 707868 or michaelm@cotton.org.au .