
MINUTES: SANTOS COMMUNITY COMMITTEE – UPPER HUNTER
Tuesday, **July 24, 2012**
Barry Rose Room, Upper Hunter Shire Council office.

Attendance: Graham Brown, Sean Constable, Don Eather, Steve Guihot, Cr Michael Johnsen, Cate McMahon, Peter Miller, David Ross (Chair) and Wayne Bedggood.

Apology: Sam Crafter, Peter Bishop and Paula Stevenson.

	Discussion	Action/By Whom
1. Welcome	<p>The Chair opened the meeting at 6:23 pm.</p> <ul style="list-style-type: none">• Discussion of unproductive behaviours at last meeting.• Chair approached several water specialists to present including AGL, Office of Water, University of NSW, University of Technology Sydney, Sydney University but no one available. Prof Garry Willgoose and Phillip Pell agreed to be there, but Pell then cancelled.• Don: Why didn't you go to the University of Canberra? Chair: Happy to look at approaching Canberra University if you have a name there. GB: Can you give me a list of the people you approached, so we can put forward a name?	<p>Chair: To approach Canberra Uni for a water specialist.</p> <p>GB: To put forward other names for a water specialist.</p>
2. Confirmation of previous minutes	<ul style="list-style-type: none">• Committee accepted the minutes.	

3. General business

Cate: Discussed the new compensation agreement. (Slides presented, see Appendix 1).

(Cate tabled the 'Working together in partnership' brochure (Appendix 2), Update on operations in the Pilliga (Appendix 3), Print out of a webpage "Eastern Star Gas fined for pollution in the Pilliga" (Appendix 4)).

Mark Rodgers, land manager, joined the meeting via phone.

Michael: The **\$30,000 per year** is that per well or per hectare? Mark: It is per disturbance, so yes that figures out to be per well.

Don: What are you doing about **devaluation**? The government in QLD has said activities have lowered **land values** by 12%. A local real estate agent has said the Bunnan land has gone down and one farm was unable to be sold. Mark: The argument is it can actually increase the value of the land, because of a new income for the land and there have been places brought on the fact that it has increased. Chair: Is this is an issue that has been considered by Santos? Mark: We have two landholders that I know of that have purchased land on the strength of the activity and I haven't seen any devaluation of property with the activity in the area.

Steve: Human nature being the way it is, if I had a wind turbine and I'm generating an income, the impact of it will be felt on neighbours. To pay a landholder value is good, but what about adjoining landholders? This is an industrial development and other people who are impacted should also be compensated. Santos should also be liable for a similar **compensation package for neighbours**. It really needs to be treated as an industrial development in a rural setting. Mark: If we have to address that we certainly will. We don't want to see anyone adversely affected. We consider impact all the time when considering the placement of infrastructure. Chair: Is this something you can take back to Santos. Mark: It is a fair question and we'd be silly not to look at the adverse impact on other landholders if that is there.

Graham: I'd like it noted that there is heaps of evidence of **devaluation**. I want to know if the area of the wells is going to be the 80 x 100 standard, how wide are the roads going to be? Mark: Any footprint is measured at a hectare rate, for a road disturbance is also calculated. Graham: The landowner will want to know what the conversion rates are for roads and lease areas, so what are they? Mark: I don't

Mark to discuss with Santos compensation for neighbours under the new compensation package.

know off hand, but I can certainly get it to you. Graham: What rate have you been using to date? Mark: We haven't used this package anywhere yet. Previously we have calculated the area used and compensated based on that. Peter Miller: So it is basically square meters? Mark: Yes. Wayne: What do you mean by conversion rate? Graeme: Some roads are larger than others. Wayne: But each project would be fairly different and the calculation per metre is still the same. Graeme: There have been two applications that have been thrown out of court because there was not enough detail, that is why the size of the roads are important. Peter Miller: It is still calculated on per square meter basis. Mark: our standard roads are five metres, but we can bring that back where needed.

Mark to get the conversion rates of roads to drill pad areas.

Steve: I have a friend from St George and he is concerned about **water and salt**. Is there a possibility that contaminated water or salt can occur after usage in this Bunnan area. Cate: It depends where you are, it varies from area to area. In Sydney not much water, in Queensland much more. In Kahlua there was 60% less than in Queensland. In terms of the salinity of the water, in QLD I saw some that were less than the Roma water. Steve: Will compensation be available if something happens? Mark: If there was any detrimental impacts, Santos would make good. There is no expectation of something negative, but in any context if anything detrimental occurs we are obliged to make good. Steve: Can that be publicly stated in your compensation materials? Mark: I am sure it would be and could be.

Mark to ensure obligations to make good are included in compensation promotional materials.

Chair: With the farm management plans would that detail this? Mark: The farm management plan is more about the day to day running of the farm. More about us not affecting the day to day running of the property.

Graham: Is there going to be a **dispute / resolution** process? Mark: Yes there will be. We would hope that would not occur, but we would entertain that for sure. Graham: Will there be compensation for people who can't get **insurance** for their property? Mark: I can't see they wouldn't get insurance. Cate: What companies are looking at it? Graham: There are two, but I don't know their names. Wayne: What aren't they insuring? Graham: They don't want to insure land with exploration holes? Michael: But they don't insure land? Graham: They are increasingly reluctant to insure the properties. Wayne: I'm unsure of the undue risk that the companies would be looking at and it would be good to get more information on that. Graham: Impact on the health of the animals, the abortion rates are definitely higher and that is where the insurance of animals comes into it.

Graham: To provide names of insurance companies who do not insure properties with CSG activities.

Cate: Will investigate if Santos is aware of these companies.

Michael and Wayne will also call their insurance companies.

(Mark Rodgers departed meeting).

Pilliga Update

Steve: Let's just say you didn't own Eastern Star Gas and the EPA handed out a \$3000 fine, in your opinion is that an **adequate fine**? Cate: Well first I'd look into what occurred to assess if the fine was appropriate. (refers to power point presentation). The cyanide was of drinking water standards and the ammonia, which we reported to the EPA, the ammonia they could not find in the plant what the source was, so we shut the plant down. EPA's view was no harm was caused. Knowing those facts, I'd say the money was in proportion. Wayne: Was this self-regulated? Cate: Yes, we put our hand up to the EPA. Kathy: So you're **self-regulating**, so where are the policing bodies, how many accidents do we need to have before we get a body that is coming in over the top. We are sitting here aiming it all at Santos and they are giving the right answers, but how do we get the government to police this better? Wayne: In the budgets cuts there were actually more compliance officers being put on, which is a good sign. Steve: Perhaps they need to step up the unit of fines though.

Peter Miller: Slightly off topic. When **mines release polluted water** that builds up after rain and it can have millions of litres of water with pollutants released into the Hunter River. Cate: They did have a licence to release into the creek also. Peter: I'd like to put this into perspective, millions of litres compared to a very small amount from CSG. Cate: We can change it, we have stopped the plant and we will make sure it doesn't happen. Kathy: I agree Peter that the mines should not be releasing so much, but the mines have got away from us, but with CSG we have an opportunity to try and control it. Don: I don't approve of the way they do it, but they are only allowed to let it in when it is in high flow and only certain amounts.

Graham: The reason this came out was because the **Alliance reported it to the EPA**, who didn't want to do anything about it. They tested it themselves and then the EPA tested it. Perhaps Santos or EPA would contribute the \$6000 for the cost of the alliance doing the tests? Cate: I'm not sure that was the case. Santos brought it to light with the EPA.

Peter: The \$30,000 **compensation agreement** that is being put up, is that a Santos initiative? Cate: Yes.

Graham: In regard to the **storage ponds**, up the north coast Metgasco were illegally dumping the water at the tip. They are having trouble working out what is an evaporation pond and what is a storage pond. I'd like details of how long it is a storage pond before it becomes an evaporation pond? It seems

like they are just changing the name of them. Cate: Happy to find out for you.

Graham: Where would a **pond be in Bunnan**? Cate: I will have to find out; I don't know the geology of Bunnan.

Graham: How much water will be produced? Cate: It varies from area to area. Don: There are coal seams in some parts of this Valley are 12 times more saline than the sea water. Cate: The seams targeted by coal mines are much shallower. Don: But you are targeting the same seams, just further up the valley where they are deeper? Cate: No, they are different seams. (Cate, did a drawing). Wayne: They are different seams. They can probably tell you what seams they are targeting exactly, to make that clear.

Steve: My only caution is not to drive a wedge between neighbours and land holders and it is important for Santos not to set people against one another. You might want to spend some time thinking about that. Cate: A good example in QLD where a neighbour did not have gas and wanted some benefits, so they were able to place some infrastructure on their land and compensate them. Steve: Fair enough.

Cate handed out copies of the latest newsletter (Appendix 5). Criticism about the name "Gunnedah Basin" was made by the Committee.

Peter: A lot of people see Gunnedah Basin and think, well that doesn't relate to us. Would Santos consider having an office here? Cate: Yes, we have just opened another office in Narrabri and we would be pleased to open other offices as things progress.

Graham: Will the pond be classed as utilised land? Cate: Yes Graham: And paid at the same rate? Cate: Yes. Graham: Where will the large storage ponds be in the gas field? Cate: It depends on how the field develops, which we don't know at this stage.

Cate - **Water testing** update: We have four people to date who want to participate in the water bore testing to gather baseline data. Don: About this water testing, it is five months ago that the maps are out of date, it is a joke why isn't it up to date? Cate: The only public data is the government data to go on, unless you update the government on, if your bores are no longer in action or recorded in the wrong location. Wayne: We have talked about this previously, about how the government data is very inaccurate. Steve: So how can it be updated? Perhaps a general mapping exercise with the people in Bunnan would be useful? Cate: We'd be pleased to do that. Cate: When Steve Tapsall goes out to site

Cate to find out when a storage pond becomes an evaporation pond.

Cate to find out where the storage pond will be located in Bunnan.

Cate to find out the names of the seams being targeted in the Bunnan area.

Cate to review newsletter mailing list and name of the newsletter

when they do water bore testing and they can take a GPS location of the bore. Michael: I'm sorry, but can you imagine if Santos went door knocking to ask to map their bores? Steve: Some people would find that useful. Michael: And some would not find it welcome. Steve: It could be a nice exercise for Santos and Don to go to Bunnan residents together to map them.

Santos to go to government to ask for accurate mapping of the region to be undertaken by government.

Chair: Tabled letter from Margaret from the **AGL community committee** wanting to undertake a **regional groundwater study** in the Hunter. Don: This is badly overdue and should have been done before any activities. Graham: Supports a regional approach with AGL and Santos. Steve: Is this similar to the Naomi Water Catchment Study? Michael: Yes, it is based on that kind of model. Peter Miller: So at what level will the study take place? At what depth? Michael: Provided maps (see Appendix 6,7,8). Wayne: The study would be focused on the aquifers used by the community, so within the first 150 m, because water below that tends not to be usable. It measures recharge and gives some good baseline data.

Chair to write to AGL Community Committee Chair offering support on behalf of the Santos Committee

Chair: It has been a few months since I sought feedback on my performance as a Chair.

Peter: Wield a bigger stick. Some people get off track, me included and I think you need to stop it sooner.

Graham: You were going to front with Willgoose tonight knowing full well I did not like that. Chair: I had spent a lot of time finding other people. I had considered your thoughts and that is why I got Phillip Pell, who I knew you were comfortable with. When I learned Phillip could not make it, that is why I contacted you and we decided to postpone that presentation.

Wayne: Willgoose is internationally renowned, a peer review for AGL, but you've decided he is an advocate for AGL and I'm not sure why. So Pell has stood at rallies and actively opposed CSG, but you say he is independent. You are saying you want an advocate for your side and not from the other or anyone independent. From my point of view having both means there is an impartial person and a person from the other side and Santos would have no one signing their praises. You have biased it the other way. To then reprimand the Chair for looking to have him here. You have completely skewed it.

Graham: But what I was driving at was having him here tonight. Are we looking at consensus here?

Chair: I understand you may not have wanted him here, but there would have been someone you did.

We won't have complete agreement, but we need the majority to be comfortable with it. Graham: I had made it clear I did not want him to be here and would have liked to have been told about what you

were trying to do and be told sooner. I was glad it was held over and that end result was pretty good. That it has been put off until we can sort something else out. Wayne: Is every time one or two people disagree are we going to avoid the issue and conflict? I'm sorry Mr Chair how are we going to decide to get someone that everyone agrees to? Sean: Why didn't you go to all members of the committee and go with the majority, why only one or two people? Chair: Some people have some strong views... Wayne: With due respect, we all have strong views and the majority needs to rule in a democracy, we can't just not do something because one or two are not happy with it. Michael: I want to hear from everyone, I have no problem to hearing a range of views. Graham: It is a difficult situation.

Don recommended Denny Noris (DPI) and Ben McDonald. Graeme will look for a water person.

If water specialists are unavailable for the next meeting, Frank Krsitic will be invited to speak about landholder rights under the legislation and will be available to speak with local solicitors prior to the meeting.

Steve: Has there been an update from the Bunnan meeting?

Chair: Graeme and Michael to give an overview of the Bunnan meeting.

Michael: It was a NSW Farmers meeting that had little to do with CSG. There was discussion, AGL was also there. Some people asked questions we've all heard before, but the vast majority of the meeting was other NSW Farmers business.

Graeme: It was about water, fracking and drilling. The real conversations seemed to take place after.

Don: We talked about the dog problem and we talked about things like that.

Steve: What is upcoming in PEL456? Cate: Nothing at this stage.

Chair closed meeting: 8:20 pm.

Next meeting: Tuesday, August 28.

Don and Graham to forward names to the Chair for independent water specialists within one week of July meeting.

Attachment 1. Issues prioritised by the Committee Members and progress made

	Issue Prioritised	Progress Made
1.	Understanding the impacts of the coal seam gas industry drilling and fracture stimulation techniques on water	Well integrity presentation – Feb 2012
2.	Identifying the need for independent peer reviews of water monitoring	
3.	Better communication with the community	
4.	Providing timelines for proposed activities, including Santos activities, commercial in confidence matters and regulatory changes	
5.	Providing better education on the process and impacts of coal seam gas	
6.	An understanding of the cost of the industry to the community and how this may be recovered	Discussed at February meeting
7.	Establishing baseline data of local aquifers	
8.	The need for independent specialists such as hydrologists and geologists to provide information	
9.	Understanding how value can be added to the community through this process	

Attachment 2. Actions raised by Committee Members that are not complete

	Action Raised	Date Raised	Progress Made
1.	Committee to ensure that all communication is distributed through DR rather than through any other individual(s)	29 th November 2011	Ongoing
2.	Alternates to be briefed by their colleagues before attending any meetings, as required	29 th November 2011	Ongoing
3.	Santos to present on legislative approvals process at a future meeting	29 th November 2011	
4.	Santos to invite water specialist to present at next meeting	29 th November 2011	Ongoing
5.	SC to table an REF at a future meeting	29 th November 2011	
6.	SC to present at a later date on the Eastern Star Gas pipeline projects once the business plan has been completed	29 th November 2011	
7.	DR to provide Committee Members with copies of future media releases	29 th November 2011	Ongoing
8.	Santos to report back to the Committee on the findings of the investigation in to spill	24 th January 2012	Ongoing
9.	Santos to report back on whether a prosecution is to go ahead	24 th January 2012	Ongoing
10.	Minutes to be provided to members within one to two days and members then to have five days in which to provide comments back to the Chair	24 th January 2012	Ongoing
11.	Santos to present on well integrity at next meeting	24 th January 2012	Ongoing
12.	DR to ensure there is another presentation on the impacts of CSG on water management	28 th February 2012	Ongoing
13.	DR to ensure there is a presentation on fracture stimulation in future presentations	28 th February 2012	
14.	Pilliga issue to remain on the agenda for March meeting	28 th February 2012	Ongoing
15.	Santos to provide before and after photos of the Brawboy 2 site at the next meeting.	27 th March 2012	Ongoing
16.	Next water management presentation to respond to the issue of geological flaws and cracks	27 th March 2012	
17.	Santos to provide updates on progress of organising future joint forums	27 th March 2012	
18.	Produce written update on work schedule in PEL 456	27 th March 2012	

19.			
20.	PB and PS to discuss organising a cattle property tour with Santos	27 th March 2012	Ongoing
21.			
22.	Santos to consider appointing an independent consultant to assist landholders with what information is available to them during negotiation	24 th April 2012	
23.	Liz to also email Steve Guihot a copy of the Update	24 th April 2012	
24.	Santos to provide CCC with copy of its submission	24 th April 2012	
25.	Santos to talk to Frank Krstic and the EDO to identify what they could offer to the SCC or local solicitors	22 nd May 2012	
26.	SC to identify Santos sites in the audit	22 nd May 2012	
27.	Santos to contact the Knights and provide them with appropriate details (when there is a date for seismic)	22 nd May 2012	
28.	PS and SC to discuss obtaining water quality data from landowners	22 nd May 2012	
29.	SC to find out who approached Santos for rodeo sponsorship	22 nd May 2012	
30.	SC to identify the sponsorship contribution Santos has made locally	22 nd May 2012	
31.	Santos to consider how to communicate landholder negotiations to general public while maintaining the privacy of individuals	22 nd May 2012	
32.	Santos or DR to contact John Ross, Gavin Mud or Phillip Pells to present on local hydrogeology	22 nd May 2012	Ongoing
33.	Chair to approach Canberra Uni for a water specialist after input from GB	24 th July 2012	
34.	Mark to discuss with Santos compensation for neighbours under the new compensation package	24 th July 2012	
35.	Mark to get the conversion rates of roads to drill pad areas.	24 th July 2012	
36.	Mark to ensure obligations to make good are included in compensation promotional materials	24 th July 2012	
37.	GB to provide names of insurance companies who do not insure properties with CSG activities	24 th July 2012	

38.	CM to investigate if Santos is aware of these companies.	24 th July 2012
39.	MJ and WB to call their insurance companies re: action 39	24 th July 2012
40.	CM to find out when a storage pond becomes an evaporation pond.	24 th July 2012
41.	CM to find out where the storage pond will be located in Bunnan.	24 th July 2012
42.	CM to find out the names of the seams being targeted in the Bunnan area.	24 th July 2012
43.	CM to review newsletter mailing list and name of the newsletter	24 th July 2012
44.	Santos to go to government to ask for accurate mapping of the region to be undertaken by government.	24 th July 2012
45.	Chair to write to AGL Community Committee Chair offering support on behalf of the Santos Committee	24 th July 2012
46.	DE and GB to forward names to the Chair for independent water specialists within one week of July meeting.	24 th July 2012

Attachment 3. Actions raised by Committee Members that have been completed

	Action Raised	Date Raised	Progress Made
1.	SC to provide DR with copy of presentation to go out with minutes	29 th November 2011	Completed
2.	SC to provide information on crops grown (at site in presentation) and the details of the water content of the treated water	29 th November 2011	Completed
3.	DR to contact Committee members to determine the date for the next meeting.	29 th November 2011	Completed
4.	DR to forward Kathy a copy of the previous minutes	24 th January 2012	Completed
5.	CM to source information on costs of running a desalination plant	24 th January 2012	Completed
6.	CM to report back on Santos' policy on community investment	24 th January 2012	Completed
7.	CM to report back on progress on joint water forum	24 th January 2012	Completed
8.	DR to contact Committee members to determine the date for the next meeting	24 th January 2012	Completed
9.	SC to resolve Santos mail out database	28 th February 2012	Completed
10.	SC to provide DR with possible government contacts for presentation	28 th February 2012	Completed
11.	DR to discuss list of government contacts with PS	28 th February 2012	Completed
12.	DR to invite government regulator to present at next meeting	28 th February 2012	Completed
13.	SC to respond to Foreign Correspondent story at March meeting	28 th February 2012	Completed
14.	Electronic copy of Santos report on the Pilliga to be forwarded to the Committee	28 th February 2012	Completed
15.	Hard copy of Santos report on the Pilliga to be sent to Don Eather	28 th February 2012	Completed
16.	SC to identify the date for licence renewal	28 th February 2012	Completed
17.	Santos to present on well abandonment at March meeting	28 th February 2012	Completed
18.	DR to invite WB, MJ and PB to present their views on the land use forums at the next meeting	27 th March 2012	Completed
19.	DR to talk to Julie Moloney about landowner rights	27 th March 2012	Completed
20.	DR to talk to Julie Moloney about responding to road sales in April meeting	27 th March 2012	Completed
21.	DR to ensure that staging of works to be a set agenda item	27 th March 2012	Completed

22. MJ to provide DR with background information on enquiry for DR to forward to committee

24th April 2012

Completed

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