

Submission for the Senate Inquiry into Coal Seam Gas Mining

There's a Problem

With the greed of governments and mining companies overriding concerns of farmers re the effects of CSG mining on underground water, farming land, and farming families.

Farmers have long been custodians of the land. They have been vilified over the land clearing issue. Might I point out, that when leasehold land in Queensland was balloted, if you could not show that you could clear the land of timber, to make it more productive, then you would not succeed in having your name included in the ballot. Might I also point out that, when a farmer applied for a loan from a bank in the 1960s and 70s, unless he could show that he was able to clear land each year for extra production, he was unlikely to get the loan. This was standard practice, and government approved, the same government approval that allowed over allocation of water in the Murray Darling. This was all based on greed for more dollars from rural Australian exports.

It is the farmers, not the government, who are now being vilified on both fronts, when they were only doing what was legal, and government approved, and government enforced.

*The current rush by the government to push along the CSG mining and opencut coal mining for, once again, the almighty dollar, **should be ringing huge alarm bells.**The mining companies are only doing what is legally allowed by the State Governments.*
Could it not just be possible that once again, greed has overridden all other considerations?

And once again, it is the farmers who will bear the brunt of this push, initially. I say initially because this gargantuan rollercoaster of mining activity will have lasting impacts on all Australians in the future, if the Great Artesian Basin is compromised, and our prime food producing land is mined out of existence. It seems that, in the push for dollars, farmers, their resources, and their families are expendable.

My main concern is the Great Artesian Basin. It is literally rural Australia's life blood. If CSG mining compromises the basin, the results will not be good for Australia.

We need to slow the mining push down, so that each step of the way, **what is happening to the GAB** can be monitored (by independent monitors, not governments or mining company representatives who each have a vested interest). If Australia et al owns what is under the ground, then Australia et al has a right to benefit from that asset, but for the sake of 30 years of cash cow, have we not the right to expect that the rural industries that have served Australia well, will still be in operation, after 30 years of mining have gone

by? That the rural industries will still have the resources (water in particular) to be operational? I refer you to the Federal Government's Water Group draft report, presented to the Federal Environment Minister, Tony Burke on 16th Nov. 2010, and I quote "from the AP Liquid Natural Gas modelling, the Gubberamunda Sandstone (the lateral equivalent of the Hooray Sandstone) will not have returned to pre CSG levels by 3010. Therefore it can be concluded from the proponents' modelling that the legacy effects of the CSG developments are considerable, with at least 1000 years passing before this part of the Great Artesian Basin will return to pre CSG levels" end quote. There could be nothing scarier than this information. Please take the time to peruse the Water Group Draft Report. The Great Artesian Basin is worth fighting for.

Is land devalued by CSG mining?

Yes, it is, despite what mining companies tell you.

The first question that is asked if your land is for sale is "Is the land likely to be impacted by mining?" If the answer is yes, then prospective buyers look elsewhere. That is the reality.

The average age of the Australian farmer is 55, close to retirement for many. What happens to the farmer when his asset, his superannuation, is devalued? He has to sell it to the mining company, because other farmers don't want it. Is that good for Australia?

How many mining companies are Australian owned? That's right, they are all owned by foreign companies, and so the land changes out of Australian hands.

It is also a well known fact that the farms run by families are more productive and hence more profitable than farms run by corporations. Are corporate owned farms then, good for Australia?

There's a problem with the basis for calculation of CSG compensation for farmers.

Compensation is currently based on the value of the land.

Not all pastoral and agricultural land has the same per hectare value.

All landholders, therefore, are not entitled to the same compensation, even though the cost of the CSG invasion to them and their business is the same. Compensation arrangements need to be removed from the jurisdiction of the land court, where the unfair arrangement of tying compensation to land values holds sway.

The invasion of CSG companies on your land is not your choice, but it an invasion that you legally cannot stop, and it is an invasion that seriously affects your pastoral, and/or farming business, that seriously affects the value of your land , and that seriously affects your heart and mind.

How do you compensate for the dimunition of the value of your land, if each individual landholder has to negotiate separate agreements, and some are not able to extract the same value of compensation as "income" to offset the land value loss?

How do you arrive at a uniform “injurious affection” compensation for every landholder? This is such a nebulous area, and one in which the CSG Company maybe would not even mention in negotiations with unaware landholders.

The biggest impost on the landholder, and future generations of Australians, is the unknown cost of the possible, and indeed very probable, impact on the Great Artesian Basin.

When the GAB has been affected to the extent that “make good” provisions have to be invoked, will this be honoured, and physically and realistically, **can** it be honoured? Refer to quote above from the Federal Government’s Water Group Draft Report, and I don’t believe that it can be honoured, and who will care about the farmer who has no water in 30 years’ time, when the company that the farmer signed the agreement with has expanded, contracted had changes of ownership, changes of leadership. The only ones hung out to dry are the farmers of Australia.

The value of the CSG taken from wells has a uniform value. (I am presuming this is the case), therefore the compensation should be firmly tied to the overall value of the CSG extracted from all wells on the property over the life of the wells. If this compensation, aligned to the CSG value, is set, then the unfair negotiation process between each landholder and the CSG Company that is the case now would not be necessary. This process in itself is geared in favour of the CSG Companies, who make each landholder sign a confidentiality clause, so no comparisons can be made. And bear in mind that some landholders are better negotiators than others. This negotiating process, based on land values, is wrong and unfair.

And how lopsided is the negotiation process, when the multinational CSG companies have literally millions of dollars to employ the best legal minds, and the farmer, each on his own to negotiate his own agreement, has a bank account diminished by the past decade of drought, has a heart and mind fearful for the future, and has the knowledge that he is totally expendable in the eyes of his own government. This is not a fair basis for any fair deal.

The only just and fair way is to tie the compensation irrevocably to the value of the CSG extracted, and it must be adequate to compensate for **every area of impact** on the landholder, and **particularly the area of unknown underground water impacts**.

Please slow this mining process down, independently monitor it every step of the way, and do not push the pastoral and farming industries, and families, of Australia out of existence for 30 years of good times. Mining is finite, our land and the industries that rely on it are infinite, if treated correctly. **Be very mindful of the future.**