From: Doug Cush
Sent: Monday, 1 August 2011 5:36 PM

Dear Senator Heffernan,

The real costs to landowners in PEL 470.

Planet Gas claim they only want 1 acre per 250 acres for each well site. This is grossly understated when you take into account the roads and pipelines that are also required. Based on what is happening in Queensland, Planet Gas will need access to each well via an all weather road. These gravel roads will need table drains to run excess water between and from the roads and pipe lines. These table drains will be need to be maintained (sprayed) otherwise they will become overrun by noxious weeds. In addition to the road network itself no traffic is permitted within 40 meters of the gas line interconnecting each well head which brings the total loss of area for each access road to 66 metres wide.

Because our farms are in ridge country, it is heavily contoured with rollover banks. Each time they cross a bank it will need culverts to run the water from the road plus the water from the up side of the contour bank. If this is not done in a professional manner the next wild thunderstorm will create large-scale erosion. Because of the bare ground along the roads this will magnify the problem topping water over the banks creating gullies between the banks. We manage our soil by using zero till, leaving stubble in tack and root systems untouched under the ground. This achieves two things; protects the soil surface from evaporation and also from intensive rain.

When calculating each road structure at 66 meters wide (includes the gravel and supporting table drains and exclusion zones around the pipelines) and multiplying this by 750 meters between each well by 3 sides to each 250 acres the resulting land loss is in fact 38 acres or 15% of each 250 acre area.

Based on durum wheat production at 1.5 tonnes per acre valued at $400/tonne then lost production is $22,800 for each well site. I cultivate 11,500 acres this would mean 46 gas wells across my properties. $22,800 multiplied by 46 = $1,048,000 in lost income per annum. In addition there is the central pipelines that will also run through our farms which presumably will also require their own all weather access road. I estimate there will be 20kms of central pipeline running through my farms again with a 20 metre exclusion zone either side and 26 metres of gravel road and table drains resulting in a total loss of production of 320 acres or an additional $192,000. Bringing my total loss of income per annum to $1,240,000.

This is without accounting for holding ponds, substations and power lines.

Then there is the inconvenience factor and loss of production efficiencies because our machinery is in multiples of 40ft, 60 ft or 120 ft and fixed overheads are spread over a lower number of production acres. And what of the potential loss suffered through contaminated water from the coal seams being spilled onto my land.

Based on the above calculations I believe we would be entitled to compensation well of over $1,240,000.

We need strong government to introduce legislation that will protect landholders rights allowing for balanced negotiation for proper compensation for the real cost of the loss of our land.

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