An initial works payment for disturbance during construction (e.g. traffic and construction noise);

Initial Works
Disturbance from construction work, including: □ Land use for construction
□ Increased traffic movements
□ Construction noise □ Temporary cessation or relocation of landholder activities

Construction is typically the most intensive period of works for CSG projects. Landholders receive a higher level of compensation for this period to reflect the higher level of disturbance and amenity issues they experience during this time. When developing the work program, AGL works with landholders to minimise the impacts of construction on their land, activities and lives. Compensation for landholders takes into account the type and extent of construction works proposed, typically including payments for each: □ New gas well; □ Trench dug underground (to hold gas or water pipelines and electricity and telecommunication cables), based on the linear distance of the trench; □ New access road constructed, based on the area of land occupied; and □ New water monitoring bore.
The value for each item varies depending on the value of the land, improvements, land uses, etc.

Occasional disturbance from gas operation and maintenance activities

Damage to land, improvements or buildings (e.g. cut fences)
Damage to, or loss of crops, trees or livestock

Temporary disruption of landholder activities
Temporary suspension or relocation of landholder activities during CSG construction and maintenance (e.g. moving livestock to a different location)

AGL will make good any loss or damage caused by its activities or that of its contractors (as required by regulation). Depending on the type of loss or damage, AGL may repair the damage, provide financial compensation, or other arrangements that are agreed by the landholder.

AGL works with the landholder in the development of the work program to minimise impacts on their land use and other operations. AGL agrees reasonable compensation with landholders for disruptions on a case by case basis, which may include payments (e.g. to pay for landholders’ time if livestock need to be moved) or in kind payments.

Nuisance and Amenity
Visual impacts of operations Noise, dust and light from construction and traffic Lifestyle impacts
AGL works with landholders to minimise such impact through the design of the work schedule, the placement of infrastructure and by conducting activities in a responsible and respectful manner. Nuisance and amenity are considered when determining initial and annual compensation depending on the extent and duration of the impact, particularly if construction activity is conducted in close proximity to residences. Impacts are also regulated and minimised through license and approval conditions.

These matters should be negotiated between the landholder and proponent considering the specifics of the site and proposed works. This further illustrates the overall principle that each access agreement and compensation package is commercially specific to the circumstances of both parties.

1. How do you calculate compensation for these events in the first place? 2. And what clauses are inserted in any access agreements to cover the effects of them?

I have witnessed, recorded and reported the effects of discharges/spills/overflowing ponds and wells, some containing drilling chemicals but all containing coal seam waters both ‘untreated’ and ‘treated’ into the environment, as well as over the well pad areas. I have witnessed, recorded and reported on the attempts to rehabilitate these sites. From what I have seen as to the response to the rehabilitation methods currently employed, there is no way short of removing and replacing the contaminated soil with new, that any form of rehabilitation will ever have a chance of success and even then it is still a guess as to whether the area will ever be productive or even as productive as it was prior the exposure to the products and activities of the CSG industry. One other disturbing factor that will have a bearing on any access agreement compensation with either hosting landowner or neighbour, is that the areas where untreated CSG fluid has been spill/discharged, seem to be recovering very slowly, if at all. It has also been observed that these areas are slowly growing with the resultant detrimental effect on the previously unaffected flora. Whilst these events are on public land in the Pilliga State Forest, they can be related back to private lands and must be taken into account when preparing any form of landowner access agreement.

I would like to invite the IPART Tribunal to come to Narrabri and go on a tour with me in the presence of Santos, and view the older spill sites of Bohena 2, 4/4L, 7, 3, then go to the site adjacent to the Bibblewindi Dam complex and see the damage that a spill/discharge of unknown litres of CSG water is capable of doing. The best recorded and most recent large discharge of CSG water into the surrounding area is at the Bibblewindi Water and Gas Gathering complex. The publically available information into the events at Bibblewindi is sparse, except from one very confusing report dated 25th June 2011. This report indicated that 10,000 litres (some people disagree with the amount and source of the CSG water released, however officially it stands as the report states) of CSG water was released into the environment over a period of 4 hours (Attachment A- Operations Report by Santos Limited on Eastern Star Gas Limited- see Items 32 to 36 inclusive. There is also a report of a spill/discharge at the same location before the June 2011 event however there is no water volume recorded -see items 29-31 inclusive). The report further indicates that part or all of the 10,000 litres caused an area of approximately two (2) hectares to a depth, in this case, up to 600 mm (depth of clay barrier to surface) to be so affected as to change the natural pH levels in some areas to ten (10) at a depth of 600 mm (5.6 is normal for the area) and a salts content that well exceeds the ability of the affected area to support shallow and some deeper rooted flora.

Simply put; one (1) litre of this coal seam water, as described above, is capable of rendering two (2) square metres of ground down to, in this case, 600mm, completely unusable for any old/new growth for an indeterminate period of time (so far at the Bibblewindi Water Treatment Facility that is almost 4
years and up to 13.5 years at the other mentioned locations.

Santos has released a report on the unreported 2011 Eastern Star Gas discharge that caused the above flora kill/dieback as well as a report undertaken by Golders Associates (Bibblewindi Water Treatment Facility Soil Investigation 350 pages in length). Please take note of the soil analysis results contained there-in, as well as the subsequent CH2MILL Rehabilitation Reports on all the earlier mentioned well sites and their surrounding areas (source for these documents is Santos, OCSG or EPA).

The worst part about this event at the Bibblewindi Facility was that human nature and survival kicked-in and the event/events went unreported by many for almost 6 months.

Reference 2 - 4.75% Coverage

1. If this happened on private lands, what would be the short and long term effects on the farming enterprise and what effects might a neighbour suffer short or long term?
2. What would be the compensation consequences and costs in pursuing a claim and who would pay for all this? The cost burden on a hosting landowner or his neighbour would be in most cases prohibitive. There needs to be clauses in any Agreement that cover these matters.

The spills are a problem but it is the non-reporting that is of the greatest concern. Imagine what could happen if a spill occurred on hosting private land, the site “covered-up” and the event not reported to the relevant authority, hosting landowner or the neighbouring property owner, and later something came to light as a result of the initial event. Where do all parties, landowner and neighbour stand should something like what occurred at the Bibblewindi complex occur on private land?

I ask you to examine the latest event where there was a discharge from hi-point vent, number 27, on the Dewhurst South water line. This event was recently investigated by the EPA. According to Santos press release only 2-3 litres of coal seam water and 2-3 teaspoons of salts were discharged.

I direct you look at the statements made by Santos on 2nd January 2015 and the conclusions made by the EPA as to the contributing factor regarding this event. Note that Santos made a statement on the 2nd February 2015 stating, “There was no equipment malfunction”. The findings from the EPA listed that a “mechanical failure of the vent had resulted in the release of produced water from the vent”. Yet, as stated above in the original press release by Santos on February 2nd 2015, “There was no equipment malfunction”. I mention this only because this event was seen by non-Santos personnel and the site was legally accessible by the public. The event was reported and investigated and a cause found, but imagine if finding such an event was ‘restricted’ to only company personnel and/or the hosting landowner and was not reported, then later down the track the event surfaced as some form of ‘damage’ to either the hosting landowner or to the neighbouring property or their water. So what area of damage will an event like that described above cause and imagine that occurring on an agricultural property?

Reference 3 - 1.69% Coverage

If this event had occurred on private land and the true extent and cause was hidden from the landholder or neighbour at the time, but the landholder or neighbour discovered the truth after the company moved away from his property, then what measures are in place to protect the exhosting landholder? But more importantly: What recourse does a neighbouring landholder have should the “event” eventually affect his land?

There are many more cases like the above mentioned where spills/discharges, overflows, etc. of all sizes have occurred on the grounds surface that, like the above, were either not reported or if they were, were severely and I believe purposefully, down-graded to make the whole event seem trivial and of no consequence, thus to establish some sort of a “damage baseline” weighted in favour of the CSG industry.

Reference 4 - 1.18% Coverage

Based on the best recorded example (Bibblewindi Treatment Facility Discharge/Spill as above) we now know what this water can do to the flora. Can you imagine what the outcome of an event even as small as a discharge/spill of one (1) litre could do to an agricultural property? Who is going to calculate a fair and just value for that? And how will it be calculated for any spill/discharge?

Certainly not the gas companies and surely not the Government agencies, who with all respect, have had a very poor record in the past when it comes to investigating these types of matters.

Reference 5 - 2.12% Coverage
The Tribunal should as part of its review into compensation look into and define words like, minimal, minor, significant, insignificant and how many small or minor events must occur before they, in combination, can be classed as "accumulating". There are so many confusing levels describing degrees of events, these descriptions and many more need to be clarified. Also needing clarification is the phrase “industry best practice” as found in the Premier’s letter date stamped 9 Feb 2015 along with "world’s best practice" as mentioned below.
I like to suggest that the Tribunal as part of the review also look at emerging reports of events related to CSG/Natural Gas/Conventional and Shale Gas Industries overseas and interstate for their effects upon agricultural land and underground water. Examples are from fracked wells but can be related back to non-fracked wells. I have placed one such address below.

I feel that IPART does not want to take the hard and difficult line, by ensuring that neighbouring landowners have agreements that protect them. Instead IPART has taken the very easy and soft road and placed the burden of proof back on the neighbours by quoting various pieces of NSW Legislation that cover dust, light and noise, should they suffer an injurious situation, but leaving out the more difficult water and mental stress issues to name a few.

Even the existence of a PEL impacts on landholders, mentally, physically and economically.

Compensation must include the possibility of associated health issues with CSG

We need to address the human cost to the landholder and compensate for that as well.

Land area occupied by CSG is not reflecting the full impact of the operations, consider previous comments including health issues, property value reduction, special significance of the property to the occupiers and their relationship with the properties flora and fauna, costs of relocation, increase noise, industrial operations disturbance, loss of privacy, stress, impact on equestrian operations such as distress to horses, danger when training horses posed by increased traffic and size of vehicles, extra people entering property, lack of expertise of CSG works with the management of horses etc.
You are ignoring the impact of CSG on the whole property and the human impact of CSG, there is a special cost of CSG to the property owner, physical and mental health and economic.

Reference 8 - 0.13% Coverage

Must include compensation for mental and physical health issues, stress, the fact that it is not a government "acquisition" but a commercial business development that has only been sanctioned by a government that is gaining economic advantage from such a development and as such government should contribute to the compensation paid to landholders, this may prove to be the full value of royalties obtained and as such may make the development financially non feasible.

Reference 9 - 0.09% Coverage

Temporary?? You must be kidding, have you no idea of this whole issue? There are major continuing issue with regards injurious affection and you need to seek qualified independent valuation opinion on this specific issue and you need to talk directly to the people impacted as well. Your comments here show a complete lack of understanding,

Reference 10 - 0.06% Coverage

Why only stock, what about the impact on the humans involved. Include legal and other professional costs (such as valuation fees) for dealing with government and gas companies over the whole CSG issue.

Reference 11 - 0.01% Coverage

THIS IS THE MAJOR ISSUE ALONG WITH HEALTH

Reference 12 - 0.04% Coverage

This definition does not reflect the full extent of affection from CSG, the definition needs to be expanded in line with my previous comments

Reference 13 - 0.05% Coverage

As said previously, you need to expand this definition to included all the aspects of injurious affection likely to be encountered by landholders involved in the CSG development issue.

Reference 14 - 0.06% Coverage

There are differences between coal and CSG. How about a 2km buffer between any residence and CSG operations. Nuisance is not the only issue with CSG, what about stress, mental and physical health issues, etc

Reference 15 - 0.02% Coverage

No, to start with the definition of injurious affection needs to be expanded.

Reference 1 - 0.39% Coverage

loss of amenity, noise, gas leakage, physical and health issues, loss of flora/fauna, contamination of our water resources (surface and sub surface)

Reference 2 - 1.91% Coverage

Mr Fraser – “Someone seems to be grabbing hold of that (mental health) to make it a leverage for their purpose” – I find this a disgraceful comment and typical of an industry trying to discredit legitimate
concerns within the community, I have first hand experience to know that Mr Fraser’s statement is completely false. Remember George Bender, me thinks that the CSG industry would like this case to go away, you can’t get anything worse than what happened to George and Mr Fraser considers it “leverage”; just disgraceful and another example of the mining industry being very loose, carefree and misleading with their comments, mining industry is basically contrived “spin” designed to hide the true impacts of their industry.

Reference 1 - 1.50% Coverage

The named heads of compensation address the immediate impacts and therefore provide a basis for compensation although the cover ‘injurious affection’ needs precise definition in regard to the less direct impacts. Loss of amenity, particularly for retired people, impact on tourism and damage to property value/asset security are potential matters.

Reference 1 - 0.54% Coverage

Major disturbances to life amenity due to dust, sound and light pollution

Reference 2 - 0.73% Coverage

Reduced control over daily farm management despite access agreements assuring consideration of same

Reference 3 - 0.91% Coverage

Health issues arising from industry fallout (leaks from pipes, well heads, airborne pond evaporation products, flaring etc)

Reference 4 - 0.90% Coverage

Resultant mental health issues from preceding points. Anecdotally, suicides are rising in these areas - what price a life?

Reference 5 - 3.77% Coverage

Section 5. No comment on the economic strategies proposed, as regardless of whatever means is used to calculate values, they are not relevant. The basic premise, that money fixes everything, JUST IS NOT SO! One small example - Relocation of residents during injurious times - who is looking after the livestock during these times? Are they impervious to these injurious impacts from which the humans are being protected? Should a lifetime of livestock breeding be sold off while the property is mined briefly?

Reference 1 - 0.82% Coverage

There are many temporary impacts that should be considered including gas leaks, spills, acid rain as a result of flaring, smells and air quality during flaring, contaminated dust on roofs and in water tanks.

Reference 2 - 2.38% Coverage

Injurious affection covers such a broad range of impacts that it is difficult to say what approaches would be best. I feel that once again a flow chart/ key would be useful here to identify an estimations formula available that best fits the situation. The issues paper refers to temporary impacts or long term
impacts such as land value. American studies have concluded that land values are affected detrimentally by proximity to CSG wells. Other anecdotal evidence seems to confirm land use over the long term will be affected by decommissioned wells and the non-productivity of the land at the well site.

Reference 1 - 5.18% Coverage

Compensation of Infrastructure
What is included in compensation packages needs to fully stipulate; that it includes all infrastructure associated with Coal and CSG, such as power lines, gas and water pipelines, quarries, borrow pits, gas processing and compressing stations, water treatment facilities, roads, accommodation support camps for staff, fuel storage areas, compressor stations, flare pits, ponds, fences etc. All of this infrastructure impact on the visual amenity of the landholder lessening their quality of life along with dust and noise nuisance and the company should do its best to lessen these impacts.

Reference 2 - 2.57% Coverage

Health impacts on land residents or their animals should not be neglected when it comes to compensation and if their health is impacted on so they cannot do business or live on their land anymore a guarantee to buy out their farm should be in the contract. This is a good reason to have baseline studies done.

Reference 1 - 0.30% Coverage

Landholders lose use of land under access tracks and hardstand for the duration of occupation (which can be for a considerable time). Because CSG infrastructure occupies part of land, some inconvenience may be imparted to the remaining property (the balance land). This may occur as a result of the physical interference by wellheads and tracks (severance), or it may occur as a result of the carrying out of works on the area occupied (injurious affection).

Reference 2 - 0.33% Coverage

Non-market methods of valuation such as “relocation costs” have no place in assessing compensation for injurious affection. Instead, transactions in the property market can be analysed by the paired sales analysis and multivariate techniques described at 2.9 of this paper. Paired sales techniques are well supported by judicial comment over time (see for example Kater v The Electricity Transmission Authority of New South Wales NSWLEC 1993; and Parsons v Prospect County Council, 1987, in AIV, 30, 3 132 136).

Reference 3 - 1.09% Coverage

Injurious affection is the inconvenience that results from the CSG activities on the land. These include drilling, maintenance and activities such as flaring. In Canadian Natural Resources Ltd v Bennett & Bennett Holdings Lt and Circle B Holdings Ltd. QBA Alberta 2008, 18 the court observed that: “Factors such as noise emanating from a well site, or the unsightly view of a well jack from the living room window, are considered compensable ..” Evidence heard in Sullivan (2003), 27 substantiates the nuisance that can be generated by CSG activities. “There are daily visits by the respondents’ personnel to Springton. There is constant monitoring and testing of the wells... Even when it rains and the respondents cannot reach their wells by road, the respondents’ personnel arrive by helicopter.” The witness went on to observe the CSG miners were “basically free to go wherever they please on Springton” and they constituted “a constant, visible interruption to what would otherwise be a peaceful rural environment”.

The comments in Sullivan (2003) QLRT identified a number of examples of the significance of injurious affection in compensation for CSG occupation. In commenting on the various nuisances, the court concluded:
... it must be accepted that the hypothetical prudent purchaser will pay less for the property for a reason no more than that people do not care to live and work in the vicinity of such works, irrespective of the other amounts of compensation paid.... A hypothetical prudent purchaser would have those fears enhanced on viewing the property for the purpose of purchase on seeing the many ‘danger’ and ‘warning’ signs ... (Sullivan, 2003, 38).

Reference 4 - 0.46% Coverage

CSG infrastructure comprises access tracks, hard stand, well heads, settling ponds, buried pipes and other plant. The extractive industry established on land can cause considerable nuisance through severance (figures 2 and 3) and injurious affection. Compensation can be expected to vary according to the attributes of the work and the property. They will probably (but not certainly – see discussion on “stigma” at 2.5 below) be endured only for the term of occupation (rather than in perpetuity), but this is easily allowed for. Just one adjustment to the approach in the Halfpenny compensation award is required. This is the conversion of capital value to a rent value noted in Tables three to six below.

Reference 5 - 0.54% Coverage

The valuation theory for compensating compulsory acquisition recognises potential loss in value for “stigma” or “fear” factor (Jacobs, 2010, 18.180). It is a part of “injurious affection”. CSG works involve drilling (which has the potential to interfere with underground water, a resource frequently relied upon by landholders), and there are concerns regarding contamination. However, some writers (see for example Siemens, 2003, 123) report that stigma declines over time (especially post clean-up). Whilst there is no current evidence of the existence of stigma, it is nevertheless something that must be kept in mind. This item would normally be classified as injurious affection. Adoption of the compensation provisions of the NSW Land Acquisition (Just Terms- Compensation) Act 1991 would ensure inclusion of this item.

Reference 6 - 0.23% Coverage

The approach taken in the Halfpenny case was a basic summation (or piecemeal approach) which assigned a value to the land occupied and converted this to a rent. It cites relevant areas and a value per hectare of $25,000 (which would now be out of date). The areas and rate per hectare disclosed in the judgement are used in Table 3 and those following.

Reference 7 - 0.12% Coverage

The approach could be easily adapted to include loss for severance (currently included as a compensable item in sec 109) and injurious affection (not included as being compensable in sec 109).

Reference 8 - 0.53% Coverage

I do not agree with this statement. Non-market and relocation cost methods are approaches intended (as the title of their text implies) by Sinden and Worrell, 1977 to apply to situations where there is no direct market evidence. The IPART statement at 5.4.1 “There are generally no market values attached to impacts such as nuisance from noise and dust and loss of visual amenity” overlooks the existing valuation theory relating to the derivation of values for diminution in value. Whilst there is no direct market for the impacts, it is possible to assess the value attributed to the impacts via multivariate techniques and “paired sales analysis” using property sales information (both methods are referred to in LPI, 2014). Much of the research that is reported in the journals uses multivariate analysis.

Reference 9 - 0.75% Coverage

Researchers have applied statistical techniques to the problem of determining effects of a range of property phenomena (Jackson, 2003, 3110). Studies often take the form of multiple regression analysis (MRA), and use a number of independent variables (for example lot characteristics, land area, distance and exposure to the nuisance in question) in attempts to quantify effects. However, these techniques require a lot of data and detailed information about key property characteristics (Boxall et al, 2005). The Boxall study indicated that proximity to gas wells negatively impacted property by 4 to 8%, but this affect increased for “sour gas” wells. Research has also been done in the United
States (where landholders often receive the advantage of payment for the resource). Gopalakrishnan and Klaibera, 2013, 4 reported a decrease in values for occupied property of 21.7%. Moreover, Muehlenbachs et al 2013, 29 reported a 26% loss (prior to adjustment for lease and royalty income) for property occupied by wells. These rates are in line with earlier US findings, which indicate a rate of diminution of 22% (BBC Research & Consulting, 2001, 1).

Reference 10 - 0.36% Coverage

LPI, 2014 elected to use the established technique of “paired sales analysis” (although their report document does not identify actual “pairs” or details of analysis). API, 2007, 18 explains how sales evidence is analysed to reveal the size of negative impacts. The results of sales analysis are used in both the “before and after” and “piecemeal” approaches. The application of these approaches is clearly enunciated in the cases (see for instance detailed discussion in Parsons v Prospect County Council 1987, in AIV, 30, 3 132 136 and Kater 1993 op cit).

Reference 11 - 0.33% Coverage

Moreover, the IPART proposal of “relocation cost approaches” appears problematic from a philosophical standpoint. How could removal of a landholder (even a notional removal) from a land holding they own actually compensate them for the intrusion and nuisance? However, it is conceivable that removal costs might be claimed as a disturbance item (see discussion in Australian Gaslight Company v O’Grady & Burrell NSW 1986 where temporary removal costs of a farm manager was sought, but denied by the court).

Reference 12 - 0.62% Coverage

The Kater and Parsons cases indicate compensation for injurious affection is usually assessed by “before and after” and “piecemeal” approaches (both of which have a firm foundation in the property market), and courts proclaim these approaches as having application in assessing loss in value to the balance land for mining (including gas) acquisitions (see 1.5 and 1.7 above). There are a number of explicit examples of the before and after and piecemeal approaches (nominated in Table 2 above) in mining and gas applications. As noted above, the Kater case provides a good example of the use of the “piecemeal” approach. The court used a percentage factor to find the diminution in value of the balance land. Varying rates of diminution were used for parts of the property (including two dwellings and the balance land). Using the figures in Halfpenny the calculation for injurious affection damage, (at a theoretical rate of 10% diminution) might appear thus.

Reference 13 - 0.16% Coverage

Once again, this assumes that the elected percentage diminution applies to all of the balance land of the holding at the same rate. This might not be the case. Table 6 demonstrates the assessment of severance and injurious affection as a single item.

Reference 14 - 0.25% Coverage

Compensation for the first year includes recompense for the larger areas occupied during establishment plus a larger allowance for loss of amenity (disturbance and injurious affection) occasioned during construction. Annual rent would be paid in advance. Rent for successive years would be based upon the smaller area of operational wells (with due allowance for extra areas for maintenance).

Reference 1 - 1.75% Coverage

People should of course be compensated for damage done: we know CSG does a lot of damage – it introduces weeds, interrupts businesses, and even family life.

Reference 2 - 4.42% Coverage
People in Qld get moved off their properties to hotels, for goodness sake. So yes, all the damage it should be compensated, but in the first instance it should be prevented, and frankly, for as long as NSW doesn’t have the laws in place to prevent people getting sick and water being contaminated, then no amount of compensation is going to assuage the communities’ fears about this industry.

Reference 3 - 14.30% Coverage

Deeply concerned with the fundamental basis that landholders are to be “no worse or no better off than before the development came” as this is an assumption that all facets of a landholders’ life that will be impacted can be firstly identified ahead of time and secondly a dollar figure put on it, how do you put a dollar figure on the following real life examples of impacts – the school bus having to have a pilot vehicle to negotiate the high traffic roads, the holding of a government media event about “coexistence” on your property without your knowledge, the closing of the local school, sporting clubs and community groups due to the irregularity of FIFO working hours and nature of this type of workforce, not allowing your children to play outside at certain times because of dust and other impacts, increase in living and business costs that go along with and have been proven in other areas from the construction phase of this industry and most importantly the mental health issues from the daily living with this level of stress. How do you fit these into “injurious affection” as a % of your land value????????? Landholders must be better off to a huge degree in dollar terms to be subjected from a peaceful lifestyle to a 24 hr, 7 day a week, 52 weeks a year CGS nightmare.

Reference 1 - 2.23% Coverage

Scope of Compensation

Ignoring the wider community pretends that all the harm and losses will be experience only by hosts and those nearby. This is patently untrue where extractive industries (including more than one in the same district) are in conflict with other land uses. Tourists and tree-changers will not come to see fields of gas structures nor do they want to hear compression plants running constantly. Ignoring this issue fits in well with the public position of miners that there is no such thing as land-use conflict. Even if all landholders are compensated adequately those nearby whose businesses depend on quiet enjoyment, the views, vistas, and the clean-green image will get nothing.

Reference 1 - 0.80% Coverage

Yes, as addressed in previous question; and are not restricted to the hosting land, but extensively to neighbouring land. The valuation theory for compensating compulsory acquired land recognises potential loss in value due to ‘stigma’ as part of ‘injurious affection’. Adoption of the compensation provisions of the NSW Land Acquisition (Just Terms Compensation) Act 1991 ensures inclusion of this item.

Reference 2 - 1.74% Coverage

No. Non-market and relocation cost methods are approaches applicable to situations where there is no market evidence. The IPART paper statement at 5.4.1 “There are generally no market values attached to impacts such as nuisance from noise and dust and loss of visual amenity” disregards valuation theory relating to the derivation of values for diminution in value. Whilst there is no direct market for the impacts, the value attributed to the impacts can be determined by multivariate techniques and ‘paired sales analyses’. The theory relating to these approaches is well established and adopted in valuation practice, and standards, as supported by court cases. It is noted as accepted by NSW Land and Property Information. The IPART proposal of ‘relocation cost approaches’ does not necessarily compensate for the intrusion. Removal costs might be claimed as a disturbance item.
The idea that the CSG industry or the State Government can compensate for adverse health impacts is very simply completely at odds with any form of common decency and perhaps the State Government needs to reaffirm itself with its basic Charter of Governance which is that of Safe Guarding Public Health. To even suggest that there is just compensation for ill health as a result of being forced to live in a CSG field is ludicrous. For example, there may be no payment large enough to make a blinded person as well off as if the injury had not occurred.

Councils should also have their own compensation agreement with the company whereby the company will compensate for impacts on roads, garbage disposal, etc. Council should also be able to place stipulations on operation hours for flaring, noise etc.

We are deeply concerned with the fundamental basis that landholders are to be “no worse or no better off than before the development came” as this is an assumption that all facets of a landholders’ life that will be impacted can be firstly identified ahead of time and secondly put a dollar figure on it. How do you put a dollar figure on the following real life examples of impacts – the school bus having to have a pilot vehicle to negotiate the high traffic roads, the holding of a government media event about “co-existence” on your property without your knowledge, the closing of the local school, sporting clubs and community groups due to the irregularity of FIFO working hours and nature of this type of workforce, not allowing your children to play outside at certain times because of dust and other impacts, increase in living and business costs that go along with and have been proven in other areas from the construction phase of this industry and most importantly the mental health issues from the daily living with this level of stress. How do you fit these into “injurious affection” as a % of your land value?

Furthermore why has legislation and the Guideline left out the “loss of amenity including recreation and conservation values” that is critically important to the compensation issue? This is legislated for in Victoria and should also be used in NSW.
If a spreadsheet model is to be used, APPEA strongly recommends that it only includes heads of compensation which can be objectively quantified. Loss due to injurious affection such as a loss of visual amenity, for example, is subjective and varies according to individual preferences. In this regard we note the issue of compensation for visual amenity was considered in some detail by the most recent review of land access and compensation in Queensland, which did not support explicit compensation for loss of visual amenity. The review concluded that social amenity issues impacting on landholders can be addressed through mechanisms other than compensation. This includes resource authority holders working with the landholder to better plan and design resource activities to mitigate and minimise potential impacts. For example, landholders can negotiate to influence the placement of resource infrastructure on their land so that it has less impact on their lifestyle and agricultural operations. This finding was supported by peak resource and agricultural industry bodies, the Queensland GasFields Commission, and the independent Chair of the review.

Loss due to injurious affection

Similarly to severance loss, NSW Farmers supports the inclusion of loss due to injurious affection, meaning loss suffered as a result of direct impacts from the CSG activity on the residual land. For example, noise or dust affects on farming operations. This could include neighbouring lands also, as mentioned in the preliminary notes. This may be minimal for the actual CSG operation itself, but could be most appropriate for machinery access, and relevant impacts due to infrastructure and/or pipeline construction.

44 A qualified valuer would normally provide advice on land values and impacts from gas projects on residual land values. The valuer would undertake an on-ground survey to understand how the gas project would affect the landholder. MR DONALDSON: Thank you. Just to follow on with the same issue, I am aware of a landholder in Queensland who has 180 wells on his property. At $10,000 a hole, he has amassed $1.8 million per annum. You could suggest that he is reasonably well compensated, but he is just wondering why 17 the hell he is doing it because he has 300 people at any one time on his property. How do you compensate total loss of quiet enjoyment? How do you know whether all the vehicles that are rushing around your property are actually meant to be there, or as Peter Watson said earlier on, some other 22 entity who has come on your land?

MR MURRAY: Talking about land values I wrote a letter to 13 our Courier paper a little while ago and I did a bit of 14 research, which included getting on to the
internet to have a look at what the Valuer General in Queensland said about 16 properties and their values. Either the information I got from the Valuer General's reports is wrong or Santos is wrong. I can't remember the exact figure, but I think in grazing country, there was an overall reduction in value of 3 per cent, and I think farming country was done on an individual basis because the effect of pipelines, roads and things across farming country would be far, far more drastic. To suggest that the price of farming land would go up is just ridiculous. I don't deny that some properties could have been bought at slightly higher prices, but this is a big generalisation and I do not think it is correct.

Reference 4 - 0.24% Coverage

MS HUNTER: Thank you. It seems to me that there are four opportunities in this spreadsheet for landholders to access compensation under different areas. The one that seems to be missing for me, and we have noticed that in Victoria where it is done, is the loss of amenity including recreation and conservation values. I suppose for a lot of us, that covers off on this. It is very difficult to put an economic value around those kinds of things, being that the property is the livelihood and the lifestyle of people. I just wondered is there a reason that that loss of amenity is not captured?

Reference 1 - 0.29% Coverage

39 When you do your compensation, assess it in relation to the impact of that whole industry and then it may have to be distributed out to the individual landholders, be they neighbours or people physically impacted by infrastructure. My research on the project shows that when 44 CSG comes to town, it makes an impact on the property values of everybody involved in the community, and not just on those who have infrastructure actually physically on their property.

Reference 2 - 0.40% Coverage

MR ROBERTSON: Okay, mental health, stress; property values; the fact that people move to an area for a lifestyle change - some people might call it a tree change, as compared to a sea change - when they move to a rural community. The proposal from, say, AGL impacts seriously on me in that regard. I worry about my health - mental and physical. I worry about the health of my family. We have my aged parents-in-law. We built an additional house on the property to accommodate them. I worry about their stress and their health issues in relation to that. I worry about the impacts of the CSG and escaping gas on our properties.

Reference 3 - 0.31% Coverage

I worry about our ability to market our property once CSG comes to town and our ability to realise the pre-CSG value of our landholding. In some ways, our property was our future superannuation for my wife and me. Eventually, when we get too old to live on a larger rural property, we will move to another area. We are going to be restricted, I feel, from a professional point of view as a valuer, from realising the original market value of the property, so we will be seriously impacted by CSG.
Reference 4 - 0.50% Coverage

Chris also mentioned mental health was a big thing. In this interview that I had last weekend, we talked about mental health for quite some time because there is a big thing about somehow our mental health issues will be caused by CSG. If you’re on the land, you will realise that mental health is a big issue whether you’re near gas or not. Someone seems to be grabbing hold of that to make it a leverage for their purpose. I can’t agree with that because surely you must be reading about the mental health issues on farms. People are shooting cattle in the Northern Territory because of the live cattle trade being stopped, and it is still happening. There are more issues than CSG causing mental health problems. That is what I wanted to say. That came out of our talk.

Reference 5 - 0.11% Coverage

stress. It has impacted on the health of my mother-in-law and father-in-law who are aged. I am giving you an actual example of where just the threat of CSG is causing issues.

Reference 6 - 0.23% Coverage

You may say that there are other issues, but prior to CSG, I had no problem with stress. I won’t say my parents-in-law didn’t have other issues, but their issues have been compounded by the threat of CSG. That is an actual example. I am here to tell you that happens. You cannot dismiss it in the way that you have and you cannot make the faces that you have made when.

Reference 7 - 0.50% Coverage

MS MULLER: Thank you. Also in the issues paper, there was a phrase regarding permanent impacts and how that might be taken into consideration and then into a compensation. That seemed to fall off in the draft report and I am wondering why that was the case. I know that there was not really a large report. There is nothing really available given the relative time frames that the industry has been operating, but I was just wondering why that was dropped off or what sort of consideration.

MR SMITH: I don't think it was dropped off. It was in the draft report, but what we said was that it is a complex issue and we think people should get professional advice on that. In terms of land valuation, yes. Okay, so land valuation was seen to take into account any sort of permanent impact?

MS TOWERS: Yes.

MR HARMSTORF: Yes.

Reference 8 - 0.05% Coverage

These sorts of things are quite subjective, and I think visual amenity is even more subjective. How much is my view worth? It's definitely worth something, but what it is worth in terms of a figure in that spreadsheet is very difficult to arrive at.

Reference 9 - 0.16% Coverage

I think that the impacts of exploration and production are quite different and the access arrangement that is developed up might be quite different from the exploration to production phase because of the number of people coming on the land, when they need to drill and the size of the well pads, and whether anything goes from exploration through to production. It is quite different, so that might be worth spelling out in a worked example.

Reference 10 - 0.27% Coverage

MR ROBERTSON: Could I ask a question of Jenny, if I might. Jenny, when you talk about injurious
affection, 25
26 to the owner? 27 28
MS SUH: Such as?
29 30 MR ROBERTSON: I think we could use an example of 31 somebody that is blind and that
32 person's house has special 33
is an additional thing that may be included special value value because they can find their way around
34 it. In some of
35 these instances with these rural properties, there might be 36 special value to some of the owners -
37 maybe family history. 38 I know down in Lower Belford, there are family graves for 39 winegrowers
40 going back maybe 100 and 150 years and there 41 may be special value, as such. Would that be
42 included in 38 injurious affection or is that something that should be 39 added in for consideration? 40
41
MS SUH: That could be included in the injurious affection
42 and reflected in part of the presented reductions in value. 43 44 MR ROBERTSON: That's fine. No
worries, thank you.

Reference 12 - 0.05% Coverage

MR ROBERTSON: Thank you. Jenny, when you were at 46 Narrabri, you commented also:

Reference 13 - 0.14% Coverage

Also, the valuer has estimated that the 2 value of the residual land will decrease by 3 30 per cent in
4 the first year and 20 per 4 cent in the second year onwards due to 5 other impacts such as loss of
6 visual 6 amenity, noise, dust, et cetera.

Reference 14 - 0.03% Coverage

Can you expand on that because what concerns me is that,

Reference 15 - 0.83% Coverage

in my case, the market value of my property will decrease. I am concerned about my ability to sell, if I
decide that
11 I want to move to a smaller property. I am concerned that 12 I will not be able to realise the
13 pre-CSG market value for 13
that property. How is that going to be compensated for,
14 please? 15 16 MS SUH: First of all, the 30 per cent and 20 per cent 17
18 reduction in market value, they were just examples.
19 20 MR ROBERTSON: Understood, yes. 21 MS SUH: You could reflect your own circumstances
22 by 22 entering in a higher percentage reduction value. So if you 23 expect that your land will be
24 severely impacted in terms of 24 market value, you could, for example, enter a 70 per cent, 25
26 80 per cent reduction in the residual land value.
27 28 MR ROBERTSON: So how will people in my situation be 28 compensated for that loss of
29 30 market value? 29 30 MS SUH: If you enter a higher percentage in terms of the 31
32 reduction in the market value, you will have a bigger
33 compensation for the loss of the land value for the 33 residual land. 34 35 THE CHAIRPERSON:
36 Thanks, Jenny. This is where we are 35 saying, "Get professional advice", which might include 37
advice from a land valuer who would be able to give you 38 advice on what they think will happen in
the future. Also 39 if you're not happy with their advice, you can put your own 40 numbers in. 41

Reference 16 - 0.15% Coverage

MR ROBERTSON: As a previous land valuer, if my property 43
is worth $800,000 pre-CSG and CSG comes to my area and
44 that impacts on the land value and, say, it drops from $800,000 45 to $600,000, when I go to sell
that property, who is going 46

Reference 17 - 0.61% Coverage

MR HARMSTORF: Then, as a neighbour, there is compensation 21 in the model for visual, noise, dust
impacts and so on. 22 But you’re talking about an ongoing legacy reduction; is that right? 24 25 MR ROBERTSON: I am talking about what I think is an 26 example of a possible actual situation where a property is 27 up for sale, CSG is in the area or in the community or may 28 even be on the property. If, prior to CSG, the property 29 was worth $800,000, with the CSG coming into town, how do 30 I realise that $800,000? The number of people interested 31 in such a property would diminish because of the intrusion 32 of CSG. In my professional opinion, it is likely to reduce 33 the value of my property. How do I realise the difference 34 between pre-CSG and post-CSG impact on the current market 35 value of my property? 36 37 MR HARMSTORF: This is something that the tribunal, as you say, heard in Narrabri and I think it is something that we 38 will be looking at in the preparation of the final report.