

Bellata Gurley Action Group Against Gas Inc
PO Box 1 GURLEY NSW 2398



Landscape of farmland east of Bellata (Nandewar Ranges in background)

11 May 2015

Mr John Smith
Director of Pricing, IPART
Level 15, 2-24 Rawson Place,
Sydney NSW 2000
E: john.smith@ipart.nsw.gov.au

Dear Mr Smith,

Re: Landholder benchmark compensation rates - Gas exploration and production in NSW Review (Ref: W15/1830)

Bellata Gurley Action Group Against Gas Incorporated (“BGAGAG”) is an incorporated association representing approximately one hundred farmers which comprise all of the landholders within the licence area of cancelled Petroleum Exploration License 470 (PEL470) located in North Western NSW south of Moree. There are no external non landholder voting members outside PEL470 in BGAGAG.

In 2012, the entire PEL 470 landholding community signed declarations opposing CSG exploration and production on their land.

Extract: “I/We support the Bellata Gurley Action Group Against Gas in its request for Petroleum Exploration Licence No: 470 held by Leichardt Resources Pty Ltd (ACN 125 844 448) (1) not be renewed on expiry of 30th April 2012 and for no further licence to be granted over land within the Bellata, Gurley, Terry Hie Hie – East of Newell Highway region of NSW”.

PEL470 was cancelled by the NSW Government in 2014.

With respect to the concept of compensation BGAGAG does not support the implementation of a benchmark for compensation as this may imply a minimum standard and perception that compensation for gas exploration and production is supported when this is not the case.

The concept of compensation for CSG is divisive and fractures communities.

The CSG industry is based on expansion across the landscape - industrialising the landscape, the CSG industry should not be based on individual landholders willing to take financial compensation or begin where an individual decides to say 'yes' to compensation.

The CSG industry under the current framework is based on the first landholder satisfied with the financial compensation at the expense of the community, rather than based on the suitability of the land (surface), water (surface & sub-surface), environment, cost-benefit analysis and necessary legislation, frameworks, codes and regulations.

BGAGAG would like to see the full implementation of the Chief Scientists recommendations and do not believe the necessary legislation, regulations and frameworks are in place to protect landholders, the community and environment from such a high risk industry.

For example but not limited to;

- Landholders do not have the legislated right to say no to coal seam gas activities and no legislation exists in production for an access agreement for petroleum in the Petroleum (Onshore) NSW 1991 Act.
- No frameworks, codes or regulations or legislation for the produced water, brine and salt that results from the production of CSG.
- Despite some companies signing a Memorandum of Understanding (MOU) not to enter landholders properties for CSG wells the principles in the MOU do not extend to critical infrastructure such as gas and water pipelines which are essential to supply.

BGAGAG believes the scope of the IPART paper is limited, contains inaccuracies and odd terminology.

The IPART paper and Terms of Reference do not address sub-surface impacts, or negative impacts on neighbours and the wider community.

The paper implies that compensation is limited in time, addressing only upfront negotiated compensation and not addressing growing negative impacts as they may occur over time.

In 2011 I personally posed the question to the NSW senate enquiry in my submission *"I challenge the state government to itself negotiate and sign off on access agreements where land is found to be suitable for csg with the landholders. With a guarantee by the State Government of NSW that any and all damage and equity losses caused through coal seam gas exploration and extraction on their lands be compensated in full."*

IPART should consider, if the NSW Government determines who can explore and produce for CSG on lands, the NSW Government should also be willing to sign with the mining company on the access agreement and any compensation agreement and be accountable at all steps alongside the mining company.

IPART should consider not just the NSW Government and mining company named on the Licence for access and compensation agreements but all associated parties involved in the exploration and production of CSG including but not limited to farminees, subcontractors, suppliers, joint venture companies and any other person(s), consultants, companies (Ltd or Pty Ltd).

IPART should consider but not limited to the following examples;

1. Lapindo Indonesia 2. Woodsreef Mine near Tamworth.

BGAGAG poses the question how would IPART address compensation benchmarks for a "black swan" event?

BGAGAG encourages IPART to reread NSW senate submissions and federal inquiry submissions with respect to CSG.

BGAGAG would also like to request that we are able to participate in any forums in person (s) or via teleconference with the tribunal committee as we have done for other reviews and enquiries at a State and Federal level.

Landholders from BGAGAG would like to extend an invitation to the IPART Committee to visit farms and landholders that have been approached for exploration and declined and landholders who are at risk of CSG exploration, production and infrastructure the industry proposes.

BGAGAG thanks the Tribunal for granting extension of time to write this letter (IPART Ref: W15/1830), giving their attention to this matter and look forward to a response in due course.

Yours Sincerely
Penny Blatchford – Chair BGAGAG Inc

