

LOCK THE GATE ALLIANCE

AUSTRALIANS WORKING TOGETHER TO PROTECT OUR LAND, WATER, AND FUTURE

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Submission: Issues Paper on Landholder Benchmark Compensation Rates

Thank you for the opportunity to make a submission to IPART's Issues Paper on benchmarks for landholder compensation rates for gas exploration and production.

Lock the Gate Alliance is a national coalition of farmers, Traditional Owners and conservationists uniting with urban residents to protect land and water resources from risky coal and unconventional gas mining. We have over 245 member groups and over 40,000 supporters.

The aims of Lock the Gate Alliance Ltd are:

- To protect Australia's water systems.
- To protect Australia's agricultural land for food and fibre production.
- To protect Australia's bushlands, wetlands and wildlife.
- To protect the health of all Australians.
- To protect Australia's Aboriginal and cultural heritage.

Lock the Gate and our member groups hold major concerns about the issues paper on compensation being undertaken by IPART and the Terms of Reference for it. Our members believe that the risks of the CSG industry are far-reaching and have not been properly assessed, and that the industry is unsafe, unnecessary and unwelcome. Recent advice by the Australian Energy Market Operator indicates that there is no gas supply shortage in NSW, and that there is no market imperative whatsoever to mine CSG in NSW.

Most of the recommendations made by the Chief Scientist on CSG have not yet been implemented by the NSW Government, and from our reading of the Government response to date, they do not plan to properly implement a number of the most important recommendations.

Furthermore, landholders in NSW have no legal right of veto over CSG exploration and production on their properties or adjoining properties. Our members do not want to enter into access agreements with the CSG industry, and believe that the necessary legislation, regulations and frameworks are not in place to protect them from such a high risk industry.

They are being asked to accept a compensation process based on the premise that they will experience harm and negative impacts from the CSG industry, but the necessary measures are simply not in place to protect them from harm in the first place. Our members have made it very clear to us that they want strict controls in place to prevent harm, in preference to being forced to accept harm and then compensated for it.

Therefore, we see the process that is underway as being back-to-front: compensation benchmarks should be set once the legislative, regulatory frameworks and protections are in place for both exploration and production of coal seam gas. Otherwise, landholders may attempt or be misled into thinking the NSW Government has the necessary protocols in place, and therefore enter into access agreements that may lock in damaging CSG operations without appropriate state-wide legislation, regulations and safeguards in place.

Our member groups have stressed to us very strongly that there is simply no way to compensate for harm to their water supplies, and that proceeding on the assumption that harm can be mitigated before proper attempts have been made to prevent it, is unacceptable to them given that their livelihoods and local environment is at stake.

For example, in brief; there is no current legislative mechanism to restrain the areas where CSG can occur, even though it was recommended by the Chief Scientist. Instead, the CSG industry is free to operate in the most sensitive environments - including important aquifer recharge areas, water catchments, geologically risky areas and crucial food and fibre-producing areas.

Similarly, the Chief Scientist's recommendations for an insurance and rehabilitation mechanism have not been implemented, and they should be implemented in full before any further exploration or production of CSG is contemplated and before IPART's advice is finalised as it they are matters that are likely to have a profound bearing on calculation of compensation.

It is important to note that, as proposed by IPART, the concept of compensation benchmarks for coal seam gas exploration and production is extremely divisive and is likely to put substantial stress on relationships between individuals and communities in CSG affected area.

Therefore, in light of all the points raised above, we want to stress that we do not believe the IPART process is appropriate at this point in time, and our submission should be read in this light.

In addition, we note that the scope of the Paper is extremely limited. It does not make any reference to sub-surface impacts, or negative impacts on neighbours and the wider community. Any review such as this should be assessing the full suite of impacts, both above and below ground, and for all affected properties and neighbours and the community. Similarly the scope of the review appears to limit compensation in time, addressing only upfront negotiated compensation, and not addressing growing negatives impacts as they occur over time.

We believe it is essential that a true cost-benefit analysis is undertaken, upfront, which considers all social, economic and environmental impacts of the industry, and which is not just confined to the limited scope of the terms of reference. We encourage IPART to become more informed about the risks posed by the CSG industry and community concerns about it. It may be useful to read submissions that have been made to recent state and federal parliamentary inquiries on this issue.

We would like a group of delegates to participate in the public hearings, just as you have done in other enquiries at state and federal levels and believe that IPART should visit regional NSW and hold public forums where it can hear directly from the community. This could include such locations as Lismore, Gloucester, Camden, Broke, Narrabri, Coonabarabran, Gunnedah and Coonamble and should incorporate visit to properties threatened by CSG and properties where landholders have been asked to drill on their farms.