

AGFORCE PROJECTS CSG IMPACT ASSESSMENT

AgForce Projects has compiled an impact assessment and list of considerations and possible conduct provisions for landholders to review before negotiating a conduct and compensation agreement (CCA) with a CSG company. The table below and list of further considerations in the appendix have been designed as a guide only and should be used in conjunction with consideration of your individual circumstances, specific concerns and legal advice. Any questions you highlight should be addressed through negotiations with your gas company representative.

Important: This is not an exhaustive list and each individual enterprise may operate different farming management systems. You will still require legal and other professional advice before signing a CCA.

AgForce Projects recommends that a property map and plan be used in negotiations with resource companies and many of the suggested considerations will refer to this. Please contact AgForce Projects to enquire about participating in free property computer mapping workshops or visit www.agforceprojects.org.au.

*Landholders should also include in their agreement the ability for each provision to be reviewed periodically, and if necessary, renegotiated.

Risk	Activity creating risk	Conduct and/or compensation	Considerations	Evidence	Ongoing
Spread of weeds	<ul style="list-style-type: none"> Vehicle travel Equipment entering and exiting 	Conduct	<ul style="list-style-type: none"> Wash down certificates Vehicle inspections (See appendix 2 for more weed considerations)	Baseline assessments and photo monitoring of current weed areas and weed burden	<ul style="list-style-type: none"> Assess weed condition on property Review wash down procedure and other weed mitigation measures Ensure ability, or a trigger in place, to review this consideration periodically*
Groundwater contamination	<ul style="list-style-type: none"> Well drilling Fracking 	Conduct	<ul style="list-style-type: none"> Pre-fracking report Baseline assessment of bore condition prior to CSG activity Make good provision in CCA (See appendix 3 for more water considerations)	Independent bore baseline assessment	<ul style="list-style-type: none"> Consider requirements for ongoing bore monitoring (see bore monitoring checklist, CSG workbook) Ensure ability, or a trigger in place, to review this consideration periodically*

Risk	Activity creating risk	Conduct and/or compensation	Considerations	Evidence	Ongoing
Erosion	<ul style="list-style-type: none"> Vehicle travel Construction of well pad,dams and roads Clearing 	Conduct	<ul style="list-style-type: none"> Flood control and erosion measures Property maps to determine preferred route. Highlight different road types to minimise disturbance and damage Building contour banks or bunding sites to control erosion (including rehabilitation) Flood plains/overland flow <p>(See appendix 4 for more road considerations)</p>	<ul style="list-style-type: none"> Baseline of road conditions (including photos) Current overland flow direction Natural contour banks 	<ul style="list-style-type: none"> Monitor risk areas for erosion Monitor cropping areas for increased rocks or sediment run off Monitor potential direction change of overland flow and rain water Ensure ability, or a trigger in place, to review this consideration periodically*
Dust	<ul style="list-style-type: none"> Increased traffic Cleared areas Track and pipeline construction 	Conduct and compensation	<ul style="list-style-type: none"> Speed limits Gravelling roads Dust suppressant Compensation for dust affected areas (stock unable to graze) <p>(See appendix for more considerations)</p>	<ul style="list-style-type: none"> Baseline assessment of road conditions Baseline of pasture conditions bordering activity areas (prevailing winds) 	<ul style="list-style-type: none"> Monitor road conditions and effectiveness of suppressant measures Monitor pasture conditions for adjoining areas and potential changes in grazing movements Ensure ability, or a trigger in place, to review this consideration periodically*
Stock escaping	<ul style="list-style-type: none"> Vehicle travel Gates left open 	Conduct	<ul style="list-style-type: none"> Financial penalty for time spent re-mustering stock and checking gates Install grids instead of gates (if desired) 3 strike system where continuous breach by individuals may result in expulsion <p>(See appendix for more considerations)</p>	Property plan/map detailing stock movement (i.e. grazing pattern) and location of gates	<ul style="list-style-type: none"> Monitor effectiveness of this program Ensure methods of submitting “fines” to accounts is confirmed and fines are paid Ensure ability, or a trigger in place, to review this consideration periodically*
Time detracted from business	<ul style="list-style-type: none"> Negotiations Checking gates Inspecting wash downs 	Conduct and Compensation	Developing a framework to be compensated for time taken from your business as a direct result of CSG activities on your property (See appendix for more considerations)	Method of recording time spent as a direct result of CSG activities calculated at an hourly rate	Ensure ability, or a trigger in place, to review this consideration periodically*

Risk	Activity creating risk	Conduct and/or compensation	Considerations	Evidence	Ongoing
Loss of lifestyle	<ul style="list-style-type: none"> Increased traffic around homestead Loss of amenity Light, noise and vibration pollution 	Conduct	<ul style="list-style-type: none"> Whether you want roads around house used and restricting traffic movements at certain times of the day (i.e. 7-8am & 3-4pm). Limiting construction times with intense noise, other noise and visual amenity buffers, e.g. minimal pad clearing or planting trees <p>(See appendix for more considerations)</p>	Map highlighting roads, buffer zones and areas where you wish to restrict activities to certain times	<ul style="list-style-type: none"> Continue to monitor compliance Ensure ability, or a trigger in place, to review this consideration periodically*
Business interruption	<ul style="list-style-type: none"> Location of wells Timing of activities 	Conduct	<p>Developing property plan to clearly demonstrate property specific activities and outline how CSG infrastructure or activities may potentially impact these</p> <p>(See appendix 5 for more paddock considerations)</p>	Property plan detailing information about your operations	<ul style="list-style-type: none"> Continue to monitor compliance Ensure ability, or a trigger in place, to review this consideration periodically*
Damage to or death of livestock	<ul style="list-style-type: none"> Vehicle travel Gates left open Stock access to rubbish or chemicals 	Conduct and compensation	<ul style="list-style-type: none"> Drive <i>around</i> stock, speed restrictions, excluded from accessing certain roads or in certain paddocks at specific times Any death or damage company must immediately advise landholder and compensate accordingly <p>(See appendix for more considerations)</p>	Maintenance of stock records	<ul style="list-style-type: none"> Continue to monitor compliance Ensure ability, or a trigger in place, to review this consideration periodically*
Land segregation	<ul style="list-style-type: none"> New roads Pipelines Well pads Lay down areas Powerlines Dams Camps 	Conduct and compensation	<ul style="list-style-type: none"> Any defined unreasonable interference Are there weight restrictions over pipelines? Future developments and the possible impacts of land segregation Compensation for hindrance of farming operations <p>(See appendix 6 for more infrastructure considerations)</p>	Property plan with proposed CSG information to locate preferred position to minimise impacts	Ensure ability, or a trigger in place, to review this consideration periodically*

Risk	Activity creating risk	Conduct and/or compensation	Considerations	Evidence	Ongoing
Damage to irrigation equipment/crop	<ul style="list-style-type: none"> Vehicle travel Well location Erosion/increased run-off 	Conduct	<ul style="list-style-type: none"> Establishing right of way for harvesting, planting and heavy machinery Location of CSG infrastructure to ensure large equipment can still turn around (See appendix for more considerations) 	<ul style="list-style-type: none"> Current overland flow direction Natural contour banks Headlands and equipment size 	<ul style="list-style-type: none"> Continue to monitor compliance Ensure ability, or a trigger in place, to review this consideration periodically*
Surface water contamination	<ul style="list-style-type: none"> Spills Overflowing or flooded sump ponds/turkey's nest dams or frac ponds 	Conduct and compensation	<ul style="list-style-type: none"> Full disclosure of all chemicals on the property Negotiations for no sump ponds – pit-less drilling system Dust mitigation measures (See appendix for more considerations) 	Surface water baseline assessments prior to activities being carried out	<ul style="list-style-type: none"> Ongoing monitoring of surface water catchments, changes in stock drinking patterns. Check areas of activity for potential issues Ensure ability, or a trigger in place, to review this consideration periodically*
Impact on natural resources	<ul style="list-style-type: none"> Clearing vegetation Environment/habit change 	Conduct and compensation	<ul style="list-style-type: none"> Check that the company has relevant authority to clear and their rehabilitation process (See appendix 7 for more Vegetation/natural resources considerations) 	Any current environmental accreditations (Nature Refuge, ISO, organic certification, etc.)	Ensure ability, or a trigger in place, to review this consideration periodically*
Loss of production land	<ul style="list-style-type: none"> Well sites Dams Roads Pipeline routes Exclusion areas 	Compensation	<ul style="list-style-type: none"> Determine compensation for 'deprivation of possession of its surface' and others (See appendix and compensatable effects list in CSG workbook) 	<ul style="list-style-type: none"> Calculate total area of land lost and seek professional advice to determine value Consider future value based on property plan 	Ensure ability, or a trigger in place, to review this consideration periodically*

Appendix

1. General considerations

- Has the company representative explained their activities and identified these on a map? (*The company should supply you with a map showing your property and the activities the company wishes to carry out before you enter formal negotiations so that you have sufficient time to review and identify potential impacts to your property*).
- Can you list all of the activities the company wants to carry out, where and when? eg. road construction, well pads (how many, how big), lay down areas (equipment and machinery), pipelines, power lines and dams, how long it will take to construct and complete activities and have you inspected the proposed sites with the company?
- Do you have a single point of contact with the resource company for questions, concerns or complaints who is familiar with your situation? Do you have their contact details for after-hours issues that might need urgent attention?
- Do you know who you are negotiating with and what authority that person has to make decisions on behalf of the company? Have you asked how they will obtain formal approval for agreement conditions?
- Have you discussed the timeframe and specified the activities to be carried out under this agreement? Have you discussed and included in your agreement a provision that if activities change or increase in intensity the agreement should be revisited to ensure conduct and compensation reflects the increased impact?
- Has your accountant suggested including CPI (consumer price index), gas prices or land value in the compensation received?
- How and when do you wish to receive compensation payments – upfront, annually, monthly?
- Have you spoken to your accountant about how these compensation payments will be taxed based on the structure of your business (as income, as a capital gain)?
- Have you and your solicitor discussed with the company representative indemnity and liability of both parties and ensured you have not taken on any unnecessary liability?
- If you have different companies on your property, could you request that the companies have a distinctive flag on their vehicles so you can be sure which vehicle belongs to the company with approval over your property?
- Do you want staff and contractors to sign in and out of your property everyday so that you know exactly who is on your property at all times for Workplace Health and Safety regulations?
- Have you considered including a provision for compensation for any time taken away from your business as a direct result of the resource company's activities, for example time spent having to re-muster stock from a gate left open.

- The land access code (LAC) requires that company representatives leave gates as found, unless otherwise instructed. However, have you considered including further incentives in your CCA for company representatives to comply with such requirements, for example imposing fines for breaching conditions or ensuring that your time spent checking gates or re-mustering stock is compensated for?
- Do you wish to include a provision in that if a company employee willingly or more than once breaches conduct or land access conditions that they be expelled from your property until the company can prove they have successfully re-completed property induction and understand property conduct provisions?

2. Weeds: During negotiations have you highlighted with the resource company what you identify as pests and weeds of concern to your property (not just those of State or Local Government significance as mandated by the land access code (LAC))?

Other important considerations regarding weeds:

- Should you consider going beyond the LAC by developing an agreed protocol regarding wash down requirements and obtaining certificates from the company for machinery, equipment and vehicles entering your property?
- If your property is situated in high risk weed areas could you request that while intensive activities (drilling, clearing etc.) are being carried out all required vehicles and equipment remain on property?
- Make sure you discuss and understand company procedures for the treatment of weeds and for assigning responsibility for any outbreaks of pests or weeds. Should your compensation agreement specify that any weed spread of concern to you (whether declared or not) be compensated for by the resource company and/or eradication program undertaken by the resource company be at a level approved by you?
- Have you considered undertaking photo monitoring with a GPS and marking on your property map identified areas/infestations?
- For risk areas should you consider inspecting the site to confirm removal of potential weed propagative material? If you sign off on the inspection as satisfied the area is weed free does this impact on your potential future liability?
- Can you include in your CCA any time spent to conduct monitoring by you is compensated for at an agreed rate? e.g. inspecting vehicles and equipment?

3. Water: Prior to any advanced activities being carried out, have you considered discussing with the company representative that a full baseline assessment of all bores be carried out and a copy of the report provided to you?

Other important considerations regarding water:

- As part of your baseline assessment you should request that the standing water level is taken and is done so appropriately i.e. recorded whilst unaffected by pumping, not only based on data from when it was initially drilled.
- Should you have written into your agreement a condition to have ongoing bore monitoring undertaken and with what frequency this should occur?
- Have you considered the potential effects of CSG activities on surface water? i.e. dust settling on water bodies and/or erosion/storm runoff affecting water quality including Total Dissolved Solids (TDS), turbidity and Electrical Conductivity, and spills of drilling muds, fuels and chemicals etc.

See AgForce Bore Baseline assessment checklist handout for more information, noting all assessments and testing should be carried out by appropriately qualified professionals

- During discussions with your solicitor have you considered including in your CCA a provision that clearly states the company's responsibility and possible action to be taken in relation to any impact on water quality or quantity, separate to legislated 'make good' requirements?

4. Roads: Have you considered mapping roads that are all weather access, those that are inaccessible after rain events (to avoid damage and erosion), 4wd vs. 2wd and those that are not to be used unless in an emergency?

Other important considerations regarding roads:

- Should you consider a conduct provision to require that company representatives make contact with you after any rain events to seek confirmation of road conditions and accessibility?
- Have you considered setting speed limits to reduce the risk of collision and also dust (consider that any company vehicles must move off to the side of the road and come to a complete stop when you are also using the road)
- Establish a right of way for private vehicles, particularly heavy equipment and harvesting machines
- Excluding traffic at certain times, i.e. 7-9am when child drives to meet the school bus
- Request a copy of the company's dust management strategy- looking at paddocks that are closest to main access roads and prevailing winds, what impact would more dust have on pastures? Consider conduct provisions to minimise this threat.
- Take a baseline assessment of your road conditions to ensure that if any effects occur the resource companies agree to compensate and/or return to prior condition. If possible take photographs and GPS co-ordinates and attach to your computer mapping program to establish effective baseline. Make sure you continue to take regular baselines to monitor any changes.

- LAC requires existing roads be used, however if existing access roads go past your homestead consider the impact of excess vehicle traffic on this road and in this case consider whether it would be preferable for the resource company to build another separate road.
- If roads are built does this form part of your compensation in lieu of direct monetary payments? You will need to work with your solicitor and company representative to determine if it is of any benefit to you to have these roads.
- Should you establish maximum daily traffic numbers and speed limits set to the standard of road construction to minimise dust and/or livestock stress?

5. Paddocks: Have you considered the impact of stock disturbance during construction times and other times of increased activity and how this could be compensated for (Impacting on calving, breeding patterns, general stock movements – establish exclusion zones from certain paddocks etc.)?

Other important considerations regarding paddocks:

- If you carry out cropping/farming do you use aerial or machine spraying, and if so at what time of year are these activities carried out? Have you marked these areas on your property map and informed the company? Do any of these products have a withholding/exclusion period? Have you discussed and highlighted on your map what time of year you harvest/foliar spray and the need to exclude CSG activities at those times and the need to provide a right of way for heavy machinery and equipment?
- Have you or are you undertaking any pasture improvement? You should consider how your compensation should reflect this improvement and any effect of the introduction of weeds or undesirable pastures species?
- Do you have any quarantine paddocks and are they marked on your map? Have you considered what activities should be excluded and when (i.e. purchase of new breeders, bulls or segregation of accredited stock)?
- Have you marked where your breeding paddocks or sensitive paddocks are (if applicable) and should CSG activities be excluded at certain times of the year, i.e. lambing/calving and to a certain distance (i.e. exclusion zone)?
- Does your property have a high flood level or experience overland flow and have you marked these areas on your property map?
- Do you have any property accreditation programs, i.e. organic, EU cattle, Grains BMP, that company representatives should be aware of and have you built these requirements into your CCA?
- Have you had soil tests done which establish salinity and sodicity (can determine erosion prone areas)? As part of your negotiations with the resource company, is this something they have considered before constructing well pads and clearing vegetation?
- Are any CSG activities or infrastructure going to be conducted in close proximity to watering points, and if so, have you considered effects on other watering points if stock are moved on (e.g. increased pressure on paddocks and water)?

It is a requirement of the LAC for company representatives to remove all waste products and litter that may be hazardous to livestock. However if the company uses plastic tape for survey lines or line markings is there a risk that stock may eat this?

