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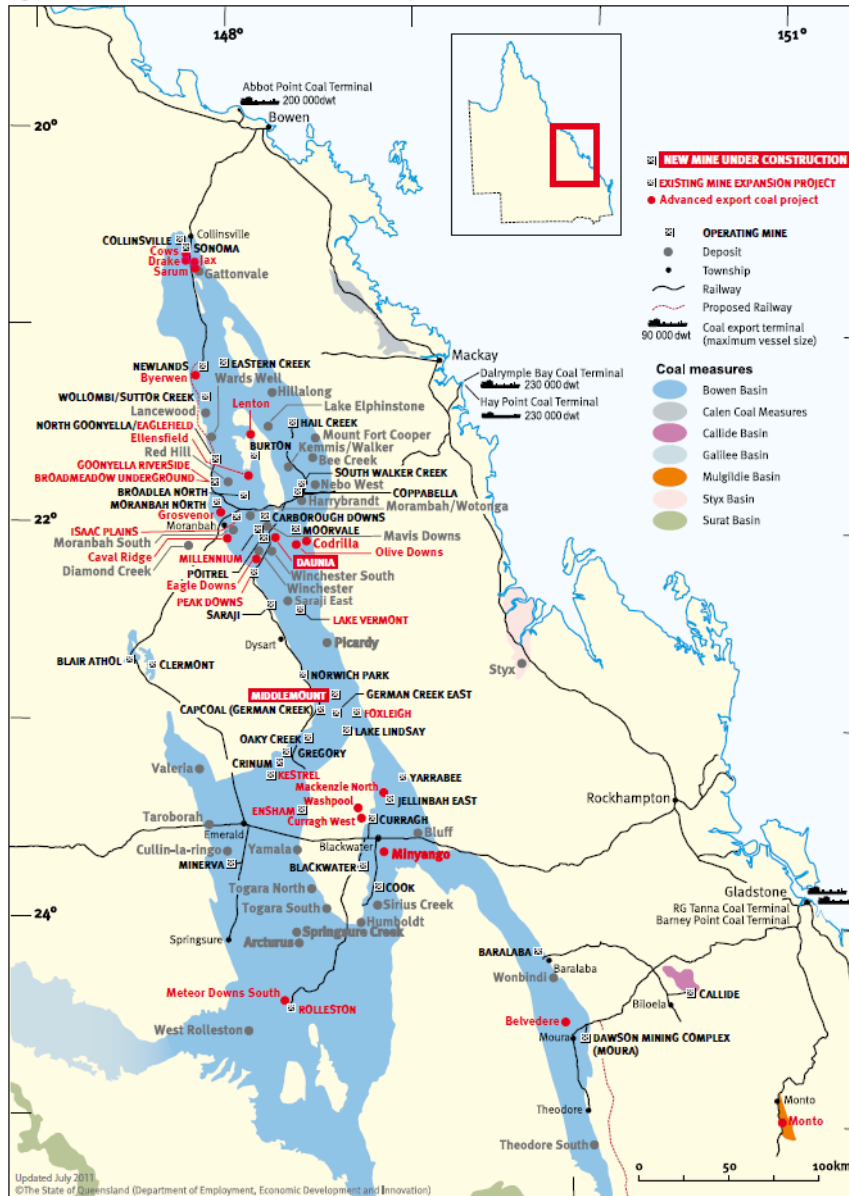
Commercial Implications

Tim Lane/Alan Key

9th August 2012

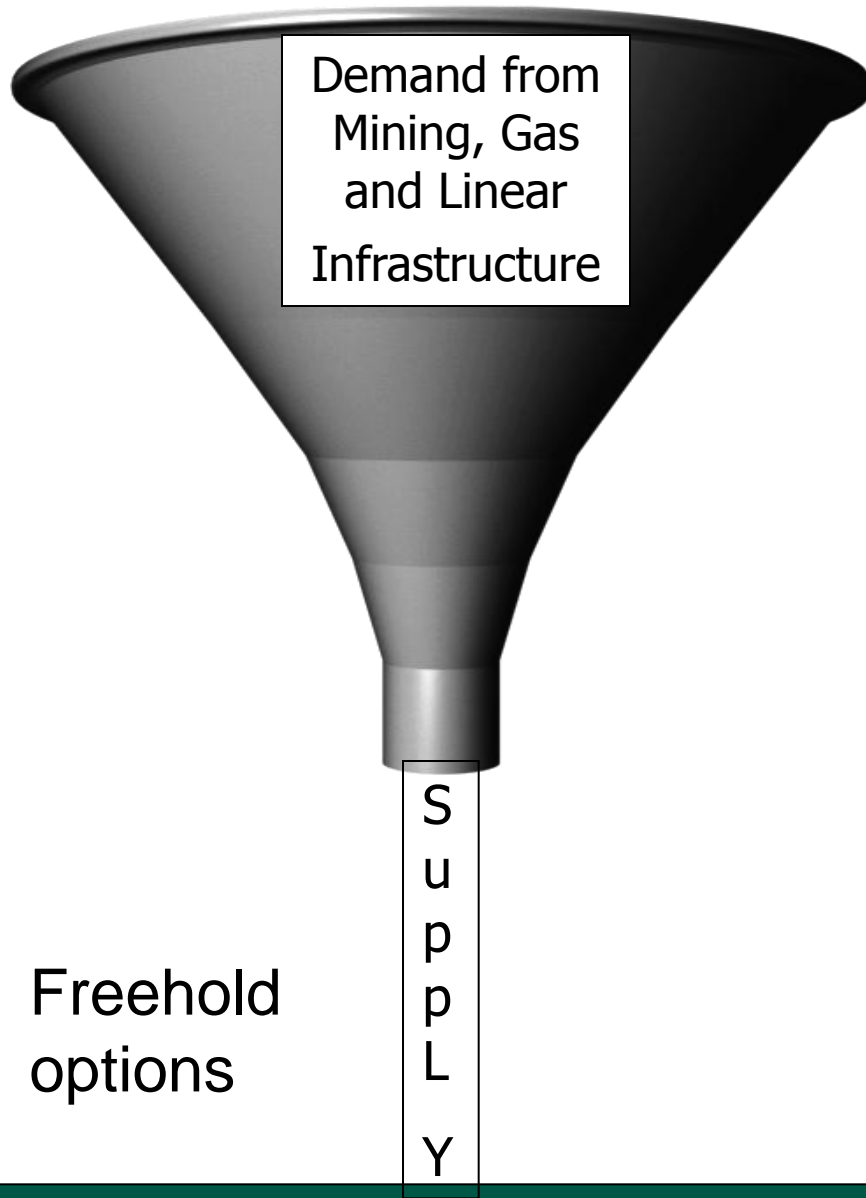


Figure 1: Queensland's coal – Central Queensland map



Commercial Retail Industrial Rural Residential QS Plant & Machinery

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- ▶ Unable to do advanced offsets on third party land.
- ▶ Impact on areas less than 1 hectare not able to be ecologically assessed.
- ▶ Real example. 1 tree impacted approval called for 3 trees offset. Sustainable population – 250/500 by QLD Herbarium.
- ▶ Need to consider collaborative solutions, better environmental outcomes, reduced costs, timely assessments.

Stakeholder Implications

- Landowner – Good design can create commercial benefit, enhance current asset, retain or enhance value of property.
- Legal/Broker – Appropriate advice to understand risk and opportunities.
- Bank – Understand implication of asset value, what cash flows are extracted, can reject consent if not commercial or negative value impact.
- Receiver/liquidator – Not want to hold assets with imbedded costs to manage without solutions.



Offset Implications

- Project Proponent acquires freehold asset for offsets and management plan put in place.
- Lease to third party to operate.
- Under terms of lease who has obligation for the management of the plan?
- If in breach, which party is action taken against by the regulator.
- Does Management plan support commercial viability of the property ongoing.



Case Study A

- 250 Acre property purchased outside Melbourne, 5 titles, surrounding area developed as residential housing.
- Application to develop rejected due to conservation covenants on property.
- No DA issued, loan in default and property in hands of receiver.
- Who is at fault and how could this issue be averted. What is searchable?



Case Study B



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Title Information

- The steps are as follows:-
- - 1. Title Search
- 2. Will be noted as an Administrative advice under the Vegetation Management Act at the bottom of the tile search – **it is not listed as an encumbrance**
- 3. A dealing image search of the Administrative advice - will give an image of the Voluntary Declaration (V-dec) **but not the management plan**. The management plan needs to be requested from the DEHP/DNRM office that processed the V-dec application.

Project Design – Get it Right

- This 1099 hectare property was purchased for \$2.035 million in 2005 - Panel valuation 2/2011 confirmed \$1.6 million and subsequently sold for circa \$700K as per below. Up front payment was \$274,000.
- Valuation comment: “A profit a Prendre severely restricts the utility of the affected land (for normal farming purposes)”

Final Thoughts

- Policy – Linear solutions need consider opportunities to amalgamate demand.
- Environmental outcomes which have regard for commercial implications for all stakeholders is key to successful solutions.

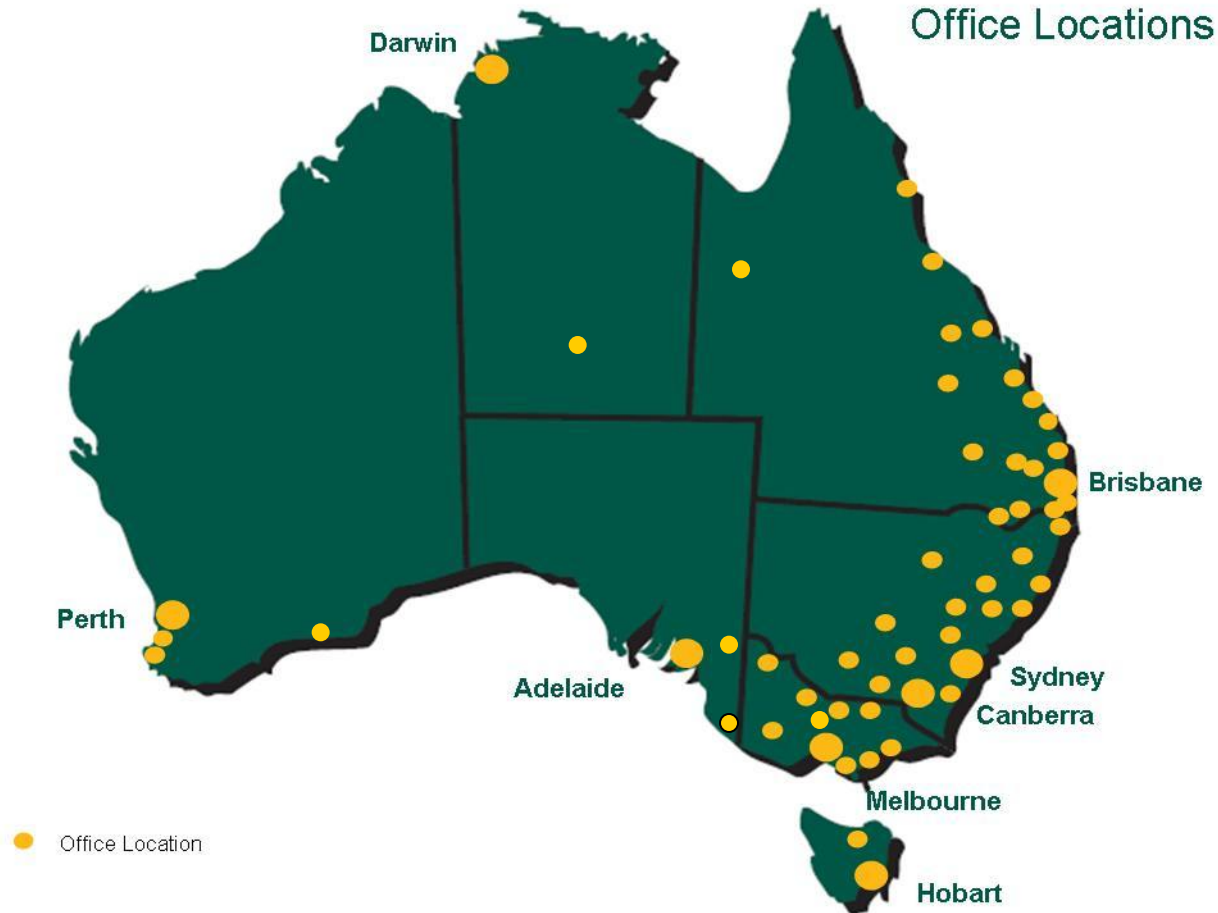


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Title



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