

23 June 2014

To whom it may concern,

**RE: HVPA's response to AGL's comments in relation to recent Valuer General's Report
"Study on the impact of the Coal Seam Gas industry on land values in NSW"**

The NSW State Government has taken some important steps to protect the iconic Hunter Valley from coal seam gas (CSG) mining over the past few years. Recently the NSW Valuer General released a report titled "Study on the impact of the Coal Seam Gas industry on land values in NSW".

AGL, the largest holder of coal seam gas exploration licences in the Hunter Valley region released a statement following the report to indicate the Valuer General's report found "*no observable difference in property values based upon their distance from CSG activity*".

This claim is misleading to say the least and taken out of context by omitting key comments to suit AGL's needs. The Valuer General's comments throughout the report state that there were major restrictions when developing the report including and I quote "**a major limitation of these findings is the low number of sales that are available to analyse**".

We believe AGL has a duty of care, not only to the landowners in the Hunter Valley, but also to their shareholders, to report the facts as they stand and not emit relevant information to suit their needs.

While we respect the Valuer General's position and understand that his office can only rely on retrospective sales data, we would like to see an independent panel of property experts consider all past and future data available to provide an unbiased and true reflection of the state of play, and the impact CSG wells may have on property values in the future.

The HVPA undertook its own sample review of properties in the Vineyard region under threat from AGL's activities with the sample study revealing telling statistics about the impact potential CSG activities may have already had. In its study, the HVPA reviewed the below:

The Singleton LGA in 2010 had properties valued by the Valuer General of \$2.48b, in 2014 the figure had increased to \$2.66b - an overall increase of \$180m or approx. 6.7%.

1. When compared to the region of AGL proposed CSG mining activities a review of properties in the Broke to Bulga area showed that the Valuer General had reduced in value all properties by an average of 11.65%, (the range of the decline in values was from -2% to -31%).
2. A sample review of property values in the Hermitage Road area of Pokolbin showed that the Valuer General had applied a reduced value of properties by approx 4% for the same period 2010 to 2013.

Current property sales have continued this trend, *examples* include:

Address	Details
BROKE	Approx 40 hectares and very close to the AGL owned land behind the village of Broke. The AGL pilot CSG well site is clearly visible from this property. On market for 4 year: 2010 until 2014 Property Value as of 1 July 2010 = \$700,000 (<i>no previous sales data available</i>) Sold for \$350,000 on 2 June 2014
BROKE	Approx 21 hectares and extremely close to "Pooles Rock" the property which was purchased by AGL Energy in 2011 On market for 4 years: 2009 - 2013 Last property sale was in 1999 for \$550,000 Sold for \$400,000 on 1 February 2013 (well below asking price of \$650,000)

These results further challenge AGL's recent claims, showing that while the Hunter region as a whole may have seen growth in property values, the areas affected by the threat of CSG mining have suffered a material decline in value.

We urge you, as a Member of Parliament, to read the Valuer General's report in its entirety and ensure you are well informed about the issues impacting the Hunter Valley and the potential impact CSG mining may have in the area.



As detailed in our submissions report to the NSW Department of Planning in November 2013, we continue to remain committed to ensuring the Hunter Valley remains a productive and viable viticulture area, which prospers for not only 10-15 years (*the life of a gas well*) –but for hundreds of years to come. It

is imperative we protect the pristine agricultural lands of the Hunter Valley - NSW's number 1 wine tourism destination.

For your reference, we have also attached a copy of a media release distributed to the media outlining our concerns and over these claims.

Thank you in advance for taking the time to review our concerns.

If you have any questions, please do not hesitate to contact me on mobile: 0408 234 773 or email:

sfe364@outlook.com

Kind regards,

Stewart Ewan OAM

Grape grower, Recognised Property Expert and Representative of the Hunter Valley Wine Tourism Association