

IPART Review of Landholder Compensation for gas exploration and production,

Submission offered by Alistair Donaldson, 'Neotsfield' 1512 Willala Rd Boggabri NSW 2382 , (as an individual submission).

My background.., A fourth generation farmer living and farming (beef cattle and grain cropping) 25 klms west of Boggabri , located in Santos PEL 238 , with proximity to Santos Narrabri Project Area, and Santos Kahlua Pilot project area. I have taken an interest in the development of the CSG industry over the last four years , including two tours of the Surat Basin in QLD specifically to examine this industry. I find it rather disturbing to think that I may soon reside in a developing gas field.

Why is IPART being involved in the negotiation between gas companies and landholders?

More than two years ago , the two major gas companies operating in NSW ,Santos and AGL, signed a MOU stating that they would only carry out their activities on private property , at the invitation of the landholder. Gas companies legally have the means to force access to private property, via the Land and Environment Court, yet in NSW where communities are vary of unconventional gas extraction practises, Gas Co's seldom(if ever) exercise that option . So effectively, a landholder access agreement for the purpose of exploration or extraction of CSG is purely a business transaction between two consenting entities. In the event that I ,as a farmer , chose to lease out part or all of my farm to another farmer (for agricultural purposes), would I expect that IPART would be there to negotiate on my behalf for a 'fair and reasonable ' remuneration ? Should IPART be involved in the negotiation of all business transactions in the wider community!?

In recommending IPARTs involvement in this issue , it could be argued , that the NSW state Govt is pursuing its agenda of a full scale roll out of this industry.

Will the establishment of minimum landholder compensation facilitate the acceptance of this industry ?

This is somewhat debateable. Three years ago Santos announced a vastly increased access agreement compensation package of approx \$36000 for a basic exploration / production agreement. At that time Santos suggested that they had 40 NSW access agreements in place. Three years on and Santos have conceded that they still have around 40 agreements in NSW. Obviously the plethora of detrimental consequences of the CSG industry is weighing heavily on the average landholder in Santos' tenements. It's a pity that , due to the incredibly narrow terms of reference provided by the current state government, it is not possible to examine more closely these issues related to the CSG extraction process.

Quote; IPART media release; "Landholders should receive compensation for loss, damage or inconvenience caused by hosting gas activities"

Compensation should only be made available to landholders for the purpose of mitigating temporary effects i.e. loss of quiet enjoyment, loss of amenity , dust light and noise. These effects will invariably affect the whole community , and it is not possible to overestimate the negative impacts on relationships within communities when the CSG road show turns up in the district. At a Santos 'community consultation' forum we were told that Santos would not hesitate to drill laterally from a consenting landholders property(who receives compensation) under the property of a neighbour who wants no part of the CSG industry.

Compensation should never be offered for permanent damage to land ,water, aquifer and natural environment . Currently there is no regulatory framework to protect land and water from what is essentially a high impact industry .There are no produced water quality standards, absolutely no solution for dealing with produced salt and Total Dissolved Solids, and well integrity will always remain a most serious issue. Currently in QLD the ' make good' policy for the permanent loss of ground water (due to CSG activities), involves monetary compensation, supply of reverse osmosis water (a temporary solution at best), or in some cases, the capping of the landholders bore and subsequent sale of the land to the gas company. Under no circumstances should a landholder profit from the permanent damage to our land and water assets , above and below the surface.

Should communities ' benefit ' from a royalty type compensation arrangement?

This is definitely a double edged sword. It is a well known strategy used by mining companies to divide and conquer local communities, via strategic donations to community projects .More of the same from a ' royalties for community' type of scheme would only serve to reduce the communities ability to achieve outcomes for itself. One could argue, that as mining royalties for communities increase there may well be a reduction in support from government agencies. In this situation the mining /gas companies goal of achieving a social licence (by purchase) will be complete.

Ultimately the measure of the strength of a community is determined, by its members ability to come together ,on a volunteer basis for the common good of the community. Large handouts of gas royalties will only serve to degrade such communities.

In conclusion , I have made the observation , that support for this (CSG) industry `is mainly restricted to those who will financially profit(or the perception of profit) from its proliferation. The majority of rationally thinking people consider the preservation of land ,water and aquifer integrity for future generations, a much higher priority than short term financial gain .

Thankyou

Yours sincerely Alistair Donaldson

