

Fact Sheet on Final Report - landholder benchmark compensation



November 2015



WHAT

This Fact Sheet summarises IPART's Final Report and recommendations 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 and Draft Report. We also held public forums in Narrabri and Gloucester in October 2015 and consulted directly with a range of organisations and landholders.

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 final recommendations are that:

- ▼ when negotiating land access agreements with gas companies, landholders use IPART's spreadsheet model to estimate compensation benchmarks that take into account their individual circumstances.

We also made other recommendations that:

- ▼ gas companies provide payments and/or in-kind benefits to landholders to share the benefits of gas development
- ▼ gas companies pay compensation to neighbours if the impacts on them exceed reasonable levels (eg, noise levels or hours of operation) set out in licences or approvals
- ▼ legislative provisions for compensation in NSW be amended to cover all relevant impacts on landholders
- ▼ independent workshops be run to help landholders understand land access for coal seam gas and negotiate land access and compensation agreements, and
- ▼ a voluntary and non-identifying public register of CSG compensation payments be established.

To obtain a copy of the Final Report and spreadsheet model, please visit IPART's website www.ipart.nsw.gov.au.



WHEN

Our final recommendations were provided to the Minister for Industry, Resources and Energy in November 2015.



WHAT NEXT

The NSW Government is continuing to implement measures under the NSW Gas Plan. For more information see, <http://www.resourcesandenergy.nsw.gov.au/energy-supply-industry/legislation-and-policy/nsw-gas-plan>