

<b>MINUTES:</b>	SANTOS COMMUNITY COMMITTEE – UPPER HUNTER Tuesday, August 28, 2012 Barry Rose Room, Upper Hunter Shire Council office.
Attendance:	Wayne Bedggood, Sean Constable, Sam Crafter, Don Eather, Peter Bishop, Steve Guihot, Cr Michael Johnsen, Cate McMahon, Peter Miller, David Ross (Chair) and Prof Garry Willgoose.
Apology:	Graham Brown, Kathy Burns and Paula Stevenson.

<b>Discussion</b>	<b>Action/By Whom</b>
<b>1. Welcome</b>	<p>The Chair opened the meeting at <b>6:21 pm</b>.</p> <p>Apologies from Graham Brown, Kathy Burns and Paula Stevenson.</p>
<b>2. Presentation by Prof Garry Willgoose</b>	<p>Welcomed Prof Garry Willgoose to present. Garry detailed his background including Prof of Environmental Engineering at Uni Newcastle, Phd in groundwater research and worked in that field in the last 25 years. NSW government appointed peer review on AGL's water studies in the Hunter.</p> <p>Steve Guihot: <b>Who pays</b> for your work? Willgoose: The process is the work is requested from the Hunter CCC. I work for the Chair and the Chair sends the invoice to the Department and they forward it to AGL, but I report to the CCC. Ultimately it is AGL paying for my work on the CCC, but I do not work for AGL.</p> <p>Presentation (see Appendix 1). Prof Willgoose discussed the geology and groundwater in the region and highlighted there was a lack of data in the Upper Hunter area.</p> <p>Peter Bishop: What is involved in <b>a study</b>? Willgoose: Step one is information gathering, seeing what</p>

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data already exists. The remainder of the work is then trying to put together a conceptual model of the geology and how the groundwater is connected and then running that model to test it.

Don: There is a dating of one bore in our area that is 66,000 years old. General discussion then held on local water characteristics.

Sam: Have you had a chance to review the **Namoi Study**? Willgoose: No. Sam: The study sounds similar to what you are talking about now. Willgoose: From what I have seen and heard it would be similar.

Wayne: Sounds like there is a huge **deficit of information**. Will you have enough information to do the study? Willgoose: This is the key issue. Is there enough data? The first generation may not have, but the model you have can then start to look at what else is needed to answer the questions.

Steve G: If the water is travelling at such a slow rate does it mean the cumulative effect of activities won't be felt for generations? Willgoose: It may take 30,000 years for something that impacts the water here (referring to slide of geology in Appendix 1), to impact over here. That is exactly the kinds of answers a study can look at.

Cate: That data could impact on how they regulate **water licences**. Willgoose: Yes.

Don: We found there was no difference to our water during the **drought**. We were able to keep pumping like crazy and it was totally fine. Peter B: There were some bores that seemed to be impacted.

Michael: You mentioned the Narrabeen aquifers were not very good aquifers, why is that? Willgoose, it is both saline and poor in yield.

Steve: You commented that **over allocation** has occurred in some areas. Should we have a precautionary approach here, not to over allocate? Willgoose: Unless there is a study you actually don't know what is sustainable.

Sam: In discussions for the Namoi water study they said the greatest challenge was **calibration data**, so they needed activity to actually gauge what is happening. They found test well operations were needed to test the data. Willgoose: Yes, I would agree with that. So the question is how do you conduct the tests while assuring safety during testing? In Broke we did a short term flow test. Flow testing needs to be done with the right kind of design. In Broke there is a new study being designed where they will be

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putting equipment into the coal seam.

(Referred to another presentation, see Appendix 2).

Michael: Bob Kennedy is openly hostile to AGL, but he also respects Garry, so this whole perception of the **independence** is a veiled attack on individuals. Willgoose: One thing about working for Uni is that you can walk away if you feel compromised and I have done that in the past.

Don: How accurate are the models, **will it take generations** for these impacts to be seen? Willgoose: Yes some impacts may be not seen for 50 years. The issue is the data. The models are good, but the quality of the data will impact how effective the model will be.

Peter B: Is there any other federal money available for studies? Willgoose: There is Windsor money. To get that money you need to have a partner in state government, which is fine. It was Office for Water that approached me about a study for the Hunter.

There are three areas in the Hunter, in terms of gas that are the priority for study: the Broke – Wollombi area, the Upper Hunter area around here and the Newcastle area. If you are talking about coalminers it is a different area again from Muswellbrook to Singleton.

Peter B: So a few deep wells won't be enough data here? Willgoose: No and the issue is these wells are probably not logged in terms of geology.

Garry concluded presentation and was welcomed to stay and observe for the rest of the meeting.

Cate tabled the "Action Items" (Appendix 3).

### 3. Review of the minutes

Steve: (Referring to first action and response in Appendix 3). I reckon that is a cop out. The issue was about the impacts of industrial development on land for **neighbours** and they should be compensated for these activities.

Sam: So what do you mean by industrial development and the impact? (discussion). We don't compensate neighbours as there is not a footprint on their property.

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Steve: What about land values being affected? Sam: We have taken agents out to see operations, we have talked to the banks and they see it as an income stream, so I dispute that. Steve: Well Mark Rodgers agreed at the last meeting that there were impacts on neighbours and he would go back to Santos to sort out compensation for neighbours.

Don: In Queensland the valuer general has said it is 12% less for each hole. There are properties in Bunnan that have been devalued by 20% because of gas exploration. Peter Miller: I have not been able to find information on land values dropping, it is speculative. I'd like to see Don bring the evidence to the meeting.

Sam: Saying that the values of land has dropped in Bunnan is not because of coal seam gas activities as we have not done any activities there; so clearly if anything is driving prices down there it is due to local people saying their land is worth less, because CSG activities have not even occurred there, so it can't be blamed.

Chair: Steve and Sam to discuss land issues and progress at a future meeting.

Cate: In regards to the **insurance companies** not insuring people and we have found no evidence of that. Michael J: I have not been able to find one company who will not insure due to coal seam gas company being on your land. The issue is with liability, but once you have a contract, the company has the liability anyway. Wayne: We asked about this issue specific to the thoroughbred industry from Lloyds and we are awaiting feedback. In the initial conversation he said he did not know of companies who would not insure. Chair: There is an action on Graham on this issue, so we will revisit this at the next meeting.

Steve G and Sam C to discuss land values and progress at a future meeting.

Sam continued the overview of the **action items** for Santos.

Sam tabled Protests at Fullerton Cove and a media release from Dart Energy (Appendix 4 and 5). We have provided some information on the activities in Newcastle and we are happy to take back questions to Dart if you have any. Peter B: What stage are they at in Fullerton Cove? Sam: They are just at the test well stage.

Peter B: Are Dart still interested in this PEL? Sam: As far as I am aware, yes.

Sam: Tabled **PEL 456 Update** (Appendix 6). Sam: The next activity in this PEL is probably not going to

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**4. General business**

happen until next year, but they (Dart) are keen to submit an **REF** to government as soon as possible. Potentially we may be able to present the REF at the next meeting. Dart are involved with the preparation of that document, so we may bring a person from Dart and one of the consultants.

Chair: There was an action on me to provide a letter back to the Chair of the AGL Committee regarding a **Hunter water study**, which I have done. Also, Peter B there was an action for you to arrange a farm tour. Peter B: We stumbled because Souris would only attend if several other ministers would attend. So, we are trying to get some Minister's to come along.

Discussion about a link Michael J was to provide in relation to a report tabled with the Legislative Assembly on CSG in May. Michael J confirmed he sent it to the Chair. The link is as follows:

[www.parliament.nsw.gov.au/gpsc5](http://www.parliament.nsw.gov.au/gpsc5)

Sam: After the local elections we may potentially have two **Council representatives**, can we consider how we may approach that? Wayne: I am here representing the Thoroughbred Industry if Council have an issue with me being a Councillor and being on the Committee, I would stand down and another member of the Thoroughbred Association would stand in.

Liz to forward Committee Charter to Michael J for Councils consideration.

Next meeting: Tuesday, September 25.

Chair: The next meeting could be the Review of Environmental Factors, which I hope is the case. If not will we go with Frank Krstic and the EDO. Committee agreed.

**Chair closed meeting: 8:17 pm.**

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

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

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

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

<b>19.</b>	PB and PS to discuss organising a cattle property tour with Santos	27 <sup>th</sup> March 2012	<b>Ongoing</b>
<b>20.</b>	Santos to talk to Frank Krstic and the EDO to identify what they could offer to the SCC or local solicitors	22 <sup>nd</sup> May 2012	<b>Ongoing</b>
<b>21.</b>	SC to identify Santos sites in the audit	22 <sup>nd</sup> May 2012	
<b>22.</b>	Santos to contact the Knights and provide them with appropriate details (when there is a date for seismic)	22 <sup>nd</sup> May 2012	
<b>23.</b>	PS and SC to discuss obtaining water quality data from landowners	22 <sup>nd</sup> May 2012	
<b>24.</b>	Chair to approach Canberra Uni for a water specialist after input from GB	24 <sup>th</sup> July 2012	
<b>25.</b>	GB to provide names of insurance companies who do not insure properties with CSG activities	24 <sup>th</sup> July 2012	

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

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

22.	MJ to provide DR with background information on enquiry for DR to forward to committee	24 <sup>th</sup> April 2012	Completed
23.	Santos to invite water specialist to present at next meeting	29 <sup>th</sup> November 2011	Completed
24.	Liz to forward Committee Charter to Michael J for Council	28 <sup>th</sup> August 2012	Completed
25.	Santos to consider appointing an independent consultant to assist landholders with what information is available to them during negotiation	24 <sup>th</sup> April 2012	Completed
26.	Liz to also email Steve Guihot a copy of the Update	24 <sup>th</sup> April 2012	Completed
27.	Santos to provide CCC with copy of its submission	24 <sup>th</sup> April 2012	Completed
28.	SC to find out who approached Santos for rodeo sponsorship	22 <sup>nd</sup> May 2012	Completed
29.	SC to identify the sponsorship contribution Santos has made locally	22 <sup>nd</sup> May 2012	Completed
30.	Santos to consider how to communicate landholder negotiations to general public while maintaining the privacy of individuals	22 <sup>nd</sup> May 2012	Completed
31.	Santos or DR to contact John Ross, Gavin Mud or Phillip Pells to present on local hydrogeology	22 <sup>nd</sup> May 2012	Completed
32.	Mark to discuss with Santos compensation for neighbours under the new compensation package	24 <sup>th</sup> July 2012	Completed
33.	Mark to get the conversion rates of roads to drill pad areas.	24 <sup>th</sup> July 2012	Completed
34.	Mark to ensure obligations to make good are included in compensation promotional materials	24 <sup>th</sup> July 2012	Completed
35.	CM to investigate if Santos is aware of these companies.	24 <sup>th</sup> July 2012	Completed
36.	MJ and WB to call their insurance companies re: action 38	24 <sup>th</sup> July 2012	Completed
37.	CM to find out when a storage pond becomes an evaporation pond.	24 <sup>th</sup> July 2012	Completed
38.	CM to find out where the storage pond will be located in Bunnan.	24 <sup>th</sup> July 2012	Completed
39.	CM to find out the names of the seams being targeted in the Bunnan area.	24 <sup>th</sup> July 2012	Completed
40.	CM to review newsletter mailing list and name of the newsletter	24 <sup>th</sup> July 2012	Completed
41.	Santos to go to government to ask for accurate mapping of the region to be undertaken by government.	24 <sup>th</sup> July 2012	Completed

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42.	Chair to write to AGL Community Committee Chair offering support on behalf of the Santos Committee	24 <sup>th</sup> July 2012	<b>Completed</b>
43.	DE and GB to forward names to the Chair for independent water specialists within one week of July meeting.	24 <sup>th</sup> July 2012	<b>Completed</b>

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