

Contaminated land and property transactions

This article has been written by Hailey Spry of Easterly Point Environmental. Hailey is a senior environmental scientist who specialises in the assessment and management of contaminated sites.

Contaminated land is usually thought to be associated with heavy industry such as gasworks, refineries, power stations, and the like. While this is justified stereotyping, the ubiquitous and pervasive nature of contaminants means that any piece of land has a potential to be "contaminated". After all, contamination just means something you don't want, or more formally; the presence of a substance above the concentration at which it is normally present, with an associated risk of harm to human health or the environment.

What lies beneath - contamination in the Northern Rivers

A local misconception is that the Northern Rivers is fairly contaminant free, all natural and healthy based on the absence of apparent heavy industry. Contrary to these two perceptions, the Northern Rivers has a long and varied industrial history, with the following being five common resultant sites of concern:





history, resulting in various types of contaminated sites

• Residential and commercial sites with hazardous building materials and wastes, including lead-based paints, sub-slab termite protection with arsenic and organochlorine pesticides (OCPs), and asbestos containing materials and fibres.

• Agricultural sites, including cattle-tick dip sites and banana lands, which often included the use of various herbicides and pesticides.

• Petrol stations and other workshop and depot sites where fuels were stored in underground storage tanks (USTs). Fuel storage in USTs was also common on rural properties where the fuel was used for privately owned farming equipment and machinery.

• Filled sites, where uncontrolled land filling has resulted in a range of wastes and garbage, including contaminated soil, putrescible waste, construction and demolition waste.

• Sites impacted with heavy mineral sand residues. Heavy mineral sands residues occur as contaminants on the North Coast of NSW, in old mining and processing areas, at former landfills and disposal sites, and sporadically where filling of land has occurred, including residential blocks. These residues present a potential environmental health hazard, due to the ionising radiation associated with the mineral monazite.

Due diligence and property transactions

These types of sites can, if not appropriately identified and managed, result in extensive remediation costs and large development delays and overruns. However, if appropriately identified and managed prior to purchase, and if an associated discounting in price can be negotiated, these sites offer a good potential for 'value adding' .Or if the contamination is to such an extent, the pre-purchase due diligence assessment may save significant losses by concluding not to purchase.

During property transactions, vendors have a legal obligation to disclose as much information as possible in the contract about any known, or potential contamination to avoid the purchaser rescinding the contract or claiming substantial damages, including loss during remediation. However, the issue with contamination is that it is not always visual or tangible, and is often as a result of historic activities for which the current owners may not be aware exists.

For purchasers, a fit-for-purpose environmental due diligence is one way to understand your acquisition and decrease the risk in the property transaction.

Regardless of the stage of the project or transaction, it is essential to get advice from suitably experienced and competent consultants, including those who employ accredited auditors, i.e. those who the regulators recognise as being appropriately experienced and competent.

Easterly Point is a specialist consultancy firm, providing services in the assessment and management of contaminated land, including site auditing in NSW, Qld and the ACT.

Easterly Point has extensive experience conducting due diligence assessments for property transactions, strategic contaminated land reviews and contaminated land audits, supporting clients during the purchase of property and development application process.

Contact us for information on how we may assist on your contaminated land project or visit our website for further details: www.easterlypoint.com