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Property Rights Australia submission to:

Select Committee on Unconventional Gas Mining

Property Rights Australia (PRA) was formed in 2003 to provide a strong voice for landowners with regard to property rights issues. It aims to promote fair treatment of landowners in their dealings with government, businesses and the community.

Our philosophy is that if the community (or business) wants our resources for any other purpose such as unconventional gas mining including coal seam gas (CSG) and shale gas mining then private resource companies and their shareholders must pay a true commercial value for it and those landowners whose homes and businesses are impacted by this proposed development have the final say on location of development, acceptable commercial payment or if unable to reach agreement, quite simply the right to say "No".

Most of PRA's members are in Queensland but we have members in all States. PRA has many members in the Western Downs and Central Queensland regions in Queensland, which Government, media and the resources sector are now days more likely to refer as the Surat and Bowen Basins. PRA over some years now have been doing what we can to try to help those negatively impacted and disregarded in the blind rush of the resources boom. Resource legislation and regulation is unbalanced in favour of the unconventional gas companies. PRA has participated in submission writing and attending of Parliamentary Committee hearings for all resource related Bills in Queensland

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Summary

The terms of reference for this Inquiry broadly cover all aspects of unconventional gas development. To cover all aspects in detail is a very large task.

In this submission, Property Rights Australia (PRA) firstly focuses on Federal government responsibilities or areas of oversight. PRA believes that this submission provides enough evidence that if there is a will, a way would be found for Federal politicians to be more than just sympathetic towards landowners.

This submission, on page 17, lists impacts experienced by landowners and communities from unconventional gas development. Time does not permit giving a detailed response to all the impacts. Those impacts that have not been dealt within this submission are not necessarily given a lesser priority by PRA. The attention to detail is either areas that PRA is very familiar with or areas that PRA believes may not be covered by the majority of other submissions.

This submission has not exhausted PRA's knowledge about unconventional gas development and we make ourselves available to any future hearing.

PRA has endeavoured in this submission to substantiate what is written by providing references or, in the Appendices, statements by landowners. This is but a very small portion of the evidence available about the experiment with unconventional gas.

Much of the context of this submission is related to Queensland but it is very applicable to all States and Territories. This submission tells of an industry let loose with little research and baseline data. Individual businesses and home owners were faceless in the approval process for unconventional gas. There was little motoring and there continues to be inadequate monitoring. Governments have failed in their duty to govern for all of their citizens.

It is very frustrating that the most important story remains untold: the sad story of the small towns, small block residents and agricultural and farming businesses which were simply rolled over by the unconventional gas industry. It has suited the gas companies and government to frame the public debate between the two extremes of unchecked economic advancement versus environmental idealism. It was if there was nothing "out there" except a new frontier to be conquered.

PRA has written this submission based on the philosophy of the protection of people, especially landowner's rights. For example, the protection of water could be viewed as an environmental concern but it is equally a right for people to access to both the quality and quantity of water needed for domestic and business use.

There is an index on the previous page and a list of recommendations on page 55.

PRA hopes that this submission will be a resource of some use.

Terms of Reference
The adequacy of Australia's legislative, regulatory and policy framework for unconventional gas mining including coal seam gas (CSG) and shale gas mining, with reference to:

a. a national approach to the conduct of unconventional gas mining in Australia

Also covered within this section is:

f. harmonisation of federal and state/territory government legislation, regulations and policies; and

i. the current royalty and taxation arrangements associated with unconventional gas mining;

A National Approach

Too often it is heard that resources are a State responsibility and it is not an area that Federal politicians have any ability to affect any reforms. This type of statement often follows an expression of sympathy towards impacts experienced by landowners who live and work in communities where in recent years the unconventional gas industry has rolled over the top of the same landscape. Quite simply and bluntly this approach is no more than a copout.

The Commonwealth does have powers over the States. As a Federation of former colonies it may at one time have been correct to say that the Commonwealth only had the powers that the States had gifted at the time of Federation. This however changed in the 1980's especially the 1983 High Court ruling on the Franklin Dam Case.[1] This broadened the Commonwealth oversight of State matters under the Commonwealth External Affairs powers by intruding into areas traditionally the subject of exclusive State control.

Further, Section 109 of the Constitution states that if the Commonwealth and a state Parliament both pass laws on the same subject, the Commonwealth law overrules the state law to the extent of any inconsistency.[2]

However it must be stressed that PRA does not support changes that take power from State governments unless there is very careful consideration. Changes in one area of legislation should be examined to ascertain what unintended consequences may occur in other areas. Poorly drafted legislation, if passed, becomes an imposition for the public service to administer and can place citizens at a disadvantage in circumstances not anticipated by the legislation.

[1] http://www.austlii.edu.au/au/journals/AdelLawRw/1993/9.pdf

[2] http://www.peo.gov.au/learning/closer-look/the-australian-constitution/how-the-constitution-can-be-changed.html

Currently the Commonwealth does have the existing ability to manage unconventional gas impacts on landowners and future liabilities in the following areas.

1. The right to say no.
2. Water Trigger in the EPBC Act
3. Food quality standards, Industry representative organisation and industry certification
4. Taxation
5. Export licences
6. Great Artesian Basin
7. Leadership of reform of royalty system

1. The right to say no.
Please also refer to Appendix A on page 59

In November 2015 there was an Australia-wide debate on what has been termed, 'the right to say no'. The issue came to the fore following the tragic and unnecessary death of Hopeland (near Chinchilla, Queensland) farmer George Bender who was placed under enormous stress over a 10 year period dealing with both coal seam gas companies and the Linc Energy underground coal gasification project.[3]

The Federal Resources Minister, Josh Frydenberg made an undertaking to include 'the right to say no' on the agenda of the December 2015 COAG resources ministers meeting. However Minister Frydenberg later withdrew it as an item of discussion. This was an opportunity for a national approach to conduct of unconventional gas in Australia. This is not an opportunity lost – such a meeting can be convened and if necessary the only item on the agenda can be 'the right to say no'.

There is a lot of confusion and a lack of knowledge surrounding the call for landowners to be able to say no. PRA believes that there is a need to 'clear the air' of a few myths before outlining PRA's views about the right to say no.

Myth – "the farmer just owns the topsoil"

The landowner owns the title of that land, there is no measurement of how deep that ownership is. The "crown" (which in modern times is the government on behalf of the people), has reserved the right to certain resources. There is a list of them and this includes gold, minerals and petroleum; petroleum includes gas. It is a system called crown reservation

Myth – Australia has a long held system where the mineral and petroleum wealth belongs to the states on behalf of the people and royalties go to the states and we can't interrupt that.

[3] http://www.farmonline.com.au/news/agriculture/general/news/csg-land-access-fight-heats-up/2747057.aspx?storypage=0

The right to say no is not about and does not change who owns these reserved resources. It is not a change to who receives the royalty dollar. The right to say no seeks to change or amend government policy, regulation regarding land access, and sections of various resources Acts that compel landowners to negotiate with resource companies.

Currently Governments try to pass off negotiations with resources companies as "just another commercial negotiation". But this is smoke and mirrors, because in any standard commercial negotiation both parties have the option to walk away. Landowners in resource legislation have no such option. They are tied to the negotiation table against very large companies who do have the freedom to walk away from negotiation.

The Federal government could show leadership on the restoration of landowner rights here.

PRA's views on 'the right to say no' are further detailed in Appendix A on page 59

2. Water Trigger in the EPBC

CSG extracts water from the coal measures to mobilise the gas. In doing so, landowner bores in and even some distance from a gas field are impacted. Under State legislation, there is a very real inadequacy in the speedy remediation of a landowner's water supply if their bore becomes unusable from CSG activity. Queensland has 'make good' provisions in Chapter 3 of the Water Act which need to be greatly improved.

Water impacts are further covered beginning on page 36.

3. Food quality standards, industry representative organisation and industry certification

Of great concern to landowners is exposure to future liabilities from CSG or other resources activities. Australia has many legislative, regulatory and vendor declaration requirements to ensure food safety. Government has allowed gas companies to enter property used for agricultural production with no disclosure of what chemicals are used; no information about the effect of those chemicals on food products; sometimes no withholding period information available let alone disclosed; no requirement to disclose when, where and at what rate any chemical is used. Public debate often focuses on additives to the fracking process but the gas industry uses products that could possibly cause contamination in many different areas of operation.

The risks are not known to the landowner who could be subjected to possible real contamination that may only be revealed well into the future. There may also be market resistance to food products based purely on perception and speculation.

The Federal government can exercise its responsibilities via Food Standards Australia New Zealand[4] and exert influence through a number of farm food levy legislations[5] under which regulations are administered including the National Residue Survey.[6]

[4] http://www.foodstandards.gov.au/Pages/default.aspx

> *"The National Residue Survey is a program to monitor, and report on, the level of contaminants in food products produced in Australia, or exported from Australia. The program is funded by levies on the food products."*

Resources companies need to be held accountable when chemicals they use are detected as contaminants – with no arguments about how or why entertained – the same as it is for food producers.

Meat products are very challenging area. The Federal government has powers under various Acts and influence with a confusing web of industry bodies under the Red Meat Industry Memorandum of Understanding 1998 (MOU).[7]

The red meat industry structure is notorious for its complexity, lack of transparency and lack of democracy towards meat producing farmers who are compelled to pay levies upon the sale of the animal. In 2014 there was a Senate Inquiry into industry structures and systems governing levies on grass-fed cattle.[8] There was a high level of beef producer participation with submissions to this inquiry. The inquiry made 7 recommendations of which the Federal Agriculture Minister has only paid attention to 2. To date, no reforms have been finalised.

This 'cattle levies' inquiry is particularly relevant to landowner exposure to future contamination liabilities as it gave an opportunity to repair systemic problems in the cattle industry structure that allowed and continues to allow beef producers to bear full exposure to any future contamination liabilities. The beef producer cannot sell livestock without signing a National Vendor Declaration under the Livestock Production Assurance (LPA) certification scheme where if contamination is found there is a suspension of the ability to trade and they are made responsible for all losses up and down the supply chain. In some cases, this could result ;losses of tens of millions of dollars.

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The LPA Factsheet-Property Risk Assessment page 3 states:

> *"At a producer level, repercussions may include failure to be paid for the livestock, and possible legal responsibility for the resulting costs faced by processors and the rest of the supply chain."*[9]

It is from this background of grassroots beef producer concern that sometime in 2012 the Cattle Council of Australia (CCA) and Australian Lot Feeders Association (ALFA)

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[5] http://www.agriculture.gov.au/ag-farm-food/levies/related_legislation

[6] https://www.legislation.gov.au/Details/F2009C00779

[7] http://www.ampc.com.au/about-ampc/statutory-levies-and-legislative-requirements

[8] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Beef_levies/Report

[9] www.mla.com.au/files/.../LPA-FACTSHEET-Propertyriskassessment.pdf

commissioned the meat industry research and marketing agency Meat & Livestock Australia (MLA) to research and provide its findings in a report of beef producer liability to contamination from the CSG industry.

It was only in March 2014 that beef producers learnt of any news about this report that had been completed in March 2013, through a good investigative journalism article by James Nason of Beef Central.[10] The report had been completed but the responsible parties refused to release it. In its place a "communique" was issued that ALFA Chief executive officer, Dougal Gordon described as *"so watered down that it unfortunately held little value."*[11]

PRA wrote at the time in a media release:

> *"It is unconscionable that MLA and CCA has left unchallenged the transfer of all the risks to the cattle producers and have not been diligent and proactive to find the means that producers may enjoy full indemnity from an often uninvited guest who shares the same business space," said Mrs Rea; "Levy payers are not just PIC numbers; they are often farming families who would be devastated financially and emotionally if left exposed and subjected to quarantine because of contamination."*

Much more information is available in this media release found as Appendix B on page 61

This is a matter that has still not been resolved and is should require the immediate attention of the Federal government.

Public Liability & Indemnity Issues are further detailed by PRA member and directly affected landowner Mr Lindon Brown (North West Surat Basin in Queensland) in Appendix C on page 63

4. Taxation

The majority of the CSG companies are multinational with head offices overseas and who export gas as LNG to overseas markets. Taxation is a Federal government responsibility and the taxation loophole of profit shifting continues despite promises to close this loophole.[12] This is particularly galling for landowners and communities who have suffered impacts from unconventional gas activity but receive little to no financial benefit. It should be noted that even for Queensland landowners with a signed Conduct & Compensation Agreement (CCA), this may not represent a new income stream because of profit shifting; most will be fortunate if they can gain compensation for lost income over the life span of the agreement.

[10] http://www.beefcentral.com/news/csg-and-nvds-are-producers-liable-for-contaminants-caused-by-mining/

[11] Ibid.

[12] https://www.etax.com.au/tax-loopholes/

A number of PRA members have experienced the refusal of Origin Energy (under its APLNG CSG project) to pay GST on invoices. Upon inquiry, Origin Energy states that it is company policy not to pay GST. In the circumstances, where the gas company is paying (as is required) the professional costs needed by the landowner to negotiate a CCA, the invoices from these lawyers, accountants, valuators, agronomists, hydrogeologists etc. all include an added GST portion. If the gas company refuses to pay the GST portion, then it ends up coming out of the landowner's pocket. No company, however large, should be allowed to determine its own tax policy in contempt of ATO requirements.

For further information refer to Appendix D on page 64.

5. Export licences

It is assumed that the Federal authorities have oversight of export licences of gas product and that this could (should) be a point of leverage to ensure the companies operate in Australia for the benefit of all citizens.

6. Great Artesian Basin

The Great Artesian Basin (GAB) is the lifeblood for the pastoral industry and many outback towns over a very extensive area that crosses the boundaries of four states and territories. This is not a markedly different situation where there are joint government agreement for the Murray-Darling River system and the management via the Murray Darling Basin Plan.

There is already a joint government agreement in regards to the GAB called the National Partnership Agreement on the Great Artesian Basin Sustainability Initiative (GABSI)[13] GASI has been very successful in the capping of free flowing artesian bores used by the pastoral industry and as a result pressures have again increased in the basin. It is counterproductive that after spending very large amounts of money, equally shared between the Federal government, State government and the landowner restoring the sustainability of the basin, that now another industry is allowed to use these same aquifers in some States on an unlimited take basis.

The current CSG activity may not be directly into the GAB but as more research is conducted a greater knowledge will be gained of the level of connectivity between the likes of the Surat Basin Walloon Coal measures and other aquifers used by landowners. It will be the shale gas that will have a direct draw on the GAB in areas such as the Cooper Basin. Shale is a tight gas and requires all wells to be fracked. Unlike CSG there is no "associated water" and the very large amounts of water used in a frack operation will have to be sourced from the GAB.

[13] http://www.federalfinancialrelations.gov.au/content/npa/environment/great-artesian-basin/national_partnership.pdf

In the previous Senate Inquiry into Landholders' Rights to Refuse (Gas and Coal) Bill 2015, Lestar Manning of P&E Law wrote that the Commonwealth clearly does have a responsibility for the GAB; in submission 24:

> *"The management approach in relation to the impacts of mining on the great artesian basin has been to adopt an adaptive management regime. The difficulty with this approach is the lead times do not permit adaption following monitoring of decline as the cycle is hundreds of years and the impacts may not be felt within the same state or territory. The issue is clearly a national issue and not a state issue. That approach may be seen in the decision of the Commonwealth under the now repealed section 255AA of the Water Act 2007."*[14]

For further information refer to the "Water" section of this submission on page 36.

7. Royalty system

PRA would like to again emphasis that the 'right to say no' should not be directly connected to reform of the current royalty system. Please refer to Appendix A on page 59

The "crown" (which in modern times is the government on behalf of the people), owns the resource and once a government grants a company a lease to extract the resource, a royalty is paid to the government as a means to sharing the profits with the wider community.

However, there is currently a major conflict of interest with the State government being the agency that approves the lease that enables the extraction of gas; enters into an agreement of the environmental requirement in which the companies have to operate; regulates compliance with conditions in the lease approval and environmental requirements; but then is the very same body that receives what is expected to be substantial funds into government treasury through royalty payments.

Landowners can again and again point to gas companies not complying with dust and noise limits, and to very poor regulatory management by government. Landowners also believe that while Department of Natural Resources and Department of Planning and Infrastructure have a robust voice in government facilitating the advancement of the resources industries, that other Departments such as Agriculture and Environment have been stifled.

PRA believes that there is a lot of merit in an idea put forward by a former economist with the Productivity Commissioner and now Queensland Senator, Matt Canavan. [15] This is a reform that is worthy of consideration because it removes the State government's conflict of interest being both the receiver of the royalties and the industry regulator. It will allow a true commercial arrangement to proceed between the gas company and the landowner. This is

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[14] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Gas_and_Coal/Submissions

[15] http://www.queenslandcountrylife.com.au/story/3473877/royalties-need-rethink/?cs=4785

consistent with the concept of the separate "right to say no" reform. With the State receiving a tax cut out of the monies paid, in will be in the States interest that the landowner gets the best deal possible.

Terms of Reference
The adequacy of Australia's legislative, regulatory and policy framework for unconventional gas mining including coal seam gas (CSG) and shale gas mining, with reference to:

b. the health, social, business, agricultural, environmental, landholder and economic impacts of unconventional gas mining;

Industry Origins

There appears to have been very little planning in Queensland that would give a holistic view of how the new CSG industry should fit in with existing communities, homes and businesses. There was no proper attempt to discover if there would be any impacts on health, social, business, agriculture, environment and landholder. There would have been most certainly issues on the peripheral vision of government that could be called "known unknowns" – but these were ignored.

In submission number 17 to this Inquiry, Dr John Polglase observes:

> *"However, despite this extensive and intensive terrestrial 'footprint', the CSG industry literally 'mushroomed' in Queensland, with little to no commitment to the precautionary principle. A 5-year, pilot CSG-extraction lease was not awarded, and consequently there was no research and monitoring of such before any up-scaling 'go/no go'. In fact, I am unaware of any phased, developmental, 'go/no go' criteria being applied to this industry. Further, to my knowledge, there was little to no air, soil and water benchmarking done with environmental surveys tailored to the already known inputs and outputs of this imported industry."*[16]

It was way back in 2006 that government ignored a report by senior government bureaucrat Geoff Edwards who warned the government that coal seam gas would have massive impacts.[17]

> *"Mr Edwards said water associated with coal seam gas did contain toxic materials like fluoride, strontium and hydrocarbons.*
> *"Some of the lower seams are contaminated with difficult substances," he said*

[16] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Gasmining/Gasmining/Submissions

[17] http://www.couriermail.com.au/ipad/state-knew-about-csg-problems/story-fn6ck2gb-1226211732988

He calculated about 1.5 million tonnes of salt could be extracted over the life of the projects."

The start-up of the CSG industry and subsequent initial half-hearted catch up with regulation to lessen impacts has been variously described as, "trying to shut the gate after the horse has bolted"; "a run-away train"; "putting the cart before the horse". The Bligh ALP government of the time bent over backwards to facilitate every want of the CSG companies. Many of the approvals appeared to be treated as a "tick and flick" operation that did not appear to be concerned with any scrutiny. A look at the early Environmental Authorities reveals that it would be impossible for the companies to meet the noise limits listed which indicates that there was no planned genuine monitoring and enforcement of compliance.

In 2011 public servant whistle blower, Simone Marsh, revealed the pressure public servants were placed under to sign off on the approval process for very large projects.[18]

"Documents obtained through a Courier-Mail investigation reveal that as the $18 billion Santos GLNG project was nearing its approval in May 2010, public servants were hit with the demands from the government to also tackle the $16 billion QGC project - and then the Origin-led APLNG proposal, approved in November of the same year.

And just days before the QGC approval was granted, public servants were warning the directors of the government's assessment team that they still had not been given any detailed information on pipelines and the location of wells.

They also warned a long list of environmental issues had not been fully analysed."

For further information refer to Appendix E on page 65

It truly was a gas rush, rolling out the new frontier at all costs - pioneering the new *terra nullius*. Most often the debate in the metropolitan media is between economic advancement and environmental protection; lost is any concept about any possible impacts on communities, homes and agricultural businesses.

In 2010 Independent Corporate Analyst Peter Strachan described the situation as[19]:

"What the companies are all doing now, there's a lot of testosterone involved let me tell you, the companies are all now rushing to get their final investment decisions through."

Before the first agreements had been signed by landowners in 2003/04 the advance guard for the gas companies had already been preparing the way. The planning by government on impacts on landowners may have been lacking but Gas Company planning was obviously

[18] http://www.couriermail.com.au/news/public-servants-tasked-with-approving-to-massive-csg-projects-were-blindsided-by-demands-to-approve-two-in-two-weeks/story-e6freon6-1226574952587

[19] http://www.abc.net.au/site-archive/rural/qld/content/2010/11/s3063962.htm

detailed. Local councils and chambers of commerce were targeted to be sold a story of a shared bonanza. A few individual landowners considered to have some influence were given, at the time, very generous access agreements or arrangements to supply materials such as gravel. These few individuals took the time periodically to deliver a positive message on behalf of the gas industry.

After one such feature in the media, Dalby landowner Veronica Laffy wrote in frustration:

> *"I write in response to the Weekend Australian front page story, 'Good times flow from well of discontent', on the wonderful relationship and excellent compensation enjoyed by Peter Thompson with Origin Energy in Roma.*
>
> *As a landholder involved in ongoing negotiations for access with QGC, I can assure you that the deal struck by Peter is one that is rare and certainly not on offer to most landholders."*[20]

The insincerity and lack of respect for local communities was on naked display much more recently. An ex-employee of QGC in those early years gave a speech that can be viewed on this YouTube video - http://www.youtube.com/watch?v=1MP8WGF4SOY
In this YouTube at the time counter of 15:25 it was said:

> *"Gave them the facts of life about Queensland"*
> *"You need to know how to chew the hayseed if you want to get through the first stage."*
> *"Saying I want to frack in your district to the local cow cocky doesn't ring the same way as in the halls of our industry."*

The government at the same time took every opportunity to reinforce to landowners that they could not stop CSG companies' access onto their land. Similarly, raising concerns about water in her submission to the 2011 Senate Inquiry into Murray-Darling Basin impact of mining coal seam gas[21], Anne Bridle recalled this conversation in submission 328.[22]

> *"In February 2010, I was told by a legal representative in the Queensland government that "yes Anne, you are right, CSG is unsustainable in terms of its unrestricted water take but it is allowed under the P & G Act and you need to walk away- there is nothing you can do about it"."*

This submission by Anne Bridle from 2011 is well worth reading in full. Anne writes about how local communities were divided and conquered:

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[20] http://evacuationgrounds.blogspot.com.au/2013/10/forgive-our-discontent.html

[21] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Completed%20inquiries/2012-13/mdb/report/index

[22] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Completed%20inquiries/2012-13/mdb/submissions

> *"I have witnessed the fracturing of rural and regional communities, as people at all levels of community, some with reservations over the social and environmental governance of the CSG industry and some with financial and commercial industry co-option, are pitted against each other. I have at times felt intimidated by high level CSG Company representatives and local industry subcontractors."*

Again Anne Bridle, this time on the subject of State government consideration of any impacts:

> *"It appears that there is a "not on my watch" mentality in government facilitated by the time lag between cause and effect from CSG development and its impacts. So long as the impact can be stalled/not seen until a later date (preferably outside a 3 year election period) there is no need to put a cost on the level of damage that has been considered and ultimately accepted. And there is no point to bring forward the hidden externalities until they materialise and present a problem later on. So in this cosy system and process, the CSG companies submit Environmental Impact Statements (EIS) , revised EIS, Environmental Management Plans, revised EMPS, Noise Constraints Plans, Water Management Plans, Salt and Brine Management plans, Roads and Tracks Management Plans, Pipeline Plans …the list goes on… and these go forward to approval stage without full community knowledge of the potential impacts."*

The cosy relationship between government, lobby groups and CSG companies got closer as time went on and with consecutive governments. It is especially evident in what has become known as the "revolving door".

In the October 2015 research paper, 'Too close for comfort - How the coal and gas industry get their way in Queensland',[23] the Australian Institute reports:

> *"In Queensland this accountability and transparency is sorely lacking. Industry lobbyists and business figures are able pay for special access to senior members of both political parties in what former Queensland Integrity Commissioner Gary Crooke QC has described as "bipartisan ethical bankruptcy"3. Most lobbyists are not even included in the state's lobbying register and there is virtually no transparency surrounding lobbying activities.*
>
> *"In-house" lobbyists, who are directly employed by the firms they lobby for are not required to register. Nor are industry peak bodies such as the Queensland Resources Council and the Australian Petroleum Production and Exploration Association (APPEA). These groups are not registered as lobbyists and so the public knows little detail about their engagement with government and public officials.*
>
> *With so much at stake, the greatest efforts should be taken to guard the independence of the government officials responsible for assessing and regulating mining projects, to ensure a clear boundary between the public service and the industry it regulates.*

[23] http://www.tai.org.au/content/too-close-comfort

Rather than a clear boundary, there is a revolving door between the public service and the resource industry, with senior public servants and political advisors moving straight to highly paid positions in the industries they have been responsible for regulating, and sometimes back again."

Large square pegs in small round holes

There appears to have been no design for how the new CSG industry was going to fit in with existing communities, homes and businesses. The tenement boundaries are on neat square lines which conflict with land title boundaries and the natural physical, often irregular, paths that water courses take. Approved gas projects are a large collection of these neat square tenement areas.

Near all government actions such as approvals and monitoring are geared to the large tenement area which often disadvantages the individual rights of single landowners who find themselves under a very much larger blanket overlay of approved gas project tenement area.

The Resource Tenement Approval Process recognises large tenement areas with scant regard for individual and separate business owners of the land over which the tenement approvals occur. The approval processes and ownership of resources is at odds with the ownership of private property and in order for the two to align and have the ability to resolve individual landowner issues, there needs to be greater flexibility. One suggestion is that resource approvals should be on a property by property basis and individual affected landowners identified in a property by property process. Under very large gas project approved lease areas the individual business & homes are faceless in the approval process for unconventional gas approvals.

All affected landowners should be advised on an individual basis in a timely manner with a robust process in place that ensures good quality agricultural land is correctly identified and underground and overland water flow is monitored with trigger thresholds that ensure a moratorium that places further production on hold occurs when these triggers are reached.

The current system limits the ability of Federal and State Governments to rectify individual issues, protect good quality agricultural land or address any environmental concerns on a smaller scale. Should an individual property tenement area need to be bought back to protect the future of agriculture, current business practises on the land, the health of people or the environment, then this could occur at considerably less expense to the Government than having to buy back an entire Lease Tenement area.

There is at this time, no apparent process that protects landowners or regional communities negatively impacted by resource development. Those most affected are those directly impacted by development, yet approvals are granted not on an individual landowner basis but on a resource tenement area. Costs to individuals or regional communities are not recognised

under the current approval process, with resource development treated in a similar fashion to compulsory acquisition for community good when it is actually for the commercial benefit of private companies and their shareholders; there is scant regard for the longevity of agriculture, family businesses, tourism or regional communities.

Even simple matters such as increased traffic impacts than that initially indicated to a landowner (for example, when maintaining the main pipeline to Gladstone) should be triggering material change of circumstance and should ensure that landowners legal right to address such changes are automatically covered under legislation. Any issues caused as a result of this should be addressed and landowner time fairly compensated. Landowners advise that some resource companies refuse to cover legal costs because it is not covered within legislation, meaning the landowner has to deal with this themselves, often inadequately, because of financial legal cost burden incurred in order to have the matter properly rectified. Landowners are very isolated in government legislations and the divide and conquer situation occurs continuously because of the compulsory legislation requirements to engage. Landowners feel very alone and deal with issues as best they can, often less than adequately. Meanwhile the unconventional gas industry has an extremely large business structure to support them with expert legal advice and group support. Those engaging with the landowner are on full wages without the concern of who will pay for their time or their expert advice. It is the Government's apparent expectation that the landowner will monitor the resource industry free of charge while it impacts heavily on the landowner's time, business, family, home life and privacy, and creates enormous anger and angst.

The recent downturn of the resource sector has reminded all of the volatility of the resource industries history of boom and bust. Little planning or thought has occurred with how to develop the industry in a compatible way with more secure, long term industries such as agriculture and tourism.

Impacts of Unconventional Gas

1. Exposure to future liabilities
2. Health, stress and loss of control
3. Pressure applied in negotiation
4. Poor compensation, time and non-compensated events
5. Diminution of value
6. Water
7. Good Quality Agricultural Land
8. Cultural heritage
9. Weeds
10. Dust, noise and light pollution
11. Open gates and property damage
12. Stressed and injured livestock
13. Non-disclosure of information and incomplete records
14. Road damage and litter
15. Plastic, signs and pegs

16. Home security and loss of amenity
17. Personal relationships
18. To community and local towns
19. Associated Infrastructure
20. Underground Coal Gasification
21. Waste from CSG activity & worker camps
22. Fears of future integrity of underground aquifers – fracking

1. Exposure to future liabilities

CSG Companies have been very careful to avoid any known future liability. When negotiating Conduct & Compensation Agreements (CCA) with landowners CSG companies have strongly resisted the introduction of any clause in the agreement that may leave them liable in the future. With the failure of government to provide any future protections the burden has been placed onto landowners.

Weeds

Weeds are a prime an example in which the gas industry lobby organisation, Australian Petroleum Production and Exploration Association (APPEA) designed and then had government sign off on an arrangement that would negate possible future liability in regards to weed infestation originating from their operationss. The document – 'Petroleum Industry – Pest Spread Minimisation Advisory Guide, June 2008'[24] introduced the 'Weed Hygiene Declaration', commonly called a weed certificate. This was facilitated by government changing the Act to enable the gas companies to avoid the responsibilities and future liabilities set out in the pre-existing provisions. On page 11 of the Advisory Guide it states:

> *"Section 45 of the new Act, makes it an offence to supply anything that is contaminated with a Class 1 weed. This section also makes it an offence to supply any of the Class 2 pests listed in the table below.* ***However, for the Class 2 pests, a person does not breach Section 45, if they provide a written notice (Part 1 & 2 of the Weed Hygiene Declaration)*** *that states that a 'thing' is or may be contaminated The written notice must be completed and given to the receiver before the 'thing' is supplied."*

The misuse of weed certificates will be detailed in the "Weeds" section on page 45.

Meat

On each and every occasion when beef producers sell cattle they are required to complete a National Vendor Declaration.

This declaration is backed by State legislation and represents a guarantee by the vendor that their animals are free of chemical and physical contaminants. If you violate that guarantee you are considered liable.

[24] http://www.rlms.com.au/gbof/wp-content/uploads/2013/08/IPA-Minimising-Pest-Spread-Advisory-Guidelines.pdf

Until relatively recently most of such contaminants would have been common farm chemicals and veterinary medicines. With the influx of resources companies and supporting infrastructure including chemicals both natural and man made, holding tanks and ponds of various sorts and interference with aquifers and watercourses, the risks have changed but the liability has not.

If a resources contaminant is detected in an overseas market it can, and has in the past stopped **all** exports for a period of time. One can only guess at the quantum of liability if a producer is held fully responsible. The MLA producer guide tells us,

> *At a producer level, repercussions may include failure to be paid for the livestock, and possible legal responsibility for the resulting costs faced by processors and the rest of the supply chain.*[25]

This is in effect an uncapped liability for a producer – a liability for someone else's action over which the producer has no control.

With this risk in mind Cattle Council of Australia requested Meat and Livestock Australia to commission a study on the liability.

DLA Piper was duly commissioned and a report resulted. Over a period of years producers have tried to have the contents made available to producers. This request has been consistently refused with the reason given that the consulting law firm did not want the report made public.

We have never been told what it is that we have nothing to worry about. Instead we have been given farcical advice such as, "Find out about the CSG operator. It is important to be sure that you are dealing with a reputable company." [26]

We are also told,

> *The main disadvantage to landowners is in the creation of new risks. CSG operations create a new risk of environmental harm. The major concern, which is still being researched, is the potential for groundwater pollution. However it is clear that apart from groundwater pollution, contamination of soil and pasture can occur as it can with any mining operations. For this reason, it is important that the landowner press for a contract which allocates responsibility for managing the risk and any adverse outcome onto the CSG operator.*
>
> *Contamination of soil, pasture or groundwater could have also result in contamination of neighbouring properties as well as livestock which, if then processed and consumed, could cause illness.* ***While a landowner may have some recourse against a CSG operator, the landowner may still have primary liability.*** *(my emphasis)*
>
> *Environmental regulatory authorities may also exercise statutory powers to impose*

[25] LPA Factsheet-Property Risk Assessment p3
[26] MLA CSG Communique to Landowners

> *clean-up obligations on the landowner if contamination occurs.* ***These costs may not always be recoverable from the CSG operator.***[27] *(my emphasis)*

The feeling seems to be that if a producer is accused of meat contamination from the actions of resources companies and they refuse to pay for the liability, then their course of action would be to engage a "no win no pay" firm of lawyers. Presumably, the producer would then be required to prove that the contamination was caused by the resources company, and in the case of multiple operators, pinpoint which one.

The Safemeat guide on dealing with CSG companies simply says that producers should have their bores tested before a CSG company comes onto their land.[28]

Not only would this be an expense which should not have to be borne by the landowner but would probably prove to be woefully inadequate for many types of contamination.
The Guide also advises landowners that they are responsible for doing a property risk assessment.

There is no comfort offered landowners in any of the advice which gives any comfort that they may be excused from liability.

Specialist solicitors for landowners have endeavoured to have risk transferred from landowners but the transfer is always limited if available and mostly subject to confidentiality clauses. Solicitors have also tried to discover on behalf of clients the coverage and extent of resources companies insurance arrangements. To the best of our knowledge this is not usually, if ever, successful.

Recent draft papers for changes to beef language and standards call for more auditing. No suggestion is made that the auditing rules be changed so that they are fair to producers and do not allow suspension of business for issues which are not human health issues such as chemical or physical contamination nor market access issues.

Not only mining and CSG companies on the whole seem unaware of this liability, but Government seems unaware and has left producers exposed.

<u>Rehabilitation</u>
It is of concern that when the resource is exhausted, there is no guarantee for landowners that all gas infrastructure will be removed and any contamination rectified. These concerns are further heightened with the prospect of a company being declared bankrupt.
It is apparent that the Queensland government holds concerns about the State having to foot the bill in such a contingency as it has recently presented the Environmental Protection (Chain of Responsibility) Bill 2016. [29]

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[27] Ibid. p1
[28] Safemeat CSG Production and Implications for Livestock
[29] https://www.legislation.qld.gov.au/Bills/55PDF/2016/B16_0049_Environmental_Protection_%28Chain_of_Responsibility%29_Amendment_Bill_2016E.pdf

Guaranteed indemnity

Landowners need to be guaranteed complete indemnity for all demonstrable and quantifiable adverse financial impacts, both immediate and consequential, upon their business, land and assets for the life of the mining project. This needs to be whether such losses or claims are brought about by an act of negligence or omission or just the product of the mining company's normal lawful activities.

Under the present agreements being signed up this is not the case. Access to remedy for consequential business losses and any future diminution of asset value is specifically being denied.

Landowners are not participating in profit from the uninvited project and yet are being exposed to and required to carry considerable risk for the mining company's activities.

Please also refer to Appendix C on page 63.

2. Health, stress and loss of control

Health

Health is a major issue and successive Queensland Governments have taken minimal action while claiming that they have done studies. For the government to commission QGC to do studies into health problems on the gasfields is to show once again their contempt for the residents who at the very least deserve impartiality and thoroughness.

Health problems that have been repeatedly documented but the State Government would rather turn a blind eye to physical problems such as headaches, nosebleeds, skin rashes and dizziness and fatigue. An emerging worry that is yet to properly investigated is the high rates of cancer, including some very rare cancers, which should barely register in most communities without an external cause. The growth in suicide rates is something that would normally gain attention and send alarm bells ringing, but the people who have always lived productively on the gasfields are simply collateral damage to a government which believes that CSG will bring untold prosperity.

Property Rights Australia would like to express our support and admiration for the self-funded studies and investigations of Dr. Geralyn McCarron. She has expressed so much more thoroughly and professionally what we would like known by the community and we commend her submission number 12 to this Inquiry.[30]

[30] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Gasmining/Gasmining/Submissions

One of the many travesties to have occurred in the course of the rollout of this industry is that an individual has to carry out what should be the responsibility of government and be supported by government.

The submissions Mr & Mrs Nood and Narelle Nothdurft and Mr John Jenkyns to this Inquiry should be read in regards to health impacts on their families; as should the transcript to the Dalby hearing on 17 February, 2016.[31] The situation where the health service will not provide health care to their children is deplorable. The roundabout between the local health care service and a 1300 phone number is farcical. The abandonment of these families is a situation that a first world country such as Australia should be ashamed of.

In August 2015 four staff from the Department of Environment investigating the Linc Energy Underground Coal Gasification plant admitted themselves to the Chinchilla hospital experiencing nausea. Blood tests showed elevated levels of carbon monoxide.[32]
Despite this, it has apparently not occurred to the Queensland government that those who live permanently near the Linc Energy site may also have health needs.

Stress

Landowners are forced by government to negotiate with multinational companies who are permitted to make minimal disclosure of details of the proposed activity. Landowners may be intimidated by gas companies and receive very little support from government. In such circumstances of very limited control, high levels of stress are inevitable.

Landowners, advocacy groups such as PRA, and professionals such as legal representatives have been trying to convey these circumstances to government and the broader community for some years. Laura Hogarth of Creevey Russell Lawyers wrote to Senate Inquiry into Landholders' Rights to Refuse (Gas and Coal) Bill 2015; submission 18 –

> *"We have witnessed over and over again the serious distress of landholders trying to negotiate terms and compensation while the threat of court proceedings hangs over their heads."*[33]

The momentum that resulted in this Inquiry being established came out of the ashes of an event of heartbreaking grief – the death of George Bender by his own hand. In a regular column following this very sad occurrence, PRA chairman Dale Stiller wrote:

> *"HIDDEN behind the resilience needed to be an agricultural producer, developed to cope especially with variance in rainfall and often disappointing market returns, is a certain level of stress.*

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31 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Gasmining/Gasmining/Public_Hearings

32 http://www.abc.net.au/news/2015-08-10/the-effects-of-ucg-dept-investigator/6685818

33 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Gas_and_Coal/Submissions

When faced with large changes, with no familiar management strategies to mitigate the cause and especially where there appears to be no control in the hands of the landowner, then stress can rise exponentially.

Awareness of landowner stress from coal seam activity, mining or associated infrastructure has come to the fore with national media covering the tragic news that well-known and well-liked farmer George Bender, from Hopeland, near Chinchilla, Qld, died from an action of his own hand.

I knew George and I can assure readers, after being present when the Bender family read a statement to assembled media, listening to the eulogy at George Bender's funeral and from face-to-face conversations, of the family's determination that George's struggles not be forgotten.

Any talk that highlighting stress caused by CSG and using George Bender as an example as being "shameful politicisation" comes from either well-meaning unfamiliarity or contemptuous gas industry apologists.

In their statement to the media, the Bender family said: "It must be emphatically stated that George did not suffer from depression or mental health issues.

"These issues, although important in their own right, cannot be allowed to detract from the real concern in this case, which is the effect of the CSG industry on the lives of farmers and the environment.

"It was a sudden and unexpected act that caused George to take his own life."

It was a 10-year battle with three CSG companies and his home property being identified by the Department of Natural Resources as within an area that could suffer permanent damage to the soil from the activities of Linc Energy's underground coal gasification that wore down George to a place where his family said he "died from a broken heart".

In a struggle against the sheer size of these multinational companies and governments, no matter the colour, providing unbalanced legislation and not listening to landowners - each landowner has their own level of company tactics, intimidation and stress that they can withstand."[34]

Methuen Morgan has very recently been awarded a PhD and his thesis on stress and coal seam gas is not yet available publically. In 2013 in the early days of collecting data and conducting research Mr Morgan said:

"Most of the stress constructs within our measure are usual stressers, so they're things that farmers are familiar with like droughts, floods, bank managers, and

[34] http://www.ruralweekly.com.au/news/heartbreak-of-csg-stress/2824771/

> *commodity price fluctuations but my speculation is that coal seam gas, or extractive industries in general, is a unique man-made stresser.*
>
> *"They don't feel like they have any control over it, rightly or wrongly, and this has come from out of left field and they're not equipped to deal with it."*[35]

In the opinion article, 'CSG - It's time to recognise farmer stress', Wallumbilla landowner, Rebecca Beissel made the plead:

> *"The Coal Seam Gas Industry's contribution to the economy is well advertised by APPEA, the voice of Australia's oil and gas industry. It is alarming that there is no such recognition or any research of the massive health and social issues the industry is leaving in its wake in rural communities. Does the rush for resources really come at any cost?*
>
> *When any human being is fighting for the safety and future of their homes, families and businesses there are always high levels of stress, anxiety and distress involved. I am overwhelmed and alarmed by the ever increasing social and health issues my community is enduring. Instances of stress related illnesses and symptoms are all too prevalent. Stress related - anxiety, depression, sleeplessness and heart problems have all been reported in my community by people specifically targeted by coal seam gas projects and infrastructure."*[36]

The coal seam gas industry has been operating enough years now that the data is being collected and research papers released. This research is confirming what the landowners have been saying for some time.

Published in the Journal of Ecological Economics in May 2015 is the paper, 'Evaluating Social Externalities: the Case of Coal Seam Gas Megaprojects in Queensland, Australia'. In Chapter 5, on page 35, the paper finds:

> *"This study identified the presence of important psychosocial effects in the region, such as: feelings of not being valued; sense of not being heard or respected; sense of powerlessness; feelings of not belonging; and a sense of uncertainty about the future.*
>
> *The qualitative findings from this study show that many residents, landholders, and community groups in the Surat Basin are still worried about the rapid and 'seemingly unrestrained' development of the CSG industry and its associated risks. Due to the uncertainty of what industry related developments will occur on their properties in the future, many landholders have indicated a lack of confidence to develop and expand their farming operations. There is also concern that uncertainty surrounding CSG activity is affecting property values. The sense of uncertainty is further heightened by the perceived lack of a third party monitoring and auditing process of CSG activities.*

[35] http://thesourcenews.com/2013/08/29/researcher-soon-to-release-findings-on-csg-mental-health-impacts/

[36] http://evacuationgrounds.blogspot.com.au/2013/09/csg-its-time-to-recognise-farmer-stress.html

Findings show that the respondents from the agricultural sector who also reported being self-employed are the most distressed as the result of the development associated with the CSG projects.

It is critical, therefore, to highlight that the societal impacts of a megaproject are dependent not only on the event itself, but the characteristics and circumstance of the people who are exposed to it.

This study shows that perceptions of fairness and inequity weigh heavily on land owners throughout the entire process and disrupt meaningful participation, leading ultimately to apathy and potential mental health impacts."[37]

The unpublished doctoral thesis, 'Coal Seam Gas Development and Community Conflict: A Comparative Study of Community Responses to Coal Seam Gas Development in Chinchilla and Tara, Queensland' highlights issues surrounding: compensation and land access; trust; landholder relations; negotiation fatigue; lack of information; and disregard of land and landholder. All information provided in the document is qualitatively supplemented by interview quotes (pseudonym to protect identity). The methodology of the research employed qualitative methods by using ethnographic tools to understand the communities' responses to CSG in the Western Downs". These findings (and the whole thesis) have been reviewed by the examiners and went through all the ethical and related approval process, but is as yet unpublished.

In Chapter 5 it is reported:

"The landholders found this realisation of having no control over their lives or land highly stressful; and, for these people, the industry became a symbol of obnoxiousness. The following excerpt was taken from a letter that one of my respondents received from a CSG proponent, entitled Proposed Infrastructure for Your Land: "[….] If we are unable to reach a mutually acceptable access and compensation agreement, [the company] may, as a last resort, ask the Coordinator-General to acquire interests in land on behalf of [company] for the purpose of the project" ("Jayden", personal interview, September 19, 2013).

Sometimes, a landholder has to deal with more than one CSG proponent and also other companies, simultaneously, which are linked with project development. For instance, for QGC pipeline construction, MCJV is the principal contractor and Powerlink provides necessary power-related infrastructure. Such interaction exposes a landholder to an enormous amount of emotional and psychological stress. For instance, during the fieldwork, I personally witnessed a situation between a farmer and his wife, where a farmer wanted to increase the compensation amount, on the advice of a lawyer. However, his wife's exact words were, "No. I don't want to listen to this [CSG] in the house, I'm sick of it. There was a time we used to talk about a lot

[37] http://eprints.qut.edu.au/86126/1/Anna_Phelan_Thesis.pdf

of stuff but now all we talk about is gas and coal" (Local resident of Chinchilla, personal communication, August, 2013)"[38]

The witnessed exchange between husband and wife reveals another reason why so many CCA's were signed. If a member of the family unit can no longer handle the stress, it is often with no support available best to sign off on what the Gas Company has offered. Each landowner has their own level of stress that they can withstand.

3. Pressure in negotiation

Legislated lack of balance and fairness in negotiation of Conduct and Compensation Agreements (CCA)

From the minute that a resources company contacts a landowner about preliminary activities on their property, the landowner is at a disadvantage which will only escalate as time goes by.

The first obstacle is that proponents will play down all aspects of the project including preliminary activities. They have convinced governments that these are "no risk" activities. That is clearly not the case. There are no "no risk" situations in these activities.

Under the Petroleum and Gas Act, resources companies are not required to obtain agreement for "incidental activities" in the preliminary stages of a project.

Examples of incidental activities—

1 constructing or operating plant or works, including, for example, communication systems, pipelines associated with petroleum testing, powerlines, roads, separation plants, evaporation or storage ponds, tanks and water pipelines

2 constructing or using temporary structures or structures of an industrial or technical nature, including, for example, mobile and temporary camps

3 removing vegetation for, or for the safety of, exploration or testing under section 32(1)[39]

Please refer to point 2 in Appendix F on page 68 for reasons why a conduct only agreement should be signed before any preliminary activity.

[38] Makki, M. (2015). Coal Seam Gas Development and Community Conflict: A Comparative Study of Community Responses to Coal Seam Gas Development in Chinchilla and Tara, Queensland (Unpublished doctoral thesis). The University of Queensland, Brisbane, Australia.

39 Petroleum and Gas (Production and Safety) Act 2004 p78

Any advanced activity requires the negotiation and signing of a Conduct and Compensation Agreement (CCA).

In PRA's statement on 'the right to say no', found at Appendix A on page 59, PRA outlines the reality of negotiating a CCA:

> *"Currently landowners are compelled to enter negotiations with very large companies which enjoy vastly superior powers of capital, in-house legal experts, information and legislative backing. Negotiations cannot be passed off as "just another commercial negotiation"; because in any standard commercial negotiation, both parties have the option to walk away. Under existing resources legislation, landowners have no such option. Some may be good negotiators and some not so good. But whatever their capability, they do not have the option of saying "this deal is not to my advantage and I do not wish to continue". Governments have tied them to the negotiation table against very large companies which do have the freedom to walk away if they so choose – at any time and perhaps after great inconvenience on the land owner.*
>
> *Inflicting such a disparity in power upon a section of the community is an insult to the tenets on which civil society is based."*[40]

The angst of securing an adequate conduct and compensation agreement where resources companies can spin out talks (we hesitate to call them negotiations) by refusing conditions, wasting time, alternately bullying and persuading and threatening with the Land Court, while at the same time coming closer to the legislated time threshold for the next step for negotiations is difficult enough. It is impossible for landowners to get their ideal agreement and many transfer significant risk to the landowner. Attempts to nullify this in the contracts are always resisted.

There are many landowners who can give an account of verbal intimidation and threats. In another submission to this Inquiry, Wandoan landowner Peter Webster tells of dealing with QGC for nearly a decade and treatment of landowners which he describes *"like third class citizens".* Mr Webster writes about the intimidation that he was subjected to:

> *"This is straight out intimidation and is truly unfair, I can't see why this is not unconscionable conduct especially if a CSG company has told you something they would do and haven't done it. I wonder how many people QGC would like me to stand up and say they have been threatened by land access people? I myself was threatened with land court at my OWN kitchen table on my OWN property by two separate QGC land access representatives. Obviously these representatives have been instructed to make these threats by QGC because of the sheer number of primary*

[40] Refer Appendix A

> *producers that have been threatened by so many different land access employees of QGC."*

The lack of understanding of an agricultural business by gas companies and the provision of minimal information of how gas activity was going to affect the agricultural business was also common. Yuleba landowner Brett Griffin talks about his experience negotiating a CCA:

> *"The first knock on the door by the gas company came in 2012, and for Brett the timing couldn't have been worse, coming just one month after he'd received the freehold deeds for the property which his family had been paying off for three generations."Initially I was angry - I was never going to sell it and no matter what the valuer said - I had a different sort of value on the property because this was our home," Brett says.*
>
> *He says, it was only when that fact finally got through to them (the gas company) that things started to change for the better when it came to trying to negotiate an agreement.*
>
> *Brett says, the big challenge was trying to get information about the gas resource under their property and the scale of the infrastructure they were planning to develop to extract the gas.*
>
> *"It was a long tough road and the hardest thing was to get information - without a doubt. How do you argue for something when you don't know what you are sitting over is worth?*
>
> *"When we kicked off we were arguing from the point of zero knowledge and with people (the gas company) who had every ace in the hand and not afraid to use it,"*[41]

Lestar Manning of P & E Law in his submission to Inquiry into landowner's right to refuse (Coal and Gas) Bill 2015 says:-

> *"Individual landowners have other business demands and interests and they do not include the need to be aware of current and potential obligations of the mining companies. They do not have immediate easy access to those documents, even through Internet searching, and those documents, where they are known, are often not readily provided following request to the mining companies. They do not have access to employees with expertise in the matters to be addressed by the reports. They do not have the time to keep monitoring the changes.* ***They frequently do not have the financial capacity to pay for the expertise needed to be properly and fully informed.***

[41] http://www.gasfieldscommissionqld.org.au/news-and-media/yuleba-grazier-shares-insights-on-gas-negotiation.html

When initially drafting conduct and compensation agreements we sought to redress the imbalance by including clauses which required the mining companies to:

- *provide physical disclosure of any document that would have an impact upon the rights and obligations between the landowner and the mining company;*
- *provide for the ability of the conduct and compensation agreement to be set aside in the event that full disclosure had not occurred;*
- *provide for damages payable to the landowner in the event that full disclosure had not been made;*
- *specify with particularity each and every impact or likely impact that would occur as a consequence of the advanced activities;*
- *provide for the ability of the conduct and compensation agreement to be set aside in the event that the impacts were greater than what was specified; and*
- *provide for damages payable to the landowner in the event that the impacts were greater than had been disclosed.*

These clauses have been vigorously opposed by mining companies and have not been included in any agreement to date".[42]

Mr. Manning also tells us that:-

"The language of the legislation in referring to "agreements" is a misnomer."[43]

In these circumstances of unbalanced powers, the single landowner right provided by the State government in legislation is for the gas company to fully pay all reasonable professional costs. By practice, these costs have been recouped after the signing of a CCA. This results in the landowner bearing an increased cost and any extension of negotiation to achieve just terms results in an extension of time until reimbursement. In these circumstances, as Mr Manning observed in the above quote, landowners, *"frequently do not have the financial capacity to pay for the expertise".*

After much lobbying by QRC and APPEA it appears that in the near future the Queensland government is proposing to cap professional costs. From point 1 in Appendix F (page 68), Richard Golden make the case that:

"Ensure that reasonable and necessary cost recovery remains uncapped-

42 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Gas_and_Coal/Submissions p & e law submission 24 pp2-3

43 Ibid. p2

> *Although this doesn't guarantee that a landholder will effectively use this provision or that they will get an adequate CCA, it does at least make it possible."*

Gas Companies develop and utilise strategies to ensure a landowner signature on a CCA with terms favourable to the company. Law firms who specialise in representing landowners against resource projects have become very familiar with these strategies. In a CSG information seminar at Wandoan on the 4th December 2013, Glen Martin of Shine Lawyers presented these common "tactic and tricks" encountered.[44] Please also refer to Appendix G on page 70.

CCAs have statutory requirements with respect to entry which are sometimes abided by but very often are not. CCA's are regularly breached and it takes a great amount of landowner time to ensure that they are not. Rather than the Government (who is profiting from this industry) policing the actions of CSG companies, landowners have to be constantly vigilant. This causes stress and business loss both in damage done and time lost. It is impossible to imagine all the damage that can be done. One of the problems – and it will be more noticeable as time passes – is biosecurity. Rather than neutral government or third party weed washdowns, companies often have their own facilities and are not always vigilant about the washdowns between properties or between different areas of the same property. Third party washdowns are also not reliable. There is some evidence that basically blank certificates are may be issued to company employees or contractors.

As also found in Appendix F (page 68), Richard Golden writes:

> *"But the CCA and Terms of Access are just the beginning. Our enforcement of our Terms of Access with one company is what caused one of the trips to the Supreme Court. During 15 totally random checks of required bio-security documentation we found 7 in breach, several with no paperwork at all, a failure rate of almost 50%.*
>
> *The other company's scouting and survey contractors were not compliant with bio-security Terms of Access even during Preliminary Activities. And Powerlink's environmental consultants were the worst of the lot."*[45]/[46]

Property Rights Australia in its "No Disadvantage" media release on 15th January 2015 (see Appendix H on page 72 outlines a non-exhaustive list of what landowners can be subjected to. It should also be borne in mind that many landowners are dealing with multiple resource companies and infrastructure providers.

[44] http://evacuationgrounds.blogspot.com.au/2013/12/top-ten-tactics-and-tricks.html

[45] http://www.abc.net.au/news/2014-02-12/csg-law/5255628

[46] http://www.shiftminer.com/en/news_item/washed-down-in-court-328

> *"Non-disclosure of information; isolate, divide & conquer; contrived bluffs; strategized and pressured negotiations; limited and miserly compensation; landowners time uncompensated both before and after a CCA is signed; blatant wasting of landowner's time; stress; complete disregard and disinterest in how agricultural management systems can work in with a gas field; the co-existence myth; gates open; weeds; loss of underground water; no solution for a mountain of salt and other contaminants brought to the surface; loss of amenity of living including privacy; roads destroyed; dust; noise; sense of community lost; liability from contamination unresolved; uncompensated diminution of property value; unsaleable properties; non-compliance to signed agreements"*

Added to this list is working and living in an unsafe and unhealthy environment which is not of your making and not within your control for yourself, your children your pets and your farm animals and your crops.

Mineral & Energy Resources Common Provisions Act (MERCP)

> *43 Carrying out advanced activities on private land requires agreement*
>
> *(1) A person must not enter private land to carry out an advanced activity for a resource authority unless each owner and occupier of the land—*
>
> *(a) is a party to a conduct and compensation agreement about the advanced activity and its effects; or*
>
> *(b) is a party to a deferral agreement; or*
>
> *(c) has elected to opt out from entering into a conduct and compensation agreement or deferral agreement under section 45; or*
>
> *(d) is an applicant or respondent to an application relating*
>
> *to the land made to the Land Court under section 96.*[47]

Property Rights Australia regards the legislated ability to opt out (under s43(1)(c)) as unacceptable. The fact that anyone should wish to opt out should be enough to set alarm bells ringing and to alert Government to the fact that there are not enough checks and balances in place and that the regulation or enforcement of steps to an agreement it needs revisiting. The only reason to opt out is to bring an end to the sheer stress of trying to cope with the bullying tactics.

47 Mineral and Energy Common Provisions Act 2014 ch3 p55

Similarly, s43(1)(d) which allows entry to the property while in the Land Court without any conditions in place including biosecurity conditions gives resources companies the whip hand and unfettered power over property owners. Add to this the fact that the Land Court is overtaxed and taking an inordinate amount of time to reach decisions, with the landowner out of pocket to the tune of hundreds of thousands of dollars for professional fees, and you have a persuasive argument for signing a totally inadequate agreement – an agreement which our politicians have immorally called "just another commercial agreement". With one signatory with a legislated imperative to sign and no ability to say "no deal" there is nothing the least bit of the fair and balanced commercial arrangement about it.

It is also not always recognised that there are people who find themselves in the Land Court without knowing that that is where they are headed and who thought they were still in negotiation (this has occurred with coal negotiations). Companies threaten the Land Court so regularly in order to bully landowners to sign an agreement, that the threat of Land Court is often viewed as just more of the same and landowners are unaware that the threat has actually been carried out until they are notified by their lawyer.

It is also common for landowners to need to remind resources companies that they only have access to the authorised area and the agreed access to the authorised area, not the rest of their farm, their water and wherever else they would like to go. Resources companies often argue against this vigorously.

S48(3) states that an owner or occupier who has not made an agreement after 20 business days is taken to have refused an agreement and will be taken to the Land Court so that the Land Court can make the access agreement or vary conditions of an existing access agreement . But this completely negates s48(2) which allows that the owner or occupier has not unreasonably refused an agreement just because he asks for reasonable and relevant conditions. Landowners resisting having future liabilities thrust upon them and trying to avoid that are not asking for unreasonable and irrelevant conditions. But such clauses are rarely agreed to and are subject to confidentiality conditions. The one protection that landowners have is good legal advice and undoubtedly that costs money. It costs even more where risks are as high as they are for landowners who are dealing with CSG companies. Any attempt to cap legal costs will be opposed vigorously. Already the stress of trying to deal with the unpaid costs is high. Only a morally bankrupt Government could change legislation repeatedly to advantage companies over landowners who had resources companies inflicted on them and unwillingly inserted into their lives. Capping of professional costs renders s48(2) irrelevant.

MERCP - Restricted Land

The restricted distance away from farming family homes is essential for maintaining an amenity of living within a gasfield. There were also lesser restricted distances from other important infrastructure.

Before MERCP there was what was informally known as the "600 metre rule". It wasn't so much a legislative protection in the Petroleum & Gas Act but as part of the access regulations for preliminary activity. Because no preliminary activity could be conducted without a special agreement struck with the landowner, it most often resulted that no advanced activity occurred within 600 metres either.

The Newman government MERCP Act took away restricted distance completely from important infrastructure and in effect reduced the distance from home of gas activity to a mere 200 metres. That a residence for non-resident workers is not covered at all puts those workers in an inferior position which should not be the case

The current Queensland government, in a new Bill now before a Parliamentary Committee, maintains the MERCP standard of 200 metres from homes. PRA would suggest if any parliamentarian had to live that close to very noisy, dusty and possibly poisonous gas activity, that this provision would never be passed.

MERCP negotiation

A written access agreement binds successors and assigns so needs to account for changes far into the future and the fulfilment of personal and business goals. The restriction on "new" infrastructure in no way allows for this.

The negotiation process is set out in the MERCP Act ch3 part 7 subdivision 3[48]

At all stages of negotiation, the timing is at the resources company's bidding without consideration of landowner's normal business plan much less an unpredictable event which is part and parcel of rural business.

After a notice to negotiate is received then negotiations have a prescribed period to be carried out with allowance for specified professional and legal costs. If there is no agreement an Alternative Dispute Resolution process starts where no professional costs are covered. The aim of the negotiation is that there be a signed agreement at the end of the period. With the involuntary and unbalanced nature of the negotiations, it is not reasonable that **any costs**, whether professional or ADR, should be covered by the landowner. We do not understand how any Government could come to the conclusion that it was reasonable.

This is a very important period because any signed agreement goes onto the title deed and binds successors and assigns. It is very intense and draws landowners away from their core business for days on end. Non-attendance is frowned upon and attracts demerits at a later stage if it was not for good reason. I doubt there are enough cases completed to know yet what would reliably constitute good reason.

48 Mineral and Energy Common Provisions Act 2014 (MERCP) p80

There are a few issues here.

The landowner is always under pressure to sign a permanent and binding agreement which goes onto his title deed. It is a document which is every bit as important as buying a house, a property, a lease or a mortgage but is done under circumstances of lack of choice. There is no choice but that he or she be present. There is no choice about whether it is convenient or not. There is no choice about bearing costs at the very least, until an agreement is signed, and if he cannot get the conditions he wants he is still forced to sign as he has the threat of Land Court hanging over his head.

During all of this period there are often threats and bullying.

There are records of people during an ADR of not really knowing who the parties are on the other side of the table are and finding out later they are non-practising lawyers.

There are instances of people ending up in Land Court without really knowing that they had run out of other options.

We ask the question once again, "What is "commercial" about being drawn into a negotiation that is not of your making, for a time frame that is not of your choice, bearing costs that you have no choice in, or being taken to Court to bear even more cost for an agreement that will decided for you and binds your successors and assigns. Not all professional costs are covered and this also puts the landowner at a disadvantage.

Any unbiased reading of this situation reveals it as a gross abuse of legislative power used to advantage large corporations over citizens. The Commonwealth most certainly has the power to intervene to ensure justice. When landowners are forced to accept such agreements with (metaphorically speaking) a "gun at their head" it is a clear breach of human rights and therefore falls within the External Powers component of the Constitution. Articles 10 and 12 of the International Declaration on Human Rights are relevant: "Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal …" and "No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence …"

4. Non-compensated events

In most cases the "compensation" offered does not come close to making up for the loss of privacy, the loss of attention to business, loss of amenity, diminution of property value and loss of health suffered by the residents of the gasfields.

The lack of choice by people who have spent their whole lives planning for their retirement for themselves and the well-being of their families, only to now be in poor health as a result of living on a gasfield and having no choice about moving because of inadequate compensation and diminution of value, is heartbreaking.

The amount of time that landowners spend away from their business and family on gas related matters is a common problem. This time is not compensated by gas companies. Andrew Rea from Central Queensland wrote in submission number 69 to the Senate Inquiry into Landholders' Rights to Refuse (Gas and Coal) Bill 2015:

> *"When you have up to 9 Resource Companies to deal with at any one time as we have had to endure from proposed exploration for Coal Seam Gas, Coal and Minerals and proposed rail line construction an enormous amount of our time is spent dealing with all of these companies who operate under different acts:-*
> *- Petroleum Gas Act 2004*
> *- Mineral Resources Act 1989*
> *- Mineral & Energy Resources (Common Provisions) Bill 2014*
> *- Acquisition of Land Act 1967*
> *Once a Resource Company has been granted an "Entry Notice for Preliminary Activities on Private Land" you cannot stop them. You are not entitled to compensation because of the word "Preliminary". They use all your private roads etc. and you have to deal with them in your own time. Most Resource Companies will not pay you for your time. Everyone has the right to be paid for their time. I do not have the right to refuse to provide my time free of charge.*
> *Under section 532 of the Petroleum & Gas Act 2004, Section 4 (a) (v) states:-*
> *"Any cost, damage or loss arising from the carrying out of activities is compensable". I would think Landholders time is a cost to their business and would be covered under this section."*[49]

Landowners are also limited by what expert advice they can use when assessing the impact of a resource development, as both the Qld State Acts Petroleum & Gas Act, and the Water Act, limit reimbursement of costs to a landowner to legal, valuation & accounting fees. Some Resource Companies are better than others and do reimburse additional expert costs voluntarily but some stick doggedly to their requirements under legislation. For an example of refusal to pay additional expert cost required in order to move matters forward please refer to Appendix I on page 74.

5. Diminution of value

There is no protection in legislation or requirement by regulation for the compensation of diminution of property value especially when there is no activity on the landowners own property but there is a lot of gas activity on the surrounding properties.

The people with the most exposure are the small block holder on land that has lesser quality soils. Before the gas industry came these small blocks often around 40 hectares in size were purchased for their attributes of a piece of peace and quiet in the bush. Often the people who moved there sunk their life savings into their little piece of paradise. When the gas came,

49 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Gas_and_Coal/Submissions

since these properties had no great agricultural value there was little compensation paid on the basis of lost future production. A gas field within these "estates" of lifestyle blocks results in a complete loss of amenity of living. On only 40 ha even if there was no gas infrastructure on your block it still isn't very far away on the neighbours.

With saving sunk into this one place to live and the land value dropping dramatically, people have become trapped, unable to afford to move.

In submission number 30 to this Inquiry,[50] Kylie Haeusler makes the points of the loss of amenity of living, poor conduct by the gas companies and how in her case, she and her children, ended up homeless. Ms Haeusler is a victim of no protection by government; in the face of a combination of events, the perfect storm, this family fell through the legislative cracks. In point 14 on page 7 of Ms Haeusler's submission, she points to a deplorable lack of support services for women in regional Queensland.

There should be no gas activity within estates of lifestyle blocks without first the gas company purchasing all the blocks at their full unsterilized value.

6. Water

Property Rights Australia has been consistent in putting its position that we believe that there is no substitute for a clean, reliable supply of bore water where that has been customary. "Make good" provisions are an acknowledgement that loss of access to clean, reliable bore water is a violation of a landowner's property rights. However, the compensation available is mostly insufficient and inferior.

"Make Good" and Underground Water Management Chapter 3

In Queensland water use is governed by the Water Act 2000. There have been many amendments made to the Water Act with some proclaimed and some not yet proclaimed. Property Rights Australia has consistently reiterated on every submission it has made that "make good" provisions will, over time, not be workable for landowners.

In response to submissions on the latest amendments to the Water Act, the department claims that, as far as they can tell, the "make good" provisions are working well. But they are only listening to the CSG/mining companies and not to the information provided by Property Rights Australia. This goes back to the unhealthy closeness between industry and government in this area.

Make Good Agreements and Dispute Resolution

At present, if a water bore is to be affected by the activities of CSG activity as outlined in the Underground Water Impact Report (UWIR) the tenure holder is required to enter into a

[50] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Gasmining/Gasmining/Submissions

"make good" agreement with the owner of the water bore. There is a designated time frame for this negotiation to occur (s 423). This works against the interests of the landowner in most cases.

The negotiations for this agreement are, at the very least, a severe interruption and disruption to normal business operations while it is just a normal day in the life of a resources operator and their personnel who have tried and tested ways to pressure, negotiate, misrepresent and bully landowners into signing an agreement regardless of whether it is satisfactory or not. However, if the parties cannot agree, they are required to enter an Alternative Dispute Resolution (ADR) process with the object being, as outlined by the legislation, (s 431 and s433 below) that there is a signed agreement at the end of it.

A party to the conference is only permitted to have an agent to represent him with the permission of the "authorised officer". This will only ever affect the bore owner as the CSG company will be represented by any employee they choose.

Similarly a party is only permitted to have someone to support him with the permission of the "authorised officer" and neither party is permitted to be represented by a lawyer unless the other party agrees and the authorised officer is satisfied that there is no disadvantage to either party.

We contend that the bore owner is at a total disadvantage in this situation and that it is pure irresponsibility to expect a bore owner to make an agreement which is as important as a mortgage, lease, contract of sale, or agreement to buy property and binds his successors and assigns, without legal advice.

<u>The legislation should be amended without delay to ensure that this situation cannot occur.</u>

> ***431 Authorised officer's role***
> *(1) In conducting a conference, the authorised officer must endeavour to help those attending to negotiate an early and inexpensive settlement of the dispute.*
> ***433 Negotiated agreement***
> *(1) If, at the conference, the parties negotiate an agreement about the matters the subject of the conference, the agreement must be written and signed by or for the parties.*

If this ADR is unsuccessful the matter will be referred to the Land Court but the grounds on which the Land Court can adjudicate are too narrow and need to be expanded.

Once in the Land Court, what it can rule on and what it can compensate on is precisely prescribed.

The ability for the Land Court to take into account the make good measures already attempted whether successful or not is a clear case of transference of risk from the resource company to the landowner. This needs to be reversed.

There is also no clear provision that a landowner's property be purchased at full and unsterilised value in the case of it being rendered unfit for full, complete and efficient use for the business it is meant to support. This needs to be a provision of the legislation whether it be from water loss, contamination or some other impairment, even if the affected property is not necessarily in a tenement area.

It is a problem for Property Rights Australia that bores referred to as "unused bores" by their owners are routinely dismissed as abandoned and/or having no value by resources companies and "authorised officers" when they should more properly be referred to as "reserve bores" and should be subject to the same make good conditions as operating bores.

Resources companies often request from government and are granted extensions to time frames to drill "make good" bores. These extensions are given without any reference or notification to the bore owner.

It has also been observed that resources companies are not always registering replacement bores. This would be illegal if done by anyone else.

The restrictions on "make good" for "new" infrastructure mean that over time there will be an ever decreasing pool of infrastructure that is eligible for "make good" and some enterprises will be rendered unworkable and unviable.

Water Reform and Other Legislation Act 2014 (WROLA)

The WROLA was passed by the former LNP Government. Some sections have been proclaimed but much of it has been deferred to December 2016.

1. The Bill has confirmed that the mining tenement holders will also be the "water monitoring authority".

2. The "water monitoring authority" will have the power to construct and plug bores. It will also have the power to investigate landowner bores. s334ZQ(1) It will also be able to obtain authority to carry out these activities outside the area of its mining tenement.

3. The "water monitoring authority" will be the owner of the "water monitoring bore". s334ZZJ

4. No-one will be allowed to interfere with a "water monitoring bore" without the authorisation of the owner. Severe penalties apply. S334ZZK(1)

5. Baseline testing for a "water monitoring bore" will not be required.

6. In the event of a dispute provision is made for 30 days negotiation, followed by 30 days for Alternative Dispute Resolution.

7. If no resolution occurs either party can go to the Land Court. The decision of the Land Court is binding on both parties.

8. The grounds that the Land Court can consider are very limited.[51]

[51] Property Rights Australia submission to the WROLA inquiry http://www.parliament.qld.gov.au/documents/committees/AREC/2014/26-WaterReformOLA14/submissions/028PRA.pdf pp2-3

The water monitoring authority (the GSG tenement holder) is also responsible, if bore impairment is considered not to be from the exercise of the tenure holder's underground water rights, for determining what the cause of the impairment is such a drought or some other cause.

This is not an arm's length evaluation. It is not fair to the landowner and not reasonable.

A landowner has no protection at all if the water monitoring authority, the tenement holder, decides that bore impairment is not caused by the CSG company. He must prove that the company caused the bore impairment, an almost impossible task. It is totally impossible without the services of an independent hydrogeologist.

The legislation needs to allow for the costs of an independent hydrogeologist and water engineer as experts acting on behalf of the bore owner.

WROLA extends the ability of CSG to take or interfere with water to the mining industry. The ability of resources companies to have unlimited take comes at the expense of all other water users. WROLA, for users other than resources companies, is less about water rights and more about water restrictions.

The present Water Act, along with its predecessors allows the taking of water for "stock and domestic" purposes. WROLA decouples the two purposes for most authorised activities and brings it under the regional plans and places restrictions or the potential for restrictions. Some regional plans (Burnett) have already excluded allocating any more water for stock. This could be contrary to provisions of the Australian Constitution.

> ***11 Limitation on taking or interfering with water—Act, s 101***
> *(1) In a management area other than Eastern Downs, Mulgildie or Clarence Moreton, a person may not take or interfere with underground water other than—*
> *(a) for domestic purposes; or*
> *(b) under a water entitlement or other authorisation held before the commencement of this plan; or*
> *(c) under an authorisation mentioned in section 10(3).*
> *(2) In the Eastern Downs, Mulgildie and Clarence Moreton management areas, a person may not take or interfere with underground water other than—*
> *(a) for stock or domestic purposes; or*
> *(b) under a water entitlement or other authorisation held before the commencement of this plan; or*

(c) under an authorisation mentioned in section 10(3).[52]

Other sections of the legislation allow for restrictions or total prohibitions to be placed on all water users other than resources companies in the case of water shortage or contamination. This applies to domestic water, farm dam water (under WROLA) and stock water (which has been mostly separated from domestic water under WROLA).

One of the main determinants of whether or not a bore has been affected is based on the underground water impact assessment report, which sets out the obligations to monitor and manage impacts on bores and springs. The fact that small low-impact or no-impact mines or resources companies in unregulated areas are not required to complete an underground water impact assessment report or a baseline assessment, in spite of having make-good obligations, leaves a gaping hole with no clear path on how such obligations are to be realised.

This legislation and remedies offered are unequal to the task of dealing with cataclysmic water loss. The time frames, process of "make good", lack of impartiality and the need for proof offers no workable solution. The government needs to write a role for itself and ensure that landowners are in no way disadvantaged.

More and more we are noting elements of third world lawmaking in that landowners are disadvantaged by outside bodies and suitable, timely and easily accessed compensation is not readily available.

Extracts from tabling at the Brisbane parliamentary hearing into WROLA by Peter Shannon of Shine Lawyer for Basin Sustainability Alliance

> *The required content of a make good agreement is set out in section 420 and it says*
> *a MGA will provide for each of the following matters-*
> *(i) the **outcome of the bore assessment** for the bore;*
> *(ii) whether the **bore has or is likely to have** an impaired capacity;*
> *(iii) if the bore has or is likely to have an impaired capacity-the **make good measures** for the bore to be taken by the responsible tenure holder.*
> *Note that the MGA might only get to the stage of recording the fact the Bore Assessment showed that the impairment was NOT due to the gas activity. In that case you can still be required to sign off an agreement recording that which presumably makes it very difficult to sue elsewhere or come back later so negotiating even that might be extremely important for a bore owner binding his future descendants etc.*[53]

Make Good under Section 418

[52] https://www.legislation.qld.gov.au/Bills/54PDF/2014/WaterReformOLAB14.pdf p401
[53] http://www.parliament.qld.gov.au/documents/committees/AREC/2014/26-WaterReformOLA14/tp-29Oct2014-Shannon.pdf pp 13-14 of 20

So your make good agreement under both IAA's and Section 418 ***firstly*** *records the* ***outcomes of the assessment and regardless of the outcome. You are obliged*** *to record it in an agreement. If you don't have the* ***impaired capacity*** *which is defined under 412 as relating to a* ***decline in the water levels*** *exceeding the trigger thresholds then under section 420 you do not get the make good measures available.*

SLIDE 6

Make Good Obligations for Section 418 Bore - all others

• If bore can't provide reasonable quality and quantity of water
• Chief Executive directs bore assessment
• Bore assessment is to determine why a reasonable quantity or quality of water can't be provided
• Must negotiate Make Good Agreement to record reason
• Only if the reason is due to "impaired capacity" (i.e. decline in water levels due to gas activity) are the make good measures available.

If you doubt my reading of the legislation then I suggest you read the bore assessment guidelines. This is an extract from the Baseline Assessment Guidelines which obviously reflects the government view:

SLIDE 7

Baseline Assessment Guideline, Department of Environment and Heritage Protection. Part F, Page 11.
It should be noted that onlv changes in water quality caused by a decline in water level which results from the exercise of underground water rights, form part of the make good framework.
Potential water quality impacts that may have resulted from other activities such as the use of hydraulic fracturing products (tracking products) are dealt with through the framework of the Environmental Protection Act 1994 (EP Act).

This is not about protecting the aquifer - its just about compensating or making good (such as that is) existing bores - NOT new bores.[54]

New Bores
It's important to understand that new bores come to the problem and will only be entitled to make good if the decline is greater than is predicted in the UWIR.
This is because the test for "impaired capacity" for new bores (after 1 /12/12) is not whether there has been a declined in the water level beyond the trigger thresholds.
It requires the decline to be more than was predicted in the relevant UWIR.
The declines predicted are way beyond the 5 metre maximum trigger threshold for existing bores.[55]

[54] http://www.parliament.qld.gov.au/documents/committees/AREC/2014/26-WaterReformOLA14/tp-29Oct2014-Shannon.pdf p16 of 20
[55] Ibid. p17 of 20

About Protecting Existing Use not Potential

This is clearly not about protecting the aquifer and its probably not even about protecting the potential expansion of existing bores.
Whilst the legislation is unclear, the guidelines have a clear focus on clearing recording the existing infrastructure and it emphasises that is to determine what the make good obligations are. So if that means you were only watering 500 head with a small pump configuration, you are always locked in for make good purposes to only being restored to that capacity. I think there is a very real danger that government at least interprets the legislation that way. If you have a bore that it capable of being expanded and are counting on that to expand the feed lot or to run more cattle when you finish clearing or whatever it may be you only get make good to the limit of the existing use.
It won't help you sinking a new bore because you will be having to drill below the expected impacts in the relevant report.[56]

Not About Protecting Aquifers

It is of concern that at least one of the companies actively promotes plugging and abandoning bores and paying monetary compensation instead. Unfortunately, the Make Good regime is clearly not about protecting aquifers. It is about accommodating bores as they are impacted.
Because new bores come behind the gas impacts, as each existing bore is made the subject of make good agreements or paid out or plugged and abandoned , the make good obligations will slowly disappear and eventually the impacts of the gas activities will determine the fate of future generations access to underground water.
This will hasten with every bore that is plugged and abandoned.[57]

Clearly, the rights of landowners are not being protected at any stage of "make good".
There is no Code of Conduct or requirement to negotiate in good faith and fairness.
There is no ombudsman to adjudicate on behalf of landowners.
There is no provision for the services of a hydrogeologist and related professions.

The legislation itself affords minimal protection in the immediately affected area. It offers even less protection in areas outside the immediately affected area.

In the event of bore impairment outside the Immediately Affected Area, the Water Monitoring Authority, decides firstly, if the bore is impaired according to the legislation and secondly the cause of the impairment and if the CSG company is the cause of the impairment or not. Clearly, if the bore assessment is not in the landowner's favour, it will be an almost impossible task for him to prove that there was impairment and that it was caused by the CSG Company exercising its underground water rights.

[56] Ibid. p19 of 20
[57] http://www.parliament.qld.gov.au/documents/committees/AREC/2014/26-WaterReformOLA14/tp-29Oct2014-Shannon.pdf p19 of 20

Everyone, whether they are involved in an agricultural area or not should be alarmed at the damage to aquifers and the ever reducing pool of "make good" obligations which will render some properties unviable.

Also alarming is that rural industries are constantly called upon to increase their productivity. This process actively mitigates against productivity increases and locks producers into present production at best. More likely is that there will be ever decreasing production.

7. Good Quality Agricultural Land

When first approached about resource activity on their land, farmers have three important concerns:

- Water – quality & quantity
- Soil – protection of the better soil types
- A fair go – respect, good conduct, legislative protections, no future liabilities, compensation

Soils: Terms such as prime cropping country, strategic soils, etc are widely used. The concept of food security is often spoken about. Statistics are also readily available of the very small percentage of high quality soils. But, in practice, protection of soils is little understood and a highly underrated issue. It is probably no coincidence that hydrocarbon reserves lie under many of the best cropping soils, yet short term profits from CSG and coal are being chosen by governments over long-tem sustainable agricultural production.

A field trip with experienced soil scientists and cropping farmers would be a good place to start developing the necessary understanding.

Legislative protection**:** Currently good quality agricultural land should be protected under the Regional Planning Interests (RPI) Act. Previously, protection was under the Strategic Cropping Land (SCL) Act which was repealed on 13 June 2014. However, SCL assessment criteria, trigger map & mitigation arrangements were later included in the RPI Regulations.

Prior to that Good Quality Agriculture Land (GQAL) mapping was recognised in the Planning & Environment court.

Effectiveness of protections: See Appendix L (page 80) for a case study of what really happens to make good quality cropping land "disappear".

The RPI promises much but there is always a loophole to take away promised protections.

Landholders who had already signed a Conduct & Compensation Agreement (CCA) before June 13 2014 have no protection. Those yet to sign at that date would hope they are protected

except it is also not available if the government had already granted a petroleum lease, along with approving an environmental authority before June 13, 2014.

While resource companies estimate 2-3 per cent of land associated with a traditional 160-acre (65-ha) production spacing would be temporarily disturbed by installation of production wells and gas and water gathering infrastructure, much of this construction has a small footprint and is dotted in many locations throughout the production area. It is not hard to see how this can interfere with efficient use of the remainder.

Determining appropriate land use**:** RPI as a planning instrument should be an overarching mechanism that has pre-determined priority areas for living, agriculture and environment. This should be the base from which any new development application would be assessed as a possible appropriate land use.

This RPI Act has the potential, through the use of sound science, to map areas that have high quality soils essential for high value agriculture, as well as areas of high conservation values.

With further amendments the functions of the two 2014 repealed Acts, the Strategic Cropping Land Act and the Wild Rivers Act, can be better served under the RPI Act as an overarching planning instrument.

The RPI should NOT be primarily about proposed resource developments. However, this emerges as priority of the Act in its current form and prevents it becoming a credible, fair and stable planning instrument. For example, the RPI works through Regional Plans; with the Darling Downs and Central Queensland Regional Plans that were put into place just before the release of the RPI Bill, it was quite striking how the strong emphasis for resource development overpowered those Plans and hampered them from being about all development proposals or alternative land uses.

Soil science**:** In the area of soil science, much of the work has been done over many decades starting with the old Lands Department. This continued under the Department of Primary Industries. The work was based on true science without the influence of any other agenda. A soil classification system was established called Good Quality Agriculture Land (GQAL). The classification mechanisms for identifying priority agriculture areas within the RPI Act and the Regional Plans are overly complex. Simplifying them would create a more workable piece of legislation.

Improvements to RPI regulations, SCL Criteria:

- The assessing agency for Strategic Cropping areas should be the agriculture department and not the natural resources department.
- In the case of a resource company also being the owner of the land applied to be removed from Strategic cropping area status, the agricultural department should be required to do an on ground assessment.

- The strategic cropping area trigger maps must continue to be available to a landholder for their property free of charge and the ability must be retained for the landholder to include land that was left out of the trigger mapping.
- No land should be struck off of the trigger maps or added without a ground truthing process.
- When a resource company makes an application to remove strategic cropping land status they should reimburse professional costs to the landholder when lodging an objection.
- All SCL criteria should be reviewed. The differing slope criteria must be standardised at 5% in Strategic cropping land criteria and remove the inequity where the western cropping areas are only 3% and the rest of the state set at 5%.

8. Cultural heritage

9. Weeds

Weeds are a major worry for landowners. The gas industry creates the ideal environment for the transportation and disturbed surface to colonialise weed infestations. Plants will germinate in a season that best suits their species and in some cases this can occur well after the likes of preliminary activity has come and gone.

Weeds are very large cost burden to Australian agriculture and to the individual landowner. *"Weeds reduce the quantity and quality of Australia's agricultural, horticultural and forestry products, affecting both industry and consumers. It is estimated that weeds cost Australian farmers around $1.5 billion a year in weed control activities and a further $2.5 billion a year in lost agricultural production. The real cost of weeds to the environment is difficult to calculate, however it is expected that the cost would be similar to, if not greater than, that estimated for agricultural industries."*[58]

Landowners have significant concerns over the spread of invasive weeds from one region to another /one property to another due to the volume of often self-monitored traffic and the every changing liaison officers and contractors means little consistency or protection is afforded to a landowner unless they insist on a specific protocol, and even then the outcome is uncertain. Invasive weeds such as parthenium, African love grass, giant rat's tail grasses can significantly devalue land and reduce carrying capacity.

There is added pressure when dealing with the biosecurity issues beyond an individual business's control when dealing with the number of different contractors employed independently by the resource company, and in many cases in developing gas fields in the North West Surat Basin traffic movements can be in excess of 200 a day. This coupled with

[58] http://www.environment.gov.au/biodiversity/invasive/weeds/weeds/why/impact.html

the fact most are Fly In Fly Out Workforce or Drive In Drive Out Workforce from both Overseas and across the whole of Australia, there is little control over who is actually entering your privately owned land and the potential risks involved

As previously stated in the section about the 'Exposure to future liabilities' on page 18 APPEA designed a system that avoid future liabilities for gas companies and that enable an appearance of best practice that was in reality anything but.

The system was the self-regulation of filling out of a weed certificate declaration upon completion of a weed wash down. Rather than neutral government or third party weed washdowns, companies often have their own and are not always vigilant about the washdowns between properties.

As far as landowners are concerned the system is far from satisfactory. It is designed to best suit the gas companies with non-compliance an issue with some evidence that basically blank certificates are sometimes issued to company employees or contractors.

To be diligent in minimising the risk of vehicles and equipment of transporting weed seed a lot of care needs to be taken and it most certainly cannot be undertaken in a short timeframe.

10. Dust, noise and light pollution

There is little protection in legislation and little recourse available for landowners in regards to dust, noise and light pollution impacts. The submission deadline does not permit further expanding on this subject, but see the later section on "Monitoring and Enforcement".

11. Open gates and property damage
12. Stressed and injured livestock
13. Non-disclosure of information and incomplete records
14. Road damage and litter
15. Plastic, signs and pegs
16. Home security and loss of amenity
17. Personal relationships

18. Community and local towns

In the Surat Basin it was the people who lived in the towns that were most likely to believe in the prospects offered by a "gas rush". Local chambers of commerce were keen to promote the CSG industry with a view of business opportunities and growing local economies.

Certainly in the larger of Dalby, Chinchilla and Roma did see considerable growth alongside some social problems. But in the smaller towns such as Miles and Wandoan the dreams were short lived. There is a lot more than be written on the impacts on the towns and on community but submission deadline does not permit.

Please read the account by highly respected Wandoan identity Bill Blackley (Chair Wandoan Liaison Committee, Representative Xstrata Community Consultative Group, and QGC Community Consultative Group and member of several Community organisations) at Appendix J on page 75.

19. Associated Infrastructure

The unconventional gas industry requires a lot of infrastructure. There are a lot of different types of infield infrastructure from the very small such as low point valves to large compressor stations and water treatment plants.

There is also off field infrastructure that uses corridors through landowner's properties. These can be very large gas pipelines that take the gas to market such as the very long corridors to the Curtis Island LNG plants. There are untreated and treated water pipelines. Then there can be – as in the north-west Surat Basin area – high voltage transmission lines that are for the sole purpose of taking electricity for use by in field gas infrastructure.

This off field infrastructure is often built and owned by different companies. In Queensland the treated water pipelines are managed by the Government Corporation, Sunwater. The high voltage transmission lines by another Government corporation, Powerlink.

By early 2013 access arrangements had improved for landowners in regards to CSG. Landowners who have dealt with both CSG companies and these government corporations will tell you that the CSG companies were easier to deal with. These pipe and power lines were infrastructure projects and were not administered under the Petroleum and Gas Act; they were administered under the Acquisition Land Act 1967. Powerlink was particularly difficult, with a toxic internal culture and a hard hearted attitude towards landowners.

PRA were very active in advocating[59] for the landowners affected by these high voltage transmission lines from west of Wandoan to the Wallumbilla area. Powerlink's attitude and mode of operation was that much of an embarrassment that the State Government and the Gasfied commission became involved:

> *"DEPUTY Premier Jeff Seeney and gasfields commissioner John Cotter have slammed the corporate practices and attitude towards landholders displayed by state government owned corporation Powerlink, with both men demanding the company "change its tune" at the negotiation table with farmers.*
> *The strong criticism comes after landholders across the Yuleba region continue to attempt to negotiate with Powerlink over compulsorily acquired land the company seeks to construct 100km of proposed transmission line and four substations, west of Wandoan."*[60]

In June 2014 at the PRA conference it was reported:

> *"Landholders are still experiencing difficulties with the Powerlink approach although minor policy changes have been implemented that enable landholders to access expert costs required to detail compensation earlier at the release of the Draft Environmental Impact Stage and before Community Designation. Once Community Designation occurs, landholders lose significant rights.*
> *There are a number of points as landholders we have raised that we would like detailed in legislation for this type of development to protect our rights & address the impacts from this type of development and these include:*
> · *Recognition and payment of landholder time throughout the process.*
> · *Payment of compensation at a commercial rate*
> · *Ongoing annual payments for the life of the projects- expected to be 50-80 years*
> · *Acceptable access protocols with emphasis on fresh & current weed washdowns prior to entry to landholdings."* [61]

Landowners also had considerable problems in the construction of the gas pipelines to Curtis Island. The time delays of the QGC pipeline went beyond the point of being ridiculous. Please refer to Appendix M on page 82 for the account written by Leo & Lyn Bahnisch of Guluguba. There are many other landowners who have similar experiences.

[59] http://evacuationgrounds.blogspot.com.au/2013/03/petition-against-abuse-of-power-by.html

[60] http://www.queenslandcountrylife.com.au/story/3593850/powerlink-approach-slammed/

[61] http://evacuationgrounds.blogspot.com.au/2014/06/powerlink-update-for-pra-conference.html

20. Underground Coal Gasification
21. Waste from CSG activity & worker camps
22. Fears of future integrity of underground aquifers – fracking

Terms of Reference
The adequacy of Australia's legislative, regulatory and policy framework for unconventional gas mining including coal seam gas (CSG) and shale gas mining, with reference to:

c. government and non-Government services and assistance for those affected;

Services and Assistance

There are a number of areas where government assistance would be beneficial but there is no evidence that any government is prepared to intervene on behalf of rural communities to ensure that families and rural businesses are able to enjoy their properties in a safe, healthy and business friendly environment which preserves the value of their properties and the resources which are the source of their prosperity.

Water is treated separately on page 36.

The CSG Compliance Unit[62]

The CSG Compliance Unit is not highly regarded and has lost the trust of landowners. Its website is truly a lesson in spin for any student of journalism. It contains summaries of legislation and compliance regulation designed to protect landowners and the environment. It shows how landowner's water is protected by "make good" and how responsibly the salt laden produced water is disposed of including for "beneficial use". My quick examination of the site showed no mention of contaminants other than salt such as heavy metals and radioactive substances which we know are common.
The home page tells us that:-

> *"We've been working with local residents, landholders, peak farming groups and the resources sector to get the ground rules right.*
> *We have strong laws and regulations in place that:*
> - *deliver safe and high standards of environmental responsibility*
> - *protect local water supplies and farming land*
> - *manage the impact of resource activities on areas of regional interest*
> - *provide fair conditions for landholders*
> - *establish strict compliance regimes.*
>
> *CSG-LNG compliance and enforcement is managed through local, Queensland and Australian government agencies."*

[62] https://www.dnrm.qld.gov.au/our-department/contact-us/coal-seam-gas

As a resource, it is entirely useless.

The Gasfields Commission[63]…

The Gasfields Commission in Queensland is charged with solving the problems of "co-existence"[64], an oxymoron of the highest order – it is a failed policy and one which should now be acknowledged as such. The Gas Field Commission is seen by many as facilitating only the Coal Seam Gas Industry and there is no representative body to independently facilitate the ever evolving Agricultural Industry in its own right.

At the Gasfield Commission Bill hearing in February 2013, the signs were apparent from the very beginning that the Gasfield Commission was not going to be strong protector serving landowners. These notes appeared in the PRA newsletter in the following week:

> Appearing before the parliamentary committee John Cotter (the Gasfield Commissioner) made the observation that: *"most of the community was wearing the pain without the gain out of the coal seam gas industry."*
> However when asked about the Gasfield Commission Bill not having an obligation of referral, John Cotter said that: "*the person bringing the complaint forward should take the complaint to the correct regulatory authority."*

It would be hoped that the Gasfield Commission would have a more supportive role than how that came across.

When talking to people across the Surat and Bowen Basin after three years that the Gasfield Commission has been operating there is little confidence that approaching the Gasfield Commission will solve any problem that is being faced. Some of the commissioners appear to be outright contemptuous of any small lifestyle block holder who is highly impacted by diminution of value and amenity of living due to CSG infrastructure. As far as PRA is concerned all landowners have a property right regardless of the size of the property or if any enterprise is being conducted on that land.

By evidence of their action the Gasfield Commission is more interested in facilitating the gas industry and works at damage control to ensure that no issue arising from CSG becomes an embarrassment to government.

Information Workshops

In Queensland, the use of Agforce's name to receive Government funding to provide and promote Advanced CSG Negotiation support workshops creates a perception of a conflict of

[63] https://www.business.qld.gov.au/industry/csg-lng-industry/gasfields-commission

[64] http://evacuationgrounds.blogspot.com.au/2013/09/the-elusive-coexistence-definition.html

interest for an organisation charged with advocating strongly on behalf of agricultural industry.

There is no reason that these workshops could not be held through a stand-alone government department (as all information sessions are government funded in any case).

While these courses have been very informative for landowners dealing with what is effectively compulsory acquisition type legislation and the course instructors very professional, the use of Agforce implies they support CSG development with Agriculture.

If information sessions were not aligned with Agforce it would ensure there is no inference that agricultural industry is supporting coal seam gas development on agricultural land.

This would allow organisations such as Agforce to speak out more on negative issues affecting the agricultural industry under current legislation.

The last update in February 2016 shows that only part of proposed development for unconventional gas development has begun in Queensland, so there is still a very real need for landowners in Queensland to have the right to say "No" to unacceptable impact on their homes, good quality agricultural land, underground water, privacy or business.

Often we hear rhetoric as if Queensland has let Coal Seam Gas occur all over so it is a lost cause.

This is not the case as detailed in this latest update there is still a large amount of development proposed and this is what is causing much angst for landowners.

Agforce Projects email update on the 12th February 2016 detailed the following:

> *"These workshops are free to all landholders with lunch and morning tea being provided.*
>
> *We are encouraging everyone to come along to have access to this information but also to help AgForce demonstrate to the Government that CSG is still a concern for landholders and that we need to continue to assist landholders in managing activities/negotiations."*

With approximately 5,900 CSG wells in production and estimates of between 18,000-40,000 wells over the life-span of the industry we still have a lot of wells, pipelines, roads and dams to be built.

TERMS OF REFERENCE
The adequacy of Australia's legislative, regulatory and policy framework for unconventional gas mining including coal seam gas (CSG) and shale gas mining, with reference to:
e. compliance and penalty arrangements;

Compliance

Environmental Authorities

The ongoing Environmental Authority (EA) approval process is not open and accountable, and because of this many issues are not made public or adequately rectified. Individuals are never directly notified of processes in order to legitimately object to negative impacts. Many solicitors request a general email alert for any changes from the DEHP but the average landowner would never know if an amendment on an existing EA had occurred.

The State Government needs to change any such legislation and recognise the property rights and business requirements of landowners. Any such legislation or parts of legislation where individual property owners are not given

- full recognition of their ownership with property notification,
- consultation, with mutually agreed outcomes,
- agreed commercial compensation (not presently enforced) and objection rights, and
- does not allow issues to be addressed openly and rectified

is unfair, unethical, and potentially detrimental to the environment. Such legislative deficiencies need to be rectified.

The current system essentially provides a "tick a box" paper trail approach with no on-the-ground assessment by suitably experienced and adequately trained government department staff. The unconventional gas industry in Queensland, which has been fast tracked since 2009 with no adequate protection on environmental matters that arise in Environmental Authorities (EA) needs to be properly policed and made to be open and accountable.

Complaints

In order for a landowner to have a realistic chance of complaining about a change to an EA he would have to constantly monitor the email alerts from DEHP for the whole of Queensland. Once more we have an example of the landowners having to police the situation, use their business time, and essentially do the government's job.

There is no direct notification process for a directly impacted landowner when amendments are being requested for approval. For example, an approval upstream to allow additional volumes of treated water into a creek or waterway, can negatively affect landowners further downstream. Using its blanket approach for approvals, the State Government Department(DEHP) completes the approval for a privately owned resource company to

impact a waterway, but does nothing to advise the many – perhaps hundreds – of individual privately owned land titles which can be negatively affected further downstream.

Please refer to Appendix K on page 78 for an occurrence where a Taroom landowner was experiencing extreme inconvenience from treated gas water flows in a creek. The gas company, Origin was in violation of the EA but used delaying tactics on the landowner while in the meantime applying to government to change the EA. Government complied with the request and exterminated any basis for the landowner to make a complaint. This smacks of retrospective legislation to remove a just entitlement.

Penalties

Penalties are few and far between and are ineffective. The process in Queensland does not provide when amending an EA does not automatically trigger a written notification to affected landowners in order for them to object or have matters rectified. It is an area that has allowed resource companies to go under the radar when they are allowed to amend an Environmental Authority to, for example, impact closer to water courses or add to impacts in water courses. If the EA is approved by the DEHP, this means they do not have to follow up on impacted landowners and are allowed to legitimately impact more on water courses even though it may not have been approved in the original Environmental Authority assessment or under standard regulations.

Penalties for breaches of an EA are not often imposed, not usually very harsh (certainly not of the orders of magnitude of penalties imposed on landowner for Vegetation Management offences) and do not act as a deterrent for a huge multinational company. One might surmise that they are not intended to act as a deterrent. They are more of a symbolic gesture to lull the wider public into the belief that something is being done to police the situation.

Monitoring and Enforcement

Government continually claims that the CSG industry is governed by very strict legislation and indeed the word compliance features in the Petroleum and Gas Act almost 200 times. However, it has been the experience of landowners that it is they who must remain vigilant in order for compliance to occur. There is very little evidence of government intervention which follows on from a rushed approvals process where it would seem some companies did not even have a basic groundwater assessment.

S500A(e)(ii) gives a petroleum authority holder an exemption from needing a Conduct and Compensation Agreement if it is either "an applicant or respondent to a Land Court application under section 537B relating to the land". This is clearly a violation of the landowner's basic property rights and no entry should be allowed until the Land Court action is completed and an agreement made.

There are enough landowner complains about serious breaches of Conduct and Compensation Agreements to signal a serious problem.

Any complaints to a Compliance Unit are simply referred back to the company and if the complaint is about noise or dust the company has an opportunity to modify its practices while monitoring is taking place. Previous data from the complained about period is always unavailable. The Government is noticeably complicit in these activities.

Compliance and penalties are allowed for in the legislation at multiple levels but enforcement is visibly lacking.

Time and time again PRA talks to landowners impacted by CSG activity. They relate how, after going to the company with their complaint and after much persistence by the landowner, DEHP will finally (in the case of dust and noise issues) come with motoring equipment. However the departmental staff have already communicated with the gas company; the monitoring equipment is only in place for a short period and the gas company has either stopped or reduced their activity. In one case where activity continued when the motoring equipment was in place, the landowner was refused details of the result of the data.

It is hypocritical of the Queensland Environment Minister, Steven Miles to deploy 48 compliance officers[65] to north Qld to monitor cane farmers over perceived Great Barrier Reef issues, but have no proactive compliance of very real problems with the gasfields.

[65] http://www.abc.net.au/news/2016-02-12/reef-water-quality-compliance-officers-ready-to-visit-farms/7162276

Recommendations

Federal Government

Recommendation 1

Property Rights Australia recommends that all landowners have the right to say "no". This would put all negotiations on a truly commercial footing. This should be a fundamental right for landowners. The Federal government should work with all States and Territories that this basic protection for landowners is introduced at all levels of government.

Recommendation 2

A national approach to water under the EPBC Act is currently necessary because of deficiencies in all State regulation. As the Great Artesian Basin is an extremely important resource in four States and Territories the Federal government needs to manage the cumulative effects of water use by the unconventional gas industry.

Recommendation 3

The Federal Department of Agriculture must ensure that agricultural food producers are not exposed to future liabilities because of contamination as a result of the unconventional gas industry.

Recommendation 4

A review of the royalty system should be conducted along together with all States and Territories. All options should be considered. Property Rights Australia believes the model offered by Senator Matt Canavan has merit.

All States and Territories

Recommendation 5

That in all States a position of resources ombudsman is established. In Queensland this position would replace the Gasfield Commission

Recommendation 6

A moratorium is declared on any new unconventional gas activity. A full review conducted on previous activity. No new activity is approved until full baselines are taken including cumulative impact studies.

Recommendation 7

The integrity and independence of the government regulators at all levels needs to be reinstated with proper studies insisted upon before authorities are granted, proper compliance insisted upon and penalties imposed. These actions should not only have the appearance of being done but must actually be carried out.

Recommendation 8

There should be greater transparency on unconventional gas lobbyists access to government. Government should recruit personnel for the public service from a broader background and avoid a too high of a percentage of ex-employees or lobbyists from the unconventional gas industry.

Recommendation 9

Landowners need to be guaranteed complete indemnity for all demonstrable and quantifiable adverse financial impacts, both immediate and consequential, upon their business, land and assets for the life of the mining project and beyond. This needs to be whether such losses or claims are brought about by an act of negligence or omission or just the product of the mining company's normal lawful activities.

Recommendation 10

That the government fund or carry out an independent study (not by a resources company or any associate) which is robust and peer reviewed of health problems associated with living on the gasfields.

Recommendation 11

That real help be given to people suffering health problems on the gasfields instead (as in Queensland), of the farcical situation of the present 1300 number roundabout which exists at present.

Recommendation 12

That undue stress on landowners caused by the unconventional gas industry is recognised. That all governments review all legislation and regulation that leaves the landowner without any control and that reform is implemented. That government provides support to landowners from departments other than, and independent of oversight, from the departments of natural resource, infrastructure and planning.

Recommendation 13

When in negotiation for an agreement with an unconventional gas company that the gas company pays for all profession fees of expert help that the landowners needs to reach a fair outcome. There should be not restriction of what experts that are needed as currently in Queensland the refusal to pay hydrogeologist fees. The fees should be paid as they are invoiced and not dependent on signing an agreement. There should be no cap placed on these fees. Any claimed excess in fees has been caused by the resources companies themselves who have shown that they will go to inordinate lengths with expert legal advice to take every advantage of landowners

Recommendation 14

That all governments recognise that there is no such thing as a no risk or low risk activity and that many "preliminary activities" can be very invasive. Conduct agreements should be made for "preliminary activities".

Recommendation 15

That all costs to Landowner in any interaction with gas companies and associated infrastructure be compensated. This includes time which is yet to be fairly compensated.

Recommendation 16

That small landowners who have been rendered homeless or trapped as a result of "'diminution of value" compensation not being adequate for them to establish a home of equal or better quality to the one that they had be investigated. A social program for their rehousing should be developed by government.

Recommendation 17

That the amenity of living is important to landowners, residents and community; that any gas infrastructure is kept well away from home, preferably 1 km. The risk of fracking causing damage to landowners bores is such that a similar distance away should be kept.

Recommendation 18

That it is recognised the quality and quantity of water available to landowners is an essential right. There should be no gas activity allowed without cumulative impact reports and an independent monitoring system in place before any gas activity commences.

Recommendation 19

No landowner should be disadvantaged because of the loss quality and quantity of water and where a landowner suffers such a loss they should not have to then prove that the gas company caused the impairment. High priority should be given to repair or replace a water impact.

Recommendation 20

Failure to repair a water loss, (in Queensland to honour "make good" obligations) by resources companies should be considered a breach of their leases and attract penalties

Recommendation 21

That where an enterprise is unviable as a result of underground water loss, that provision be legislated for the responsible tenement holder to purchase the enterprise at full, fair and unsterilised value. Such compensation should be generous and not niggardly.

Recommendation 22

All affected landowners should be advised on an individual basis in a timely manner with a robust process in place that ensures good quality agricultural land is correctly identified and underground and overland water flow is monitored with trigger thresholds that ensure a moratorium that places further production on hold occurs when these triggers are reached

Recommendation 23

That all unconventional gas companies be subject to truly independent monitoring and penalties for non-compliance with environmental authorities is enforced.

Recommendation 24

That all applications for amendments to environmental authorities to be directly communicated to all landowners and that they be given a proper right to object.

Recommendation 25

That State governments fully fund the provision of full information services through departmental extension field staff to landowners through departments such as agriculture independent of oversight from the departments of natural resource, infrastructure and planning.

Queensland specific

Recommendation 26

A full review into all aspects of "make good" arrangements be made as soon as possible.

Recommendation 27

That all expenses of ADRs be paid for by resources companies and the banning of legal representation at ADRs be removed from all the pieces of legislation in which it appears.

Recommendation 28

That no entry be allowed by a petroleum authority under the exemption given by s500A(e)(ii) of the P & G Act that the company is *an applicant or respondent to a Land Court application under section 537B relating to the land* until the Land Court action is finalised and a Conduct and Compensation Agreement is in place.

Recommendation 29

That the ability to "opt out" of a conduct and compensation agreement be removed from the legislation.

Recommendation 30

That the Regional Planning Interests Act is retained but amended so that all land that has a priority use of agriculture, environment and living once identified is fully protected. That assessment criteria for Strategic Cropping Land be updated so that good quality soils be based on the characteristics of the soil itself and not on current use and that western cropping area slope is made consistent with the slope criteria for the rest of Queensland at 5%.

Yours Sincerely,

Dale Stiller
Chairman
Property Rights Australia Inc

Appendix A

November 27 2015

Property Rights Australia, Policy statement – The right to say no.

The current debate about farmers having a veto over resource activity on their land – popularly known as 'the right to say no' – is an expression of the tension between the property right of the land title holder and the mineral and petroleum crown reservation for which government may grant a lease to a mining company to extract resources.

'The right to say no' is not about who owns the mineral right or who receives the royalty. Rather it is about amendment to government policy, regulations affecting access to privately held land, and sections of resources Acts that require landowners to engage in compulsory negotiations with resources companies.

The emphasis is on the word compulsory. Currently landowners are compelled to enter negotiations with very large companies which enjoy vastly superior powers of capital, in-house legal experts, information and legislative backing. Negotiations cannot be passed off as "just another commercial negotiation"; because in any standard commercial negotiation, both parties have the option to walk away. Under existing resources legislation, landowners have no such option. Some may be good negotiators and some not so good. But whatever their capability, they do not have the option of saying "this deal is not to my advantage and I do not wish to continue". Governments have tied them to the negotiation table against very large companies which do have the freedom to walk away if they so choose – at any time and perhaps after great inconvenience on the land owner.

Inflicting such a disparity in power upon a section of the community is an insult to the tenets on which civil society is based.

Establishing conditions for fair commercial negotiation requires restoration of the basic property right taken from the land title holder by government. This basic right appears to have been taken with the aim of expediting resource development to contribute to the economy and receivable royalties. But privilege has been abused, especially by CSG companies.

'The right to say no' will ensure landowners have a least some control over a situation that currently creates enormous pressure and stress. It will:

- Ensure that true commercial negotiation can occur without fear or intimidation tactics able to be used by the resources sector.
- Allow all landowners – both those who want resource development on their land and those who do not - to proceed as they choose without any stigma
- Assist to uphold the principle that agricultural production should not be permanently impaired.
- Provide landowners greater ability to negotiate amenity of life protections for the family home on the farming or lifestyle property
- Along with good planning laws, assist to protect Australia's valuable, good quality agricultural land and valuable, clean, reliable sources of water both sourced from overland flow and from underground aquifers
- Improve the reputation of the resources industry and ultimately the shareholder.
- Ensure that landowners are not disadvantaged and actually share a small benefit from resource activities.
- Provide a way forward for the resource sector.

Any talk of respecting farmers' moral rights is meaningless without policy and legislative change that provides farmers with 'the right to say no'. CSG companies have demonstrated that they will only comply with the minimum that they are required to do under the law. Many have employed unfair tactics and tricks to bluff and intimidate landowners into surrendering an agricultural future on their land to that of a resources interest.

The right to say no will not stifle or stop resource development, but will ensure all negotiations will proceed on a true commercial basis.

It is time landowners were given 'the right to say no'. Without this, the landowner does not have their full property right.

Appendix B

PROPERTY RIGHTS AUSTRALIA

Media Release 25th March 2014

Negligence exposes beef producers to unnecessary risks

Property Rights Australia is calling for the immediate release of a report[66] funded by Meat & Livestock Australia (MLA) to determine beef producer liability if cattle are found to contain residues due to coal seam gas activity. The report completed 12 months ago was never released with the consulting law firm advising that it should not be *"due to the fact that it advises liability."*

Joanne Rea, chair of PRA said, "The question of liability lies heavily on the minds of cattle producers in coal seam gas areas and the reason why the research project was initiated. The non-release of this report raises so many questions starting with, "Did MLA and Cattle Council Australia (CCA) not question the validity of the law firm's advice? Surely they have a greater responsibility to the levy paying cattle producers."

Instead of releasing the report CCA issued a communique[67] which suggests that having signed a National Vendor Declaration producers are liable for any contamination. Beyond the essential advice that landowners should seek professional advice the information in the communique is not fully informed or helpful especially given the naivety of advising, *"Find out about the CSG operator. It is important to be sure that you are dealing with a reputable company"*

"It is unconscionable that MLA and CCA has left unchallenged the transfer of all the risks to the cattle producers and have not been diligent and proactive to find the means that producers may enjoy full indemnity from an often uninvited guest who shares the same business space," said Mrs Rea; "Levy payers are not just PIC numbers; they are often farming families who would be devastated financially and emotionally if left exposed and subjected to quarantine because of contamination."

Landowners who have had specialist legal advice and where precise provision has been allowed for in a Conduct and Compensation Agreement may or may not have some protection in an event of coal seam gas contamination but not so neighbouring properties.

[66] http://www.beefcentral.com/news/article/4428
[67] http://www.beefcentral.com/u/lib/cms/CSG%20Communique%20(1).pdf

PRA believes that landowners need to be guaranteed complete indemnity for all adverse impacts, both immediate and consequential, upon their business, land, water and assets. Landowners need the assurance that redress is not just available for the life of the resource project.

The funding and structure of MLA and CCA are subjected to the current Senate inquiry into Grass fed beef levies. At the March 10 Canberra hearing[68] evidence was given that the majority of MLA project reports are not released. Senator Heffernan said. "Even if (those figures) are just 10pc right, if you get a research grant surely you have to account for it."

Joanne Rea reflecting on this remark said that, "Even if it was the case that only this one report was not released with no action taken the potential ramifications for producers is so great, an indication that MLA and CCA have been highly negligent."

Chair of the Senate Inquiry, WA Labor Senator Glenn Sterle, remarked at the Canberra hearing[69], "It seems everybody is making money except the poor bugger on the land."

ENDS

[68] http://www.beefcentral.com/p/news/article/4362
[69] http://www.abc.net.au/news/2014-03-10/beef-over-levies/5310170

Appendix C

Notes on Indemnity (or lack of it) being offered in the agreements being signed between Landowners and Resource Companies.

Firstly, it is important to clearly understand the relationship between Landowners and Resource Companies.

Landowners are not partners or participants in the uninvited project; they do not derive income from the profits. They are entirely innocent bystanders receiving compensation for demonstrable impacts.

It is therefore totally unacceptable to transfer risk for the Resource Companies activities to the Landowner- and yet that is precisely what is occurring in these Indemnity Clauses.

Present agreements generally contain two things:-

1) A requirement to demonstrate negligence on the part of the Resource Company before any recompense for damages can be obtained. This, of course, is a nigh on impossible and a very expensive legal process.
2) The exclusion of Consequential Losses or indirect costs or claims that the Landowner may suffer as a result of the Company's activities.

The nett effect of this is that the Landowner is actually indemnifying and releasing the Resource Company from exposure to Consequential Losses or indirect costs that the Landowner may suffer.

The problem appears to be that the Resource Company lawyers are very averse to any exposure to unknown unknowns or open ended liability.

During negotiations we were denied access to the Resource Company's Public Liability policy. Consequently we have no idea of the degree of coverage we have.

Landowners need to inform their Insurance company of the provisions in their Agreement or run the risk of invalidating their existing policy on the basis of a lack of disclosure.

It is extraordinary that Resource Companies should think that it is OK to restrict their liability to pay just compensation thereby transferring risk for their project and leaving Landowners with exposure that they did not have prior to the Company's entry onto their property.

This issue goes to the very heart of our relationship with the Resource Sector and any basis upon which to build trust.

It is self-evident that Landowners need to be completely indemnified against all demonstrable and quantifiable losses, damages or claims both immediate, indirect and consequential, however they may arise out of the Resource Company's activities.

This needs to be enshrined in the legislation and to this end amendments are necessary to the Petroleum and Gas Act and the Mining Act.

Lindon Brown,
"Gullagimbi",
Jackson Qld 4426

Appendix D

13th March 2016

Origin Energy's refusal to abide by the GST laws in its dealings with landholders.

Background

We have Origin Energy tenements on both "Potter's Flat" and "Sollow", with a total of 39 wells and associated access tracks and gathering Rights of Way.

We also have 49 QGC wells in full operation and a further 31 QGC wells scouted, surveyed and pegged.

Under advice from our experts our Terms of Access for both companies specified that no "associated" or "by-product" water was to be used on our land for any purpose. We agreed to ensure that we would provide access to an adequate quantity of appropriate quality water available to their contractors at all times for their project construction activities.

We are an agricultural business, registered for GST.

Under appropriate Queensland laws and regulations gas companies are obliged to reimburse landholders for "necessary and reasonable costs" incurred in negotiating a CCA (Conduct and Compensation Agreement). Our professional costs incur GST. Reimbursement of our professional costs includes the GST which we are liable to pay to our suppliers.

In Queensland the ownership of all water was vested in the State of Queensland under the Water Act 1999, making it illegal for a landholder to sell water. Under other regulations, it became possible to allow acces to water and charge for "damage to water supplies", or access to water supplies, which we did for both Origin Energy and QGC. Where a supply is made such as access to water our advice was that it was safer to add GST to the charge since the recipient was entitled to recover the GST under the same terms we could charge it.

The matter

In all aspects, and including professional costs and water access charges, QGC paid the full amount, and presumably claimed the GST back in the normal way under the tax laws applicable to GST for businesses. That was none of our business.

In all aspects, and including professional costs and water access charges, Origin Energy refused to pay the GST on the basis that it was "against their policy" and that "we may be able to claim it back therefore that didn't need to pay it".

We contended then and still do now that they are flouting their obligations under the tax laws and should be called to account. There is no acceptable reason why we should pay their GST for them and wait for up to 3 months to claim it back.

Richard and Helen Golden, "Potter's Flat", Yuleba, 4427.

Appendix E

Gas Leak Response – blog article by Dale Stiller 15th April 2013

http://evacuationgrounds.blogspot.com.au/2013/04/gas-leak-response.html

For the whistle blower there is no easy road. Watching Simone Marsh on the **Four Corners** **Gas Leak** TV program it was evident the strain she was under. Ms Marsh needs to be congratulated for acting on her convictions and should be given every support.

Photo sourced ABC Four Corners

The account of a witness is very important and I am not downplaying Simone Marsh's testimony on the Gas Leak's story when I say that for those who watch the coal seam gas industry closely there was nothing new shown in the story. What Four Corners did was not so much as providing new information this time with the Four Corners brand of investigative journalism but presenting the information to a new audience.

Central to the Gas Leaks story was events in May 2010 when public servants were placed under pressure to approve not just one but two highly complex coal seam gas projects in a very short period of time. Simone Marsh told of how she was pressured into signing off on the projects despite the absence of key information for the crucial ground water studies. This information was revealed back in February by The Courier Mail in the article, **Public servants tasked with approving massive CSG projects were blindsided by demands to approve two in two weeks.**

Documents obtained through a Courier-Mail investigation reveal that as the $18 billion Santos GLNG project was nearing its approval in May 2010, public servants were hit with the demands from the government to also tackle the $16 billion QGC project - and then the Origin-led APLNG proposal, approved in November of the same year.

And just days before the QGC approval was granted, public servants were warning the directors of the government's assessment team that they still had not been given any detailed information on pipelines and the location of wells.

They also warned a long list of environmental issues had not been fully analysed.

The documents obtained by the Courier Mail revealed not only objections by Simone Marsh but also by fellow public servants, Stuart Cameron and Murray Vincent. In an earlier article published

December 2011, **State knew about CSG problems**, in a report way back in 2006 senior government bureaucrat Geoff Edwards warned the government that coal seam gas will have massive impacts.

Mr Edwards said water associated with coal seam gas did contain toxic materials like fluoride, strontium and hydrocarbons.

"Some of the lower seams are contaminated with difficult substances," he said

He calculated about 1.5 million tonnes of salt could be extracted over the life of the projects.

The Mines Minister at the time, Stirling Hinchliffe, downplayed the findings of the report but information I have received recently indicates it was right on the money. This will be a subject for a future post.

There was no one directly representing either SANTOS or QGC on the Four Corners Gas Leak's story; however Four Corners did submit questions to the companies and both have made their answers available online. To read the responses click on – **SANTOS** - **QGC**

Left to sweat it out under Four Corners intense questioning was Rick Wilkinson the CEO of the industry association, Australian Petroleum Producers and Explorers Association. (APPEA)

What I found interesting was the responses of the two companies in the days following the airing of the Four Corners story. QGC took the path of a low profile must provide a small target. However SANTOS CEO David Knox in various media including a full page ad in the Courier Mail set out to right the "falsehoods" of the 4 Corners Gas leak's story and to "correct a misleading view of SANTOS."

Photo SANTOS CEO David Knox sourced ABC Inside Business

Not that SANTOS has been immune from broadcasting falsehoods as evident from the TV ads that it ran in Oct/ Nov last year when "landholder and farming consultant", Warwick Moppett, posing as the owner of NSW prime agricultural land, standing in fields of canola and cotton reciting the benefits of the CSG industry when he in fact lives far away and was on the land without permission. Locals viewing the ad picked up on these anomalies, voiced their outrage on social media and the story was first picked up by **New Matilda** before receiving widespread media coverage

Of special note amongst Mr. Knox's media appearances endeavoring to right "misleading views about SANTOS" was an interviewed on the **Radio National** breakfast program, Wednesday 3rd April, where Fran Kelly gave enough rope that Mr. Knox made some significant misleading statements of his own.

First there was a very careful attempt to marginalise the evidence that Simone Marsh gave to the Four Corners Gas leak's story in which Ms Marsh spoke of her concerns at the time that no underground water studies were included in the material she had to assess in the approval process of the SANTOS project.

Mr Knox spoke of a lengthy approval process where extensive water studies were included and that the consultancy firm Golder Associates had prepared an underground water report.

It was indeed a lengthy process and the Golder report was submitted to the Coordinator Generals Department while Ms Marsh worked in the Dept Infrastructure & Planning; a point by its omission allows the audience the possibility to reach a misleading conclusion.

The **Qld Water Commission report** was used by Mr Knox to prop up his case. Mr Knox states the belief the QWC report is a *"superb piece of work, a very detailed model that supports the original studies we did."* He also states that the *"definitive model by QWC shows impacts will be minimal"* and then follows with this extraordinary quote that I'm sure will come back to haunt SANTOS in years to come that *"in our area only 3 landowner bores will go dry."*

The effect on underground water is of very high concern for the farming and grazing community; many have read the report and are studying whatever other scientific material that becomes available. To such an audience they could well ask the question, has David Knox read a different QWC report? In talking about *'our area'* which seems to completely ignore the fact the QWC report was also about cumulative impacts, meaning that all projects are at least partly responsible for impacts across the entire Surat Basin. The QWC report cannot be called definitive; if Mr Knox understood the process the report is but a beginning on a pathway to try to understand a very complex system that is essential to the future of food production for a time well past the CSG industry has burnt itself out. The work is being continued by the renamed **Office of Underground Water Assessment** which will undertake further collection of data and production of reports on a cyclical basis.

The QWC report does show that there **WILL** be significant impacts on landowners bores. It is simplistic, incorrect and patronising to make statements such as *"QWC report shows that the shallow aquifers where farmers get their water from won't be affect."* It is almost juvenile to say that *"SANTOS drills straws into the gas seam and draw gas out through the straws. They are not connected to the shallow bores that farmers have."*

What is the level of understanding about coal seam gas in the general population to give SANTOS CEO David Knox the confidence that he could get away making such misleading statements and also that are scientifically flawed? If Mr Knox believes what he was saying is correct, then we really are in trouble.

Appendix F

"Chinta", Chinchilla, 3rd March 2016

Matters to inform the Queensland Government relating to CCA's in the CSG industry, their role and effectiveness, their value to landholders, and the need to consider some important changes.

So what to do?

There are three things will make the world of a difference to our community's future in the gasfield-

1. ***Ensure that reasonable and necessary cost recovery remains uncapped-***

Although this doesn't guarantee that a landholder will effectively use this provision or that they will get an adequate CCA, it does at least make it possible. We are the proof of that.

2. ***Introduce a provision to allow landholders to require a Conduct Agreement with enforceable Terms of Access if they wish, for Preliminary Activities-***

We are not arguing for a full-blown CCA with Compensation. And we accept that some landholders will not choose to demand a Conduct Agreement. But we reject the notion that Preliminary Activities are risk and harm-free. Scouting and survey crews drive and walk over even more of our land than will have construction conducted on it. And God knows where they and their vehicles were yesterday, and the day before etc.

3. ***Tighten up the criteria for triggering the countdown to Land Court following the serving of a Notice of Intention to Negotiate (NIN)-***

Both gas companies felt able to threaten/inform us that if we failed to reach an agreement in the 20 day NIN timeframe they could take us to the Land Court. This was attempted intimidation, and when we charged them with that, they promised that no company had ever gone to court. Which proves it was intended as intimidation.

Background

- We have three gasfield tenements and two coal tenements on each of our places, and the gasfield power transmission line over one of them. With complex ownership and business structures, in total, we have been subjected to 9 negotiations to deal with CCA's, Alternative Arrangements and our Make-Good Agreement. We have been into the Supreme Court once with one gas company and twice with the other.

- Under the relevant laws and amendments, important steps have been taken to provide landholders with some support in the David and Goliath negotiations in the gasfields. Not

least of which is the ability to recover professional costs necessarily and reasonably incurred in developing a CCA

- We developed rigorous CCA's and Terms of Access under them at an enormous personal, time and financial price, always relying on the promise that the terrifying cost would be deemed reasonable and necessary. In our case, and with each gas company, our costs were in 6 figures. Less with Powerlink but substantial just the same.

- But the CCA and Terms of Access are just the beginning. Our enforcement of our Terms of Access with one company is what caused one of the trips to the Supreme Court. During 15 totally random checks of required bio-security documentation we found 7 in breach, several with no paperwork at all, a failure rate of almost 50%.

- The other company's scouting and survey contractors were not compliant with bio-security Terms of Access even during Preliminary Activities. And Powerlink's environmental consultants were the worst of the lot.

- Both gas companies and Powerlink demonstrated that they were incapable of delivering their obligations under the CCA's relating to bio-security, and just this year Parthenium has been found on the gas plant rehab area on our upstream next door neighbours land. Powerlink's performance on our land at least improved markedly after we put the fear of God into them from the start.

- With our whole community watching the trauma we were going through, we lost neighbour after neighbour to gas buyouts, so that now we have 18km of boundary with gas company owned land. Our northern neighbour now has just one remaining residential neighbour, and that's us.

- At the depths of this our youngest son asked me if I was sure it was really worth it. With just 6 years to go to reach 150 years of our family on our land, I still struggled with his question. But we decided to stick it out because when the gas industry is long gone if not forgotten families like ours will still be needed to steward our landscape and produce our country's food.

Richard and Helen Golden, "Potter's Flat", Yuleba, 4427.

Appendix G

4th December 2013.

Precis of a presentation by Glen Martin of Shine Lawyers, CSG information seminar, Wandoan

By Dale Stiller

Landowners would have to be naïve to believe that these multinational companies aren't protecting this investment and that they will be looking after their own interests, not those of the landowner.

These are the top ten tactics and tricks used to manipulate the landowners into signing an agreement to allow the companies to proceed with these massive investments with minimal impediment for the coal seam gas company.

1. Appoint and train the right land liaison officers. They will often be people that the landowner can relate to; that they don't feel uncomfortable around. Most of the land liaison officers will not have had all the information about the project disclosed to them as well but their role is to get the landowner on side and engender trust.

2. Broadly describe the project activities, reluctantly give any detail and avoid mentioning of any impacts. The overall project is not disclosed but broken down to stages or individual activity. Non-disclosure creates problems for the landowner in that they don't know the full impacts when they enter negotiation and hinders planning for future farm management.

3. Conquer and Divide. Refuse to deal with neighbouring farmers who wish to negotiate collectively. Try and keep farmers from any outside support and then having isolated them try and use peer pressure such as saying your neighbour has signed up.

4. Take every opportunity to bag lawyers; imply that lawyers are only in it for the money and that the money is better off in the landowner's pocket. Offer a token lawyer fee to the landowners as an enticement not to consult with a lawyer. Landowners need to keep in mind that contracts are not prepared by the CSG companies for their benefit.

5. If the landowner retains a lawyer actively use the land liaison officer to keep open a separate line of communication to try and gain concessions from the landowner without the lawyer's knowledge and ability to give advice.

6. Try and make the landowner to feel obliged to cooperate with the company. Do favours for the landowner and also attain small seemly inconsequential commitments from the landowner. Work on the bush ethic that your word is your bond but landowners will later learn that any verbal agreement made by the company representatives is worthless.

7. Use consultants and junior employees with no real authority. If verbal enticements are made move them on or terminate their employment so that the company can later distance itself from fulfilling any verbal undertaking. Keep the landowner from contact with more senior management.

8. Make use of time to its greatest advantage. Common tactic is to create urgency to a completed agreement; hustle the landowner along, prevent from giving the agreement any depth of thought, imply that the landowner is selfishly holding up an important project. Another trick is to have short deadlines that include public holidays and the Christmas, New Year break when advisors such as lawyers, accountants and valuators are most likely not available.

9. Move to a mining register conference as soon as possible to apply pressure and intimidate the landowner to sign up. If the landowner resists the pressure by the CSG company threaten to take them to the land court.

10. Close the deal. The CSG company will have the land liaison officers go to great lengths to get a signature on a contract. They may travel great distances or pay for flights for an absentee landowner to sign up.

Appendix H

Media Release – 15th January 2015

No disadvantage principle

Property Rights Australia calls on all party leaders and independent candidates in the upcoming Queensland election to commit to one simple, straight forward principle that each and every landowner or regional community should experience **"No Disadvantage"** due to the resources industry or resource infrastructure.

PRA chairman Dale Stiller stated that, "Landowners should not be subsidising mining, coal seam gas projects and associated infrastructure which is exactly what is happening when negative impacts on landowners and communities are not being recognised, not compensated for or no priority given over resource activity when there is no current solution to unrepairable damage to things of fundamental value such as the very small percentage of high quality soils. The ability of the productive capacity of the land should not be impaired nor impacts to enjoy prior amenity of life residing on that land be left not resolved."

"All parties and candidates must commit to and govern by the simple No Disadvantage principle in the next parliament when it enacts policy and introduces legislation, "said Mr Stiller, "A simple no disadvantage principle, enshrined in legislation, would ensure that all Queenslanders can enjoy the resources boom, with no losers, no victims and the present unresolved palpable resentment defused."

"Most landowners accept that the resource industries are necessary, however with significant issues unresolved farming families simply loathe the fact that they are currently subsidising the resource sector. "

PRA believes that committing to the No Disadvantage principle provides a positive solution, a rule of thumb to progress all of Queensland into the future. While there may be some within political parties that may wish to dispute what has occurred in the past, it is important that all of the population is informed and lessons are learnt from past mistakes.

"The last two governments have failed the No Disadvantage test", said PRA chairman Dale Stiller, "not only in the term of the current Newman LNP government, but also in the prior Beattie and Bligh ALP governments, it has been regional landowners and communities that bore the full brunt of the mining boom, and the unseemly haste to which the coal seam gas industry was steamrolled out", said Mr Stiller

The impacts landowners have suffered have been largely ignored in the larger cities and coastal areas where the majority of the electorates are. For these urban electorates regarding the resource activity that is occurring in rural and regional Queensland, the only news that they receive is about jobs, royalties to help the budget and creating an economic powerhouse for Queensland. Debate is

often based on environmental issues and rarely are adverse changes for regional landowners and communities mentioned.

“The lack of awareness to major impacts that are very real to the people living where resource activity is occurring is extremely frustrating”, said Mr Stiller. “The debate is conducted as if it is a Terra Nullius ‘out there’ while, especially in the coal seam gas industry, it is sprawling invasively across the landscape, where farming families are endeavouring to produce food and fibre to help feed and clothe the people of this Nation”.

Property Rights Australia recently produced this incomplete list of what landowners have been subjected to:

Non-disclosure of information; isolate, divide & conquer; contrived bluffs; strategized and pressured negotiations; limited and miserly compensation; landowners time uncompensated both before and after a CCA is signed; blatant wasting of landowner's time; stress; complete disregard and disinterest in how agricultural management systems can work in with a gas field; the co-existence myth; gates open; weeds; loss of underground water; no solution for a mountain of salt and other contaminants brought to the surface; loss of amenity of living including privacy; roads destroyed; dust; noise; sense of community lost; liability from contamination unresolved; uncompensated diminution of property value; unsaleable properties; non-compliance to signed agreements.

Governments must govern for all. The Newman government systematically made significant legislative changes to numerous Acts that have severely reduced the rights of landowners for the benefit of miners.

PRA calls on Premier Campbell Newman (LNP), Annastacia Palaszczuk (ALP), John Bjelke-Petersen (PUP), Rob Katter (KAP), Penny Allman-Payne, convenor (Qld Greens) and all Independent candidates in the Queensland election to commit to the “No Disadvantage” principle.

ENDS

Dale Stiller

Dale Stiller
Chairman

Appendix I

Example of refusal to pay additional expert cost required in order to move matters forward.
Copy of original emailed letter available if requested.

Without Prejudice

18 March 2015

Mrs K Ladbrook
[redacted]

By email: [redacted]

Dear Kerry

Make good agreement - Ladbrook - Lot [redacted] on CP [redacted]

Thank you for your email on 17 March 2015 which sought a response to your lawyer's letter dated 10 March 2015.

Origin's assessment of the status of your bores, in relation to Chapter 3 of the *Water Act 2000*, has not changed from the bore assessment dated 8 April 2013 (that was given to you along with the proposed make good agreement on 26 June 2013), which is that APLNG:
a) has a make good obligation for bore RN [redacted]; and

b) does not have a make good obligation for RN [redacted], as the impairment is not CSG related.

In order to resolve this matter Origin offers the following make good measures:
1. Decommission bores RN [redacted] and RN [redacted];
2. Drill a replacement bore to the Precipice Sandstone (previously the offer was to drill to the Hutton Sandstone) within a reasonable distance to RN [redacted];
3. An upfront payment of $50,000, intended for the costs of equipping the bore.

This offer is subject to approval by Origin's CEO and is open for acceptance until **24 March 2015**, on the basis that the terms of the make good agreement can be negotiated swiftly.

Enviro Ag's costs

Origin is committed to paying your reasonable and necessary legal, valuation and accounting costs incurred in negotiating this make good agreement. Based on the summary that we have been provided, in our view, the use of the Enviro Ag in these circumstances is not reasonable or necessary and Origin will not reimburse those costs.

We look forward to your response.

Yours faithfully

[redacted]
Manager Landholder Relations – West
[redacted]@originenergy.com.au

Appendix J

13th March 2016

THE IMPACTS OF THE GAS AND COAL INDUSTRIES ON A SMALL COMMUNITY.

The Federal, State and Local Governments had prior experience of detrimental impacts on local communities of large scale developments in the coal mines in Central Queensland.

They knew the impacts of FIFO and DIDO not benefiting local communities in the long term and also not contributing to a community.

Xstrata applied for a Coal Mine in Wandoan. Even after three Environmental Impact Statements and plenty of objections, approval was granted, without any enforceable conditions to protect the local community.

The Wandoan Liaison Committee had to lodge a court order to stop Xstrata mining up to the town boundary. The Community eventually won a two kilometre exclusion zone around Wandoan. Xstrata used threats of taking property owners to the Land Court to acquire the 46 properties they wanted for their mine by using the powers of acquisition granted under the mining act.

We lost many rural businesses.

We lost many proactive community volunteers. Housing land values jumped from $12,000 to $250,000 for vacant housing blocks. Rental values jumped from $125/week to $1,500/week.

Young working families couldn't afford to live in their own community and had to leave to get jobs and work elsewhere. The school lost children and services.

All this had happened in Central Queensland before.

Coal prices dropped. Xstrata placed the mine on hold and Wandoan was left in a hole.

Then came the Gas Industry exploration and development by Origin, QGC and Santos all around Wandoan. These big Gas Companies seemed to have the Government mesmerised by the large Royalties they thought they were going to receive. Governmental approvals were granted despite plenty of objections by Council, community groups and community members. The same detrimental process happened again.

The Gas companies acquired land using the powers of the mining act. Landholder were threatened with being taken to the Land Court to get gas pipe line corridors and gas well access. They used the same powers of intimidation to acquire properties where they wanted major infrastructure.

They set up their own camps, up to 1,400 persons. These camps don't benefit the local community.

One Government stipulation was for the Resource Company to form Community Consultative Committees. I am on the Xstrata Community Consultative committee meeting now once a year, and QGC Community Consultative Committee meeting quarterly. While they are great for information sharing, they have proved to be totally useless in getting these companies to change any of their practices.

We tried to get them to change from 90 day payment of accounts to local businesses to 30 day accounts as is standard practice in rural areas. Plenty of *"look into it"* but nothing has changed.

We advocated for Xstrata to lease back the rural properties they acquired to the original owners till they started mining. This was to minimise the impacts on our small community. A few landholders maintained the lease on their properties. Landholder's that caused any grief to Xstrata in the negotiation process, were denied this opportunity. This had a big impact on our community.

QGC acquired a dozen or so properties in the Wandoan area, approximately 60,000 acres. The original property owners had short term leases to be able to live on the properties and maintain their cattle operations.

QGC decided they were going to tender to lease the properties as one entity.

The Wandoan community through the QGC Community Reference Group and via a public meeting held by the Wandoan Liaison Committee with Council, Landholder, Gas Commission and prospective property lessee's and community members asked and pleaded with QGC to tender these properties in smaller parcels to "local "young families to maintain the population in our community and maintain children at our school. Just to stock the properties alone would cost $6M.

QGC ignored our representation. They tendered it out as a single lease. As expected, a large corporate entity with no ties or involvement in our community was granted the lease. This is a major loss to our community.

The resource companies were telling us that when they changed from construction to production, the staff while much less in number would be housed in local communities.

They are now in production. I am aware of one family that has moved to Wandoan. The rest are FIFO.

QGC Management has informed the Community Consultative Group they are not requesting or expecting production staff to live locally. Ironically, QGC has stipulated that their contractors working on the Charlie Field have to live in camps.

The Gas Companies have been very generous with donations to most local organisations. However, our community has lost so many people and families, it is struggling to be able to spend these monies.

The State School has dropped from 430 students in the past to approx. 80 students this year.

We have over half our houses in town empty.

We have billions of dollars worth of gas going overseas. This is a resource out of our local area.

Yet our community in the midst of this is dying!!!!

Change has to be effected by Governments.

We need legislation that changes the Mining and Gas Act so that the existing businesses have the right to negotiate on an equal footing.

Legislation has to be enforced so that Gas Companies have to become part of the community.

Bill Blackley (Chair Wandoan Liaison Committee, Representative Xstrata Community Consultative Group, and QGC Community Consultative Group and member of several Community organisations)

Appendix K

DANGARFIELD CATTLE CO.
The Sky is the Limit
"KINGSWOOD", 150 Aqua Park Road,
Taroom, Queensland, Australia, 4420

Senate CSG Enquiry Submission

In May 2009, after 12 months of water flowing down the Eurombah Creek and causing considerable loss of time and production we attempted to stop the water flow. We were told that Origin had an EPA Permit and I have been unable to find who issued this permit as nobody looked at the creek or spoke to us.

A lot of legal discussion and time has been spent trying to resolve this problem. It remains an open case still. The only gain we have had is for Origin to eventually pay our legal fees.

I enclose a letter from Laura Hogarth from Creevey Russell (ATTCHMENT 1) which I presumed was genuine but since found to be a decoy. Mark Turner and Dan Lucas inspected the claim and told me Origin was at fault and had breached protocol at least 18 times. Mark Turner promised to fix the problem A.S.A.P; meanwhile Dan Lucas again asked to drill holes on "Brydon" (they are locked out) as the matter would soon be resolved.

I refused and later found an application for renewal of the EPA Licence, to send water, was approved at this time. The above was a smoke screen to distract me from objecting the re-issue of the licence, and an attempted to get 2 holes drilled on "Brydon" to finish a survey line.

As soon as the permit was granted to Origin I heard not another word. This seems typical of their treatment to the landholders where they operate.

Regards,

Robert Adams
8/02/2016

ATTACHEMENT 1
From: Laura Hogarth < >
Date: 16 January 2015 1:12:59 pm AEST
To: 'Mr Robert Adams' < >
Cc:
Subject: FW: Adams - Origin Claim - 'Brydon' and 'Dangarfield'

Dear Robert

Today Mark Turner from Origin contacted us to notify us that you are meeting with Origin to discuss your claim regarding the creek crossing. This is excellent news. Mark Turner belongs to a specialist team that resolves Origin's large disputes and this change in personnel suggests to us that Origin are taking your claim seriously and considering a counter offer.

Please see our last email to Origin below and attached, for your information. Given your previous instructions, we will not action this matter further or incur any further costs. Unless we receive further instructions for you (eg. review of a draft settlement agreement), we will close the file upon receipt of payment of our invoice.

We wish you all the best in your negotiations with Origin.

Regards,
Laura Hogarth
Solicitor

Appendix L

"Chinta", Chinchilla, 3rd March 2016

CASE STUDY – QGC Bellevue area near Wandoan 2014

June 13 2014 – The Strategic Cropping (SCL) Act[70] was repealed with the passing of the Regional Interests Planning (RPI) Act. SCL assessment criteria, trigger map & mitigation arrangements were later included in the RPI Regulations.

Over generous 'transitional arrangements' were included that any application lodged by the gas company before June 13 would proceed as if the repealed SCL Act was still in place.

July 31 2014 - Public notification in Chinchilla News, QGC application to validate Strategic Cropping Land status based on the criteria of slope. Unfairly western cropping area is allowed 3% slope while the rest of Qld has 5%. Landowners were given 21 days, until August 22, 2014 to provide evidence that their land should stay on the SCL trigger map.

QGC Bellevue area is 125,000 ha in which there are approximately 121 deeds with 175 owners. The landowner to justify a SCL status has to provide intensive field measurements. For this number of landowners to seek the assistance of professional help of agronomists and soil experts in such short time frames is impossible.

QGC spokesperson - "*The law says that land that is unsuitable for cropping, or which has not routinely been cropped, is not strategic cropping land.*"[71]

Assessment should be based on soil quality not current use. Evidence of this areas cropping capability is demonstrated by the rows of wheat silos and temporary pads at Wandoan. Large quantities of high quality wheat have been grown in the past & can be again with a correction of commodity prices.

Dec 2014 – After widespread media coverage and a petition of 20,155 signatures[72] the 21 day response period was extended. In early December the Department (DNRM) approved QGC's application.

[70] https://www.dnrm.qld.gov.au/land/accessing-using-land/strategic-cropping-land

[71] http://www.queenslandcountrylife.com.au/story/3570399/qgc-making-grab-for-cropping-land/

[72] https://www.change.org/p/qgc-bg-group-stop-bullying-wandoan-farmers

The Department allowed for 90% of QGC application to proceed striking out SCL status. This greatly weakens the landowners bargaining position in subsequent CCA agreements. It also diminishes the value of their property. There was no “full equality to a fair and public hearing by an independent and impartial tribunal” (Universal Declaration of Human Rights) in depriving landowners of their property rights in this process.

Only 4 parcels out of 121 deeds were ground truthed by the Department contravening DNRM guidelines, "while desktop assessment using methodologies such as a Digital Elevation Model may be used in assessing slope, (it) should only be used prior to field assessment to identify likely areas where land may fail this criterion".

This conduct by the gas company was fully permitted by legislation under SCL criteria.

Appendix M

3rd March 2016

LO & LN Bahnisch
Mt Moore, Guluguba, 4418

Issues re the QGC Gas Pipeline & Corridor

- **LAND ACCESS** – Peter Bassingwaite phoned on a Sunday morning for signatures. He phoned from our property entrance. This on a morning when we had all the family home, having breakfast, most of us still in our pyjamas.
- **CONTRACT** – We were informed if we did not sign by 30th June they would take us to court. They said once this was signed work would begin immediately, and assured us that all work would be completed and rehabilitated by **December 2011**
  Price per km. of the corridor was less than the neighbours. Exactly the same land type. Had to fight to have this corrected.
- **WORK BEGAN** –
- **FENCING** – Our fences were pulled down - 7 gateways were erected, 40 meter wide hinged joint suspension gates – no pickets or barbed wire. Cattle walked over them and it took days of mustering in ours and the neighbour's paddocks to get the cattle returned. It took four weeks for the gates to be upgraded to the necessary standard. Plain and barbed wire removed from the original fence was left lying on the ground and we were told "It is your wire, you pick it up." Following days of haggling Bill Web – QGC liaison officer came and picked it up on his day off and disposed of it.
- **$150 CONSENT TO LEASE FEE** – This was a fee on our bank statement. Told by bank it was ours to pay for the 75% of the purchase price of the corridor. This took months to sort out, was Bill Web who eventually sorted it. (No one had to pay this fee, what was that all about????)
- **OCTOBER 2011** – Where our water pipes crossed the corridor, they replaced our poly pipe with flat lay pipe; this twisted and it built up pressure causing our pipe to bust. It took MCJV many inspections and attempts at repairing it, the cattle had to be moved to another paddock and 3 weeks later we fixed it ourselves.
- **June 2011 – October 2012** Leo spent 111 part days away from the usual farm work. A detailed diary is available. He picked up plastic and duct tape along the corridor. Twice the cattle had to be brought to the yards to remove duct tape from the throats of 3 of the herd. The cattle try to eat the duct tape and the plastic covering the ends of pipes. Many hours were wasted when mustering near the corridor. Calves wandering to & fro beneath the pipe. Paddocks could not be mustered on our own. Hired help was always needed to work the long lengths of pipe from one end of the paddock to the other.

- **Weeds that we control** and named in the contract were found growing in the corridor. Leo chipped some and the chap involved with environmental care chipped some.
- **REAMS of toilet paper** were found outside the corridor. We complained many times of this. We asked MCJV to supply workers with a shovel to bury it but it continues to be an issue.
- **In a meeting to resolve a dispute with QGC** over the costs for mustering that we believed we were entitled to: We were told it is MCJV who pay the costs incurred, we said our contract is with QGC not MCJV, we were greatly intimated by Vincent Butler, QGC. We had Toni Hon from Deedi at the meeting and after the report went back to their head office, with Deborah Wood handled this on our behalf, to our favour. We were paid for the mustering stint – **by MCJV**.
- **COMPLETION DATE**. We were given 3 dates: December 2011, March 2012, and October 31st 2012. By this time the trench had not even been buried.
- **After Christmas 2011** MCJV workers knocked off for 2 months. This was not scheduled as in the days prior to the Christmas break; we were told the workers were only going for their normal 9 day break which included Christmas/New Year. The MCJV workers didn't know about the 2 month break at that stage. We were told that it was because of the 'big wet' they expected. Garbage! We heard there were big meetings with QGCV and MCJV. TELL US THE TRUTH.
- **Calf died in the trench**. We happened to be on the corridor when they were filling it in and found a calf that had fallen in and died. Poor little thing had its head facing the sky, ever trying to get out. A Terrible death, trying to get out and no water or food. How long death took we don't know.
- **Gates**. The workers could never get the gates right. If we had a gate open for the cattle to go through for water, they closed it. Others were left open when they should have been closed. At one stage we found our cattle locked in a laneway with no water. The corridor had to be monitored on a daily basis.
- **Our health**: In all the years to finish the pipeline in our property, there wasn't a moment when we could relax. Every day we were consumed with what was happening, or might happen. Our nights were very restless. You'd go to sleep but always wake up after a few hours and realise that we were both lying awake worrying. This was constant.
- **Our road** into our property was another issue. The traffic became constant with hundreds of light vehicles, heavy machinery and trucks cutting across from the highway to take a shortcut to the Woleebee camp. The dust was horrendous and there was never enough watering done to control this.

There are many issues: More waterline troubles, rubbish in the corridor, trenches left open, erosion problems.

In March 2012 we were given a few dollars 'a once only add hock payment' as a pacifier. If they believe that we were due for some compensation for our inconvenience till then, why didn't that continue? **The contract states:** *"The Pipeline Proponent must exercise its access rights in a proper and workman-like manner:"* and *"to negotiate and finalize repairs in a workman-like way."* In a letter 27th June QGC state we have been adequately compensated for the inconvenience. They admit they have breached the contract. We believe that the contract and the Access rights do not cover the farming issues; we are not treated as professional people conducting a professional business. We sign like there is a gun to our head while still knowing very little of mining rights. It has been a steep and costly learning curve. We have certainly learnt more after the fact. We wanted a cut-off date when all is finished, including full rehabilitation.
Within the corridor in our paddocks we have 6 access roads to the next paddocks. Their trenches are right up to the fence lines. With all their unfinished work, this has been cut back to two. We had to go considerable distance to get around them.

After they left our property we sued them for compensation. Initially we were told they would be only three months on our land, 'We will be in and out and you won't know we've been there'. It took three and a half years. When it was over we sued for more compensation and eventually were compensated to our satisfaction.

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