

Submission by the
Mullaley Gas and Pipeline Accord
in relation to the to the
Independent Pricing and Regulatory Tribunal
Landholder benchmark compensation rates –
Gas Exploration and production in NSW

Members of the Mullaley Gas and Pipeline Accord (MGPA) wish to submit the following comments.

1. Landowners have no right of veto for the coal seam gas industry. The NSW Farmers Association has signed a MOU with two Coal Seam Gas (CSG) companies (AGL and SANTOS) which is only relevant to drilling operations and not for the invasive industrialisation of their land with other industry related infrastructure such as roads, pipelines, compressor stations and holding ponds associated with CSG.
2. Members of MGPA are aligned with Lock The Gate that have surveyed three million hectares in NW NSW. 96.5 % of landowners surveyed have said they do not want CSG. Therefore, the vast majority of landowners are not interested in compensation.
3. Discussion of compensation is hypocritical. Landowners have been led to believe from the NSW Government and CSG industry proponents that the CSG industry is the least invasive of the extractive industries and pose no risk to their business. For the government to now request IPART to make recommendations for compensation to landowners implies that there will be harm to their businesses.
4. The terms of reference only refer to compensation for infrastructure above the ground. The potential for damage with CSG is also below the ground and has been completely overlooked in the terms of reference.
5. We assert that IPART is not in a position to consider the implications of potential long term repercussions when considering compensation to landowners. For example, consideration of compensation cannot be calculated if aquifers are depleted or contaminated as this would be irreparable and potentially catastrophic for agricultural businesses and the environment in general.
6. Most landowners rely on a sustainable supply of underground water and the effects of contamination or depletion may not become apparent for some time. SANTOS' documents state that CSG will lead to a drawdown in aquifers, IPART must consider that compensation must adequately allow for the possibility that landowners may lose their underground water upon which they are totally reliant for the viability of their business.
7. It is not possible to compensate a family run farming or grazing operation that has operated successfully for generations and intend to do so ad infinitum if they are forced to suffer the impacts of this invasive industry. Compensation must cover the cost of an unknown number of generations of a family who may be precluded from continuing the business of producing food and fibre.

8. If any CSG company were to withdraw from NSW the impacts to the Australian economy would be negligible. If agricultural land and supplies of underground water were impacted by CSG extraction the negative impacts to the economy of Australia would be immeasurable.
9. Members of the MGPA have toured areas in QLD impacted by CSG extraction and clearly there is no co-existence between agriculture and CSG.
10. It is inappropriate to consider compensation before all of the recommendations from the Chief Scientist Mary O'Kane have been implemented.
11. The implementation of any recommendations related to the CSG industry has been piecemeal and ad hoc to appease proponents of the CSG industry.
12. A true cost-benefit analysis must be undertaken which considers all social, economic and environmental impacts associated with the CSG industry before it is permitted to proceed or not.