

## **Additional Comments from The Nationals**

1.1 The report reflects the immense concern around a number of issues pertaining to Coal Seam Gas however no person on the committee has recommended the cessation of the industry. There are evident concerns which include prime agricultural land, aquifer integrity and quiet enjoyment of residential areas. These have been addressed in the report and we hope they become a guide for action to address these issues for both the sake of the industry and the sake of the environment.

1.2 The quiet enjoyment of residential tenants is a term well understood in tenancy agreements. Residential areas provide one of the most prominent attributes of so many Australians, the house they live in. Coal Seam Gas represents an extraordinary and unanticipated intrusion in urban areas.

1.3 Prime agricultural land is an asset whose lifetime is infinite and therefore the prospective cash flow would have to take into account the value of agricultural produce over thousands of years. The return to the nation over the long term is vastly superior from agriculture than from mining and as the premier of agricultural assets, prime agricultural land should be protected.

1.4 We strongly believe that if the environmental, residential and agricultural issues are not addressed that public pressure would place the whole industry at risk with the economic future of both state budgets and, to some extent, the economic development of certain regional communities within the gas field areas exposed.

1.5 A subject in addition to the report that we believe does need to be further addressed is that of the compensation to landholders, as such we would delete from paragraph 4.123 all after and including “the committee does not support this view,” as well as delete paragraph 4.124.

1.6 The lack of the bargaining position for farmers and landholders became quite apparent to the committee, and that mining companies coming on to private land to access coal seam gas have substantial and unfair capacity to access their rights over and at the expense of the diminution of the farmer or landholder’s property rights.

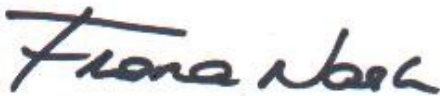
1.7 On examination of the Act it also became apparent that in many instances the coal seam gas was an asset owned by the farmer or landholder which had been excised from the title holder by reason of state or federal Acts from time to time over the previous century. A good expose of the variant states intrusion into the property rights of landholders can be seen in Premier Neville Wran’s second reading speech in 1981 doing precisely this.

1.8 We believe that to underwrite the landholder’s bargaining position on access agreements onto the landholders land that a default agreement be in place to put a floor on the return to the most affected party, the owner of the land with the gas wells on it.

1.9 As miners have argued that a standard price does not reflect the variant returns of the wells then it would seem logical and fair that just as the state gets a percentage in royalties so should the landholder. If 99% is shared between the state and the miners then 1% for farmers should hardly be deemed unreasonable for an asset that is extracted from their place and an asset that historically in many instances they owned.

**Recommendation 1**

**1.10 To bring about a greater parity in the bargaining position of the farmer or landholder the Nationals Senators recommend a default position, that the title holder of land be allowed a default position on access agreements equivalent to 1% of the gross income from the well head on the property which it is located.**



**Senator Fiona Nash**



**Senator Barnaby Joyce**