



COMMUNICATION: *Coal Seam Gas*

Communicating with a Coal Seam Gas (CSG) company can be frustrating, time-consuming and feel unproductive. Often there are many levels involved in the negotiation process.

The biggest challenge however, is the attitude landholders approach the issue with. This is because this place of business is their home. It is quite often a family property that the current owners see themselves as a custodian of for future generations. Many do not believe mining activity should be allowed on prime agricultural land. There are many reasons why property owners do not want to negotiate with mining companies. Legally, you cannot simply say no to providing the access if a mining company is determined to access the minerals under your property.

It is essential to put your business hat on when approaching csg negotiations.

View mining activities as you would any other enterprise within your business. Understand the legal requirements relating to csg activity. For example in Qld landholders should familiarise themselves with page 56 of the Mineral and Energy Resources Act 2014, as it outlines the five heads of compensation they are entitled to compensation for with regards to mining activity on their property.

Compensation is a financial payment. For this reason property owners need to know not only the money being offered as compensation but also the cost to the business of the proposed activity, in order to be able to make an informed decision.

Time is money. Most farmers are time poor. The reality is csg activity costs the business time. Landholder time has a value and must be factored into all negotiations. There is an opportunity cost to the business when a worker is allocating time to one enterprise and unable to work on another enterprise within the business. Risk management is an important component of csg negotiating. If you are offered a bonus payment for signing a CCA within a month of it being issued, acknowledge the proposal for what it is – a way for the mining company to contain costs in their favour. Due diligence is a process that should not be compromised for a short-term financial gain.

Choose your words wisely. Approach the negotiations as though you are preparing to defend yourself in court. Document interactions, save emails and do not be antagonistic. You are a reasonable person and it is important to portray this image at all times. Stick to your understanding of the legislation and your entitlements. Engage a solicitor, specialist accountant (if your normal one is not familiar with the topic), valuer and other experts necessary to provide assistance.

Do not presume to know everything. Clarify responses with 'it is my understanding...' Remember there is the potential for a Land Court judge to rule on this matter. Conduct yourself accordingly.