

**Submission
No 331**

INQUIRY INTO COAL SEAM GAS

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Submission by The Narrabri Shire Property Rights Group on the Impact of the Coal Seam Gas Industry on Private Agricultural Land

The Coal Seam Gas Industry is only just starting to capture the attention of land holders in the Narrabri shire. Very little Coal Seam Gas (CSG) production has taken place on private agricultural land indicating that many landholders have yet to familiarise themselves with the outcome.

The biggest single concern the Narrabri Shire Property Rights Group has is we don't want the disasters that have happened in Queensland to be repeated in the Narrabri shire.

All landholders have concerns, and all landholders are insisting on the right to deny the CSG industry to come on to their properties.

Some land holders want the industry banned while others want the industry banned until the science is proven. Particularly in relation to accurately predicting any adverse consequences.

There is a general consensus that should a land holder be adversely affected then that landholder must be fully financially compensated and that no landholder should be left financially disadvantage by this industry.

1. Every landholders circumstances are unique. No two rural properties are the same and each individual landholder has their own individual style of management.
2. What will be appropriate for one landholder on his or her property will be most in appropriate for another.

It is important to note that many rural properties are very finely balanced economically. It won't take much to effect a rural business and tip it into becoming economically unviable.

The concerns of the Narrabri Shire Property Rights group has with the CSG industry can be listed under the five following categories.

1. Reduction in property values.
2. The Impact of CSG industry on rural property management.
3. Inability of the legal system to protect the landholder from the negative consequences of CSG mining.
4. Inadequate government legislation relating to financial compensation for the land holder.
5. Unforeseen negative consequences of CSG mining on private land.

1. Reduction in Property values :

- Historically agriculture and mining have always existed in close proximity separated by a well constructed and maintained boundary fence but never co-existed on the one area of land which is now proposed by the NSW state government and the CSG industry.
- Mining companies have always enforced that the mining site be securely fenced off from surrounding areas due to safety and security concerns.

Landholders genuinely believe that once a CSG field is developed on their property there will be a major reduction in value of their land and if a major CSG field is developed then this reduction in land values will spread to adjoining properties.

Mine sites have always required a separate access road to the adjoining rural landholder . These access roads to the mining site have always been securely fenced to prevent the conflicts that arise once mining activities come in contact with rural usage.

Eg: Mining sites won't tolerate the inconvenience of opening and closing gates essential for rural property management and the mining industry won't tolerate mobs of livestock camping on the access road nor will they tolerate damage done to the mining site by mobs of livestock particularly cattle. On a rural property the homestead and surrounding buildings are securely fenced off from livestock for exactly the same reasons.

- On many rural properties the only practical all wether access to that property is directly to the homestead. The traffic around the homestead caused by the individual landholder doesn't usually create a serious dust and noise problem. Once a CSG mine is established on that property the noise and dust problem around the homestead could have a serious negative impact on the quality of life for the landholder and his family . This in turn will reduce the saleable value of that property. In some cases very substantially.

- The CSG industry has a Public Relations Policy of stating that this industry wont effect the quality or quantity of the underground water available for stock and domestic use.
- Landholders are concerned because no credible scientific data has been presented to support such claims, nor has this industry or the government backed up these claims with an absolute one hundred percent guarantee that if the underground water is affected then the landholder will receive full financial compensation.
- The CSG industry will require an all wether access to the gas well mine site. If this requires the construction of an access road through the property not only will the landholder lose that area of land for agricultural use but in wet times water can build up behind the road and be diverted into areas which previously have always been flood free.
- The Queensland experience with flooding in the summer of 2011 demonstrated what happens when valleys become chocked up with development.
- One of the major reasons landholders exclude the entry of persons not directly associated with the property is because they know that over the long term farm gates will never be left the way they are found. for eg: if the wrong gate is left open or closed livestock can be shut off from water or livestock can graze out crops set aside for grain production.

This can have dire consequences for the economic viability of that property .

- The Narrabri Shire Property Rights Group believe that once a rural property allows persons onto that property who are not directly associated with the management of that property then that property will automatically suffer a reduction in saleable value.
- Some rural landholders carry very large mortgages . They are not in a financial position to cope with a reduction in land values.
- To develop a CSG field this industry requires the construction of very large dams to contain massive amounts of heavily polluted salty water.
- The construction of such dams and adjoining infrastructure will have a substantial negative impact on rural property values.

2. The Impact of CSG industry on rural property management.

A Coal Seam Gas field could impact on rural property management in number of the following ways as mention earlier

- Gates not opened and closed properly as mentioned earlier
- Underground pipelines will create problems if landholder were to break one of these doing routine activities.

- Livestock braking through fences drinking polluted water from Coal Seam Gas dams
- Noise from gas mining equipment such as generators and compressors will disturb or spook livestock
- Livestock getting hit by vehicles from Coal Seam Gas mining staff

Very few people would purchase a rural property should it have a Coal Seam Gas field within its boundaries.

3. Inability of the legal system to protect Landholders from the negative consequences of CSG mining.

- Included is a copy of the letter placed in the land news paper dated Thursday 8th October 2009 by Mark Roche from Wauchope.

This letter is an example of the inability of government departments to deal with disputes between landholders and mining companies.

Another problem is proof of fault. for Example, a gate was left open and the livestock on the property grazed out and destroyed the landholders wheat crop.

How does the landholder prove it was the fault of CSG company staff and not himself? and,

Who is going to pay for the court case ?

- In these circumstances it may be impossible to prove who was at fault and not only could the landholder suffer the loss of a wheat crop but he could also be left with paying substantial legal costs!

Once landholders become aware that they will have no legal protection regarding negligence by the coal seam gas companies the Narrabri Shire Property Rights Group believe there is a very strong case for landholders not to allow CSG mining to proceed on their properties.

- The construction of underground pipelines are essential for the CSG industry to function.
- Land holders are most concerned that they will be held legally responsible for the cost of repairs should an underground gas pipeline be broken while the land holder is engaging in routine farm activities such as deep cultivation, bogged machinery or the construction of fencing etc.

4. Inadequate government legislation relating to financial compensation for the land holder.

Recently a landholder in the Narrabri Shire refused to accept the financial offer from a coal mining company to purchase his property.

The landholders case was based on the fact that the financial compensation from the mining company was insufficient to allow him to purchase another property elsewhere and remain in the rural industry .

After a number of years the mining company eventually agreed to pay this landholder substantially more than what was originally offered.

The present state government legislation on financial compensation to a landholder based on a property valuation can be grossly inadequate.

When property purchases take place by a mining company the financial settlement should be based on what it will cost to relocate that landholder to another property in similar circumstances.

As previously stated in this submission, "No landholder should be financially disadvantaged by the CSG industry".

5. Unforeseen negative consequences of CSG mining on private land.

The landholder will require the removal of the infrastructure associated with gas mining once it has finished.

As with all new industries there nearly always will be unexpected consequences which haven't been foreseen.

For example serious damage to underground water reserves may not become evident until fifty to one hundred years later. It would be reasonable to expect that there will be numerous other examples of unanticipated problems in the future.

The Narrabri Shire Property Rights Group is concerned that at the very point in human history when humanity should be reducing its dependence on fossil fuels our government is mining these materials out of the ground at an accelerating rate while at the same time not considering the implication for the rural landholder and their family.

Richard Busby

Secretary treasure

Narrabri Property Rights Group