

Fact Sheet on Draft Report - landholder benchmark compensation



22 September 2015



WHAT

This Fact Sheet summarises IPART's Draft Report on landholder benchmark compensation rates for gas exploration and production.



WHY

As part of the NSW Gas Plan, the NSW Government asked IPART to develop a framework for setting benchmark compensation rates to support NSW landholders negotiating land access and compensation agreements with gas companies.



HOW

We sought public submissions on an Issues Paper released in April 2015. We also consulted with a range of organisations and landholders, and conducted additional research.

Common themes from our consultation were that a 'one-size-fits-all' approach to landholder compensation will not work, and that landholders negotiating land access agreements should get professional advice.

Based on this feedback, our draft recommendation is that:

- ▼ the best form of support for landholders is a spreadsheet model that estimates benchmark compensation given individual landholder circumstances. We have developed a model that landholders can use to assess an offer of compensation made by a gas company.

We also made other recommendations:

- ▼ to broaden legislative provisions for compensation
- ▼ to provide workshops to help landholders approach and negotiate land access and compensation agreements
- ▼ to create a voluntary public register of compensation payments to improve transparency
- ▼ that gas companies fund incentive payments to landholders as part of their compensation, and
- ▼ that gas companies pay compensation to neighbours in the event that there is an agreement that impacts may exceed reasonable levels set out in environmental or planning approvals (eg, noise levels or hours of operation).

Our Draft Report provides more information on the draft decisions and recommendations.



WHEN

We will provide our final recommendations to the Minister for Industry, Resources and Energy by 30 November 2015.



WHAT NEXT

We are inviting written submissions on our draft recommendations until **30 October 2015**. We will also hold two public forums to discuss our Draft Report and Draft Recommendations. These are scheduled in:

- ▼ Narrabri on 13 October 2015, and
- ▼ Gloucester on 20 October 2015.

To obtain a copy of the Draft Report and spreadsheet model, and for information about how to make a submission or attend the public forums, please visit IPART's website www.ipart.nsw.gov.au.