

20th October 2008

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Queensland Hunter Gas Pipeline Submissions
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Dear Sir/Madam

**Re Queensland Hunter Gas Pipeline
Application reference No 06_0286**

I write in relation to the above project. For obvious reasons of privacy I would like my identity and comments withheld from the proponents, however I do want these comments taken into account in any assessment of the proposal.

I am very supportive of increasing gas supply to the Hunter, however it would appear appropriate that conditions of approval are necessary to offset the negatives aspects of this project. I have attempted to provide some background which may assist the Government in drafting conditions of approval which will assist in protecting our area and ensuring that full disclosure is provided by the QHGP proponents to stake holders.

GENERAL ISSUES

Cheaper Alternatives

It would appear that the coal seam gas assets in the Gloucester Basin which could be utilized. AJ Lucas, who is a drilling and pipeline laying company, have coal seam methane assets both in Queensland and NSW which include the Gloucester Basin. They plan to build a pipeline (smaller than the one proposed by QHGP) from the Gloucester Basin to Newcastle.

Also Australian Pipeline Trust are planning to build a pipeline from Wallumbilla to Bulla Park. The cost of getting the gas to Newcastle from these projects approximates 40% of the cost of getting gas to Newcastle on the QHGP. The reason provided by land agents to land owners as to why they should agree to the QHGP is that it is good for the Hunter. We agree with this however I believe that disclosure of other alternative methods of getting gas for the Hunter should be disclosed.

SPECIFIC ISSUES

As a land owner my main issues are:

1. Sterilization of land for other uses in a relatively intensive land use and populated area;
and
2. The current consultative process of the project.

Sterilization of land

I am a landholder in Scone and there are plans for the pipeline to cross through 2 of my properties. One property is north of Scone between Wingen and Blandford and the other is west of the Scone airport. The proposed pipeline goes through both properties.

The property to the north is a large grazing property which we are considering:

1. possibly, in time, breaking up to smaller rural lots which are in short supply in the area; or
2. if mining goes ahead in the top of the valley, deciding what we should do with the property given coal exists underneath the property.

By putting the pipeline through the property it would inhibit other uses of this land. We are also concerned about degradation of vegetation, for example a large and mature stand of trees will be destroyed under the current pipeline route.

The property to the west of Scone is the closest block of land to Scone which the pipeline goes through. Property developers have been wanting to buy this property because it is the next logical block to be developed west of Scone. Further it surrounds the airport and thus I have been also approached by numerous parties wishing to develop related aeronautical activities. By having this pipeline through this block severely limits the options available for this block.

Should approval be given, the issues as to the effects on any land which I refer to may be ameliorated by the imposition of appropriate conditions.

The current consultative process of the project

The community consultation for this project has been weak. This includes:

- a lack of knowledge of what they are presenting to us;
- incorrect information regarding what other land owners have agreed to;
- other incorrect information like stating to locals that the area will be able to get access to the gas; and
- forcing the easement by saying that if we don't agree the government will instruct us to provide the land.

Also a number of the locals are uncertain of the pipeline route given it has changed a few times. I believe that a condition of approval should be to notify stakeholders of changes and give 3 months to respond.

I suggest that weaknesses as to past consultation could continue after approval. I suggest that conditions be included in any approval to address the requirements of future consultation.

Although I view this as not an issue because the government will protect local stakeholders interest, a number of local stakeholders appear concerned about the credibility of some of the owners after, for example, reading an article on the front page of the Sydney Morning Herald which outlined activities by Hardie Holdings. Also locals are concerned about the future of QHGP in that there are rumours of a possible sale once all the approvals are obtained, however, I believe this is also not relevant.

CONDITIONS OF ANY APPROVAL

With the background provided above I suggest that any approval should include conditions of approval in addressing the following:

- notification of changes to pipeline and timetable for response;
- protocol for access to landholders land for:
 - (1) pre-construction;
 - (2) construction; and

- (3) rehab standards and terms agreed or determined by the DG.
- compensation over and above that provided due to the grant of a licence under the *Pipelines Act* in respect of ongoing access for maintenance – consult with developer and DoP as to what is appropriate;
 - periodic [yearly or as reasonably required by a landholder] inspection by the operator/owner focused on safety in particular;
 - periodic reports [yearly or as reasonably required by a landholder];
 - warranties to the landholder as to condition and safety;
 - ongoing maintenance of the pipeline;
 - insurance - public risk - noting the interests of the landholder;
 - indemnity for any claim by a third party against the landholder related in any way to the pipeline on an indemnity basis [costs of defence];
 - obligation to comply with landholder requests for surface rectification;
 - compensation fee for each access by the pipeline holder {\$xxx}; and
 - indemnity for any costs incurred by the landholder related to the pipeline in any way.

Thank you for considering these issues. I am positive for development and believe if done properly an outcome can be achieved which satisfies all stake holders.

Please call me should require any further information.

Regards

