

Meeting Minutes



QGC Regional Gas Field Community Committee

29 August 2013

10.00am to 2.00pm

Chinchilla RSL (Main Branch) 61 Heeney St, Chinchilla

1. Opening

The Fifteenth meeting of the QGC Regional Gas Field Community Committee was called to order at 10.00am on 29 August 2013 at the Chinchilla RSL, 61 Heeney St, Chinchilla facilitated by Mr Jim Cavaye, Independent Facilitator.

2. Attendees

The following people attended the QGC Regional Gas Field Community Committee meeting:

QGC Regional Gas Field Community Committee Members	QGC Representatives
<ul style="list-style-type: none"> • Doreen Goldsmid, Central Community Committee representative • Stephen Seymour, Southern Queensland Institute of TAFE • Bill Nicholas, AgForce • Kathie Fletcher, Queensland Murray Darling Committee • Carl Mitchell, Condamine Alliance • Ros Wade, Southern Community Committee representative • Cecily Brockhurst, Northern Community Committee representative <p>Gasfields Commission Queensland Presentation:</p> <ul style="list-style-type: none"> • Jason Johnston, Chinchilla Community Commerce & Industry Representative • Graham Muller, Tara Neighbourhood Centre 	<ul style="list-style-type: none"> • Brett Smith, Vice President Sustainability • Rebecca Crawford, SP Manager • Kristelle Townsend, Social Performance Coordinator Central • Richard Schokman, Manager Upstream Operations <p>Guest Speaker: Don Stiller, Queensland Gasfields Commission</p>
Apologies	Independent Facilitator
<ul style="list-style-type: none"> • Carollee Murphy, Western Downs Regional Council • Cr Carolyn Tillman, Western Downs Regional Council • Floyd Leedie, Goondir Health Services 	<ul style="list-style-type: none"> • Jim Cavaye, School of Agriculture and Food Sciences, University of Queensland

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Meeting agenda

The following items of business were discussed as per the meeting agenda:

Agenda item	Details
a. Introductions and meeting overview	<p>Jim Cavaye led roundtable introductions of Community Committee members and QGC representatives.</p> <p>Jim Cavaye gave a broad overview of the meeting format.</p>
b. Safety moment	<p>Jim Cavaye invited Committee members to share a safety moment.</p> <p>Kristelle Townsend spoke about seat belts and the important role they play with regards to road safety. Richard Schokman shared QGC's approach to ensuring that workers comply with good driving behaviour.</p>
c. Queensland Gasfields Commission	<p>Don Stiller Presented on the Queensland Gasfields Commission. Key points were:</p> <p>Don provided information about his professional background, including 24 years' experience in local government and 11 years as Mayor of Taroom Shire Council. Don resides in Wandoan and has personal experience with the CSG industry with several gas pipelines crossing his landholdings.</p> <p>The Gasfields Commission Queensland was formed in 2012 as an Independent Statutory Body with the purpose of managing and improving sustainable coexistence among rural landholders, regional communities and the onshore gas industry in Queensland.</p> <p>Seven commissioner were appointed covering a number of portfolios:</p> <ul style="list-style-type: none">• John Cotter, Gasfields Commission Chairman• Shane Charles, Community and Business• Ray Brown, Local Government and Infrastructure• Rick Wilkinson, Gas Industry Development• Steven Raine, Science and Research• Don Stiller, Land Access• Ian Hayllor, Water and Salt Management. <p>The commission took approximately 12 months to establish its operations and aims to build and maintain a proactive presence in regional Queensland and is engaging with natural gas companies across a range of topics.</p> <p>A parliamentary sub-committee has decided the powers and function of the commission based on public submissions. Where required it has the power to gather all of the information required from companies or landholders to reach an agreement.</p>

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	<p>Some examples of these outcomes include:</p> <ul style="list-style-type: none"> • Improvements for business and landholders, such as implementation of cattle grids in some paddocks. • Assistance with landholder rights during negotiations and compensation settlements • Working with AgForce on the CSG workshops that have been so successful in getting information out to landholders • Organisation of the GasFields Community Leaders Council South, and is organising one for the area north of the Surat Basin <p>The committee asked Mr Stiller a series of questions about the Commission. Key points were:</p> <ul style="list-style-type: none"> • The Gasfield Commission offices are at Toowoomba and Brisbane with the head office in Toowoomba. • Some resources companies have made the decision to revisit and in some cases rewrite contracts or older access agreements that were signed by landholders prior to the commission being formed. • Revisiting these contracts is a matter of negotiation between landholders, legal representatives and the companies with which they are dealing. • Negotiation and legal/lawyers' fees are to be paid by the companies with which landholders are negotiating; there is no set limit to the fees however the Petroleum & Gas Act (2004) states that "reasonable legal fees will be covered". • The commission does liaise with the CSG Compliance Unit where necessary. • The commission has limited ability to influence outcomes with housing issues, however where possible commissioners could raise the issue with the relevant parts of the government. The commission also encourages where possible that companies place staff within the community. • While the commission does not directly influence the coal mining sector, indirectly the commission is lifting the standards that other sectors may need to aim for in the future, including local and state government companies such as Powerlink. • Future challenges for the commission include assisting with smaller landholdings and identifying locations where gas wells could and could not be drilled. • A committee member commented that they benefited from the AgForce workshops around mapping and assistance for landholders negotiating with CSG companies; they were however, disappointed by lack of community turn out. The committee member enquired if the commission would be recommending that these workshops continue?

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	<ul style="list-style-type: none"> • Mr Stiller said the commission understood that AgForce was highly representative of the agricultural sector in QLD and the Gasfields Commission had requested that government funding for the workshops run by AgForce was retained. • The gasfields commission definitely has an interest in strategic cropping land, land access and water and is working with several companies regarding these topics at present. • The commission did have a stall at FarmFest; however, they didn't receive much interest. There could be various reasons for this including; engagement fatigue surrounding the topic or issues being addressed. • The main area which the commission deals with in relation to changes to demographics and social fabric of communities is residential policy and incentives for staff and workers to live in the regions where they work. • Overall it is important for communities to recognise the construction phase of projects and that this is usually the stage which affects communities the most.
<p>d. Royalties for Regions</p>	<p>Brett Smith provided an update on the Royalties for Regions program. Key points were:</p> <ul style="list-style-type: none"> • The Royalties for Regions program was established in 2012 with the purpose of reinvesting \$495 million of royalties over four years into community infrastructure to benefit communities in resource regions. • After the initial four years, \$200 million per year has been committed. • Royalties are paid by the gas industry for each export cargo in addition to domestic supply sales. • Royalties for Regions is open to all regional councils outside of South East Queensland. • Royalties for Regions requests are initiated through local Councils; however the State Government will make the final decisions on allocation of funds. • Money has to be spent in areas which will potentially be impacted by the resources industry. However the money does not need to be invested directly into the council region from which the royalties were produced. • In order for projects to be considered, councils are required to present well written and considered project proposals for assessment that are ready to be delivered in the region. • While many Royalties for Regions projects currently focus on hard infrastructure, softer community infrastructure projects will also be considered. Round 1 of the program was a pilot and commenced in September 2012.

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	<p>It produced 18 projects across six local government areas, with a total worth of more than \$49 million.</p> <ul style="list-style-type: none"> • Round 2 of the program closed on Friday, 16 August 2013 with a total of \$95 million available; \$46 million of which is pre-committed to crucial road projects. Successful projects from Round 2 will be announced in December 2013. • To date, QGC has contributed towards multiple Royalties for Regions initiatives including road upgrades and weed wash down facilities in Western Downs, Toowoomba and Maranoa regional councils. • When operations, the QCLNG Project will contribute \$150 million per annum to State royalties, with a combined total of \$1billion a year in both royalties and taxes). • Should anyone from the community be interested in proposing an initiative, they need to speak directly with their local council. • More information on the Royalties for Regions program can be found on the Department of State Development, Infrastructure and Planning website: <p>http://www.dsdp.qld.gov.au/grants-and-funding/royalties-for-the-regions.html</p> <p>Action: QGC to provide contact details for a representative from the Department of State Development and Infrastructure Planning.</p>
<p>e. Housing Update</p>	<p>Brett Smith provided an update on QGC's housing investment initiatives. Key points were:</p> <p>The Coordinator General requires QGC to address housing impacts on regional communities from the company's operations. These requirements are outlined in the Coordinator General's Conditions and QGC's Social Impact Management Plan.</p> <p>QGC has multiple housing projects including:</p> <ul style="list-style-type: none"> • The Integrated Housing Strategy, which will see up to 56 houses built. The houses will be a combination of worker housing and affordable housing. To date, 27 houses have been completed and six of these houses have been leased to community organisations. • QGC has provided \$200,000 to Western Downs Regional Council to develop the Western Downs Housing Strategy, which included the formation of the Western Downs Affordable Housing Trust. • QGC has invested \$5.7 million towards the Western Downs Affordable Housing Trust. QGC has also leased back four properties to the Trust for two years to provide immediate additional housing to the rental market. An additional two houses have also been provided to the Darling Downs Hospital and Health Service in Miles.

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	<ul style="list-style-type: none"> • Renovations are planned for eight rural properties that QGC has purchased for its activities. Construction is to be completed by the end of 2013. Applications for use of these properties closed at the end of August. Local businesses were encouraged to apply. <p>The committee had questions about housing. Key points were:</p> <ul style="list-style-type: none"> • Energy efficient designs and the use of local builders where possible has been considered for all houses that QGC is building as part of the Integrated Housing Strategy. • While QGC understands that social housing is a concern for communities in the Western Downs, this is a responsibility of the State Government. Therefore QGC is focusing its housing strategies on provision of affordable housing. • While QGC has contributed money towards the housing trust it is not compulsory for other proponents to also contribute to the trust. • In Gladstone, the Gladstone Housing Company has so far had \$19.8million contributed to it by various proponents. • The committee shared concerns that the Western Downs Affordable Housing Trust developments will only complete construction by 2014/2015. <p>Action: The Regional Community Committee to draft a letter from the committee to the Gas Field Commission Queensland, enquiring about the progress made by the Western Downs Affordable Housing Trust to date, outlining the concerns as well as requesting whether any faster action can be taken in completing the proposed developments.</p> <p>Action: The Regional Community Committee to draft a letter from the committee to the Gas Field Commission Queensland, seeking assistance in facilitating a meeting between the Western Downs community and Department of Housing and Public Works.</p> <p>Jim Cavaye, Independent Facilitator for the committee is to coordinate the drafting of a letter with Cecily Brockhurst.</p>
<p>f. Water Management Update</p>	<p>Brett Smith provided an update on QGC's Water Management. Key points were:</p> <p>To produce gas from coal seams, the pressure in the coal seams must be reduced. In the Surat Basin this means water is produced. The water is brackish (1,500 – 9,000 parts per million) which makes it only marginally suitable for irrigation or stock watering.</p>

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	<p>During gas extraction water will be taken from the Walloon Coal Measures. Connectivity between the aquifers will be monitored to determine whether there are any changes in aquifer pressure when gas production is underway.</p> <p>QGC's groundwater modelling has indicated that aquifer depressurisation does not impact the shallow groundwater systems within the QCLNG Project area. In the unlikely event that depressurisation does occur, QGC would 'make good' any impacts to landholder bores.</p> <p>QGC's activities are subject to a range of State and Federal statutory requirements. Including:</p> <ul style="list-style-type: none"> • The Federal act - the <i>Environmental Protection and Biodiversity Conservation (EPBC) Act 1999</i>; and • the State act - <i>Water Act 2000</i> • The Queensland Government has also established a body to develop a water model of the Surat Basin. This body is called the Office of Groundwater Impact Assessment (OGIA) (formerly Queensland Water Commission). <p>The Water Act 2000 requires QGC to:</p> <ul style="list-style-type: none"> • Create a baseline assessment plan • Develop an underground water impact report, with reference to the bore trigger threshold for impacted areas: <ul style="list-style-type: none"> (i) for a consolidated aquifer – 5m; or (ii) for an unconsolidated aquifer – 2m • Undertake baseline assessment and establish a groundwater monitoring network • Enter into make-good agreements for immediately affected bores • Review and update the underground water impact report every three years • Undertake monitoring at various depths. <p>A committee member asked whether there is a water plan in place.</p> <p>Another committee member explained there was and they had helped to write. It had been recently updated through Department of Environment and Resource Management (DERM) from the previous version written in 2000.</p> <p>A third committee member commented that the most common concern they had heard raised was about the possible interconnectivity between the Walloons and the other shallower aquifers.</p> <p>An overview of QGC's water infrastructure network was displayed. QGC's central water treatment plant was recently commissioned</p>

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	<p>and is running with 16 customers buying water offtakes through the SunWater pipeline that runs from the treatment plant to the Condamine River. Water will be released into the river at the Chinchilla Weir.</p> <p>QGC has a legal obligation to maintain the quality of the water throughout the pipeline.</p> <p>Brett Smith gave an overview of QGC's water storage pond network. Key points include:</p> <ul style="list-style-type: none"> • The ponds provide capacity for storage of produced water before purification at QGC's reverse osmosis (RO) treatment plants at our Kenya and Woleebee (under construction) sites • Construction timeframes vary from 5 to 9 months depending on pond size, ground conditions and impacts from the weather • Lined ponds vary in size from 113ML up to the largest at 2000 ML at Kenya (Chinchilla). The average size is approximately 480ML. <p>There are several codes with which QGC ensures compliance. The main earthworks and concrete codes are:</p> <ul style="list-style-type: none"> • AS 1289 – Method of testing soils for engineering purposes • AS 3798 - Guidelines of Earthworks for commercial and residential developments • AS 1726 – Geotechnical site investigations • AS 3600 - Concrete Structure. <p>Some points about pond lining were shared including:</p> <ul style="list-style-type: none"> • Pond liner is high-density polyethylene (HDPE) • Relevant standard: Certifying Engineers Specification • HDPE offers great ultraviolet protection and resistance from the intense stresses of weather and ageing • HDPE liner can shrink and expand over a meter in length per 100m depending on temperature variations • Older ponds are being decommissioned. <p>Lined ponds use a dual liner system:</p> <ul style="list-style-type: none"> • Primary liner (top Layer), is HDPE Liner • Second layer is 'selected clay' • Pond floor like a gable roof and gutter arrangement – hips and valleys feed bi-axle strip drains between the liner and the ground allow any water to travel to sumps at the lowest end of the pond. <p>Pond maintenance and repairs were discussed. Key points were:</p> <ul style="list-style-type: none"> • A leak detection monitoring system monitors water flow under the liner. Sensors report back to the central control

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	<p>room (project currently in design phase)</p> <ul style="list-style-type: none"> • Each week personnel check the ponds and maintain pumping equipment • Ponds are inspected annually by an independent certifying engineer and after major weather events (floods). <p>Pond leaks:</p> <ul style="list-style-type: none"> • Test water quality – fresh or produced • Monitor rate of flow from leak • Determine if flow rate will erode ground under the liner. <p>Pond repairs:</p> <ul style="list-style-type: none"> • Reduce water level to carry out repairs (preferred) • Locate defect using remote operated vehicle and leak detection equipment • Send drivers to patch leak with GCL (like a blanket that seals leaks) and weigh it down with ballast. Monitor flows to determine if repair has been successful. <p>Produced Water Management Strategy:</p> <ul style="list-style-type: none"> • QGC aims to make 97% of all produced water available for beneficial re-use • Use of reverse osmosis (RO) technology is required to treat the water • QGC has three state-of-the-art facilities with combined capacity of ~200ML/day at peak to treat the water • QGC are partnering with SunWater and utilising existing water supply schemes • The RO process produces 90% usable water for potential beneficial use • Remaining 10% RO reject • This RO reject is further treated into a concentrated brine stream, recovering 7-8% usable water • The remaining 3% is used for selective salt recovery or regulated waste facility. <p>Salt Handling: QGC are currently exploring two different options for handling salt. These include:</p> <p>Selective Salt Recovery (SSR)</p> <ul style="list-style-type: none"> • QGC, APLNG and Arrow Energy are working in collaboration to evaluate this option • Four pilot trials have been completed in France, Germany, US and Adelaide • The first pilot program has been completed and will now move to the pre-feed stage • Demonstrated technical feasibility to produce commercial grade salts • Starting to determine commercial and technical feasibility

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	<ul style="list-style-type: none"> • If it was decided that SSR was suitable all proponents would utilise the same facility • A decision is pending about whether the option of processing the salts for market is commercially viable. <p>Regulated waste facility</p> <ul style="list-style-type: none"> • This is the Environmental Impact Study (EIS) base case for all CSG proponents • It entails mechanical brine crystallisation • Storage of (dry) mixed salt in dedicated cells • Improved control/containment in a tailor-made regulated waste facility • Site selection could be existing or landfill operation or a new site • Best available technology approach for encapsulation. <p>QGC has enough ponds storage for its produced water until 2016.</p> <p>A decision will be made in the first half of 2014 as to the approach which QGC will take with salt handling.</p> <p>Northern Infrastructure Corridor (NIC)</p> <ul style="list-style-type: none"> • Part of NIC investigations include survey of a produced water infrastructure corridor to connect the northern and central water treatment plants • QGC are preparing to survey a 132km route for a pipeline easement from Woleebee Creek to Kenya, east of Miles • The NIC easement is 60m-wide, primarily intended to transport produced water and by-product from the water treatment plants however other infrastructure in the corridor may include utility services (i.e. power and fibre-optic cables). <p>The committee asked some questions regarding the NIC and salt handling. Key points and actions were:</p> <p>Action: QGC to investigate what the freeboard requirement of a brine pond is?</p> <p>Action: QGC to provide an update on planning for the regulated waste facility for salt, including preferred location/s, capacity and lifespan.</p> <p>QGCs Approach to make good:</p> <ul style="list-style-type: none"> • QGC assigned 33 bores identified in immediately affected area of the Surat Basin <ul style="list-style-type: none"> - Bore assessments required - Consider current use of bore - Plug and abandon once make good implemented

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	<ul style="list-style-type: none"> • Assigned additional 86 bores identified in long-term affected area <ul style="list-style-type: none"> - Number of bores may change with revised model output - Groundwater monitoring network will assist assessment • Approximately 26 – 28 landholders are expected to be affected • If they have historical information on their bores this can assist with the process of make good. <p>Groundwater monitoring network:</p> <ul style="list-style-type: none"> • The groundwater monitoring network is currently 75% complete • The baseline groundwater assessment has been completed for the QCLNG project and has been used to determine what the bore levels were at during the time of monitoring • The baseline groundwater assessment is the basis of the make-good arrangements. It will assist in providing information on the regional impact through comparisons between baseline, groundwater monitoring and government legislation.
<p>g. Actions from previous meeting</p>	<p>Royalties for Regions QGC was to update the Committee on the rules/process for Royalties for Regions at the next meeting. Brett Smith provided an update on this topic at this meeting.</p> <p>Gas Field Commission Queensland QGC to provide information about the Gas Field Commission and their roles and responsibilities as well as the groups authority and influence on Government. Don Stiller from the Gas Field Commission presented to the committee at this meeting.</p> <p>Housing An update on the activities of the Housing Trust was to be provided for the committee at the next meeting. Brett Smith provided an update on QGC's housing activities at this meeting.</p>
<p>h. Adoption of minutes</p>	<p>Jim Cavaye asked the Committee to formally consider the 6 June 2013 minutes and asked for suggested changes.</p> <p>The 6 June 2013 Regional Gas Field Community Committee minutes were adopted.</p>
<p>i. Community feedback</p>	<p>Jim Cavaye invited Committee members to share feedback from their networks.</p> <p>Doreen Goldsmid provided an update to the committee regarding the Chinchilla Multi-tenant Centre Project.</p>

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	<p>Jim Cavaye reiterated that he would follow up with Cecily on the letters to the Gas Fields Commission affordable housing and social housing.</p> <p>Ros Wade thanked QGC for their support of the Tara Futures Group with the Tara Camel Races, including sponsorship of the event, the volunteer support with set up and the Road Aware driving simulators. In addition to the recent support of the Murri Health mobile health service that has recently started in the region.</p>
j. Preparation for next meeting	The next meeting will be held Thursday 5 December 9am – 1pm at the Chinchilla RSL, 61 Heeney St Chinchilla.
k. Items for next agenda	<p>Jim Cavaye invited the Committee to propose agenda items for the next meeting.</p> <p>No agenda items were suggested.</p>

3. General Business

Kristelle Townsend told the committee that the next round of committee meetings would be the final meetings at which Jim Cavaye would be the independent facilitator. Jim thanked the group and explained he had commitments elsewhere. The committee would be notified of a replacement at the December meeting.

The next meeting was discussed. Kristelle suggested that a Christmas and goodbye/thankyou lunch could be included in the next meeting as a way to finish off the year and the committees' time with Jim. The committee suggested a 9am – 1pm meeting might better suit the committee. It was decided that the meeting would be rescheduled to a 9am – 1pm meeting.

4. Meeting Close

The meeting was closed by Jim Cavaye at 2.10pm.

5. Regional Gas Field Community Committee Members

Representative	Organisation
Bill Nicholas	AgForce
Carollee Murphy	Western Downs Regional Council
Cr Carolyn Tillman	Western Downs Regional Council
Cecily Brockhurst	Northern Gas Field Representative
Ros Wade	Southern Gas Field Representative
Floyd Leedie	Goondir Health Services
Kathie Fletcher	Queensland Murray-Darling Committee
Doreen Goldsmid	Central Gas Field Representative
Jenelle Choyce	Southern Queensland Institute of TAFE

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