

**COMMUNITY CONSULTATIVE COMMITTEE
AGL – CAMDEN GAS PROJECT**

MEETING NO.40

Held in the RPGP Conference Room, Menangle on 30 July 2014 at 5.30pm

MINUTES

| Member / Guest | Attendance Type |
|---|------------------------|
| Mrs Margaret MacDonald-Hill (MM) Chair | Present |
| Mr Brad Staggs (BS) | Present |
| Mrs Diane Gordon (DG) | Apologies |
| Mr Fred Anderson (FA) | Present |
| Ms Jacqui Kirkby (JK) | Present |
| Mr Andrew Spooner (AS) | Apologies |
| Mr Peter Bloem (PB) | Present |
| Mr Simon Hennings (SH) | Present |
| Mr Troy Platten (TP) | Apologies |
| Mr Paul Reynolds (PR) | Present |
| Mr Aaron Clifton (AC) | Present |
| Ms Jenny O'Brien (JO) | Present |
| Ms Carla Pignatelli (CP) | Present |
| Mr Kieran Lynch (KL) | Present |
| Ms Renee Winsor (RW) | Present |
| Ms Jenny MacMahon (JM) | Present |

Meeting Opened at: 5:35pm

| ITEM | ACTION |
|---|---------------|
| <p>1.0 Welcome</p> <p>Welcome and Introductions by Chair – MM</p> <p>Advised Kieran Lynch EPA – Acting Manager of Compliance and Assurance Section would be presenting upon his arrival</p> <p>Also introduced Renee Winsor from Campbelltown Council and Jenny MacMahon, Head of Upstream Gas Environment</p> <p>MM - Advised that she is engaged by AGL as an independent chair, approved by the Director General of Planning and Environment. She is also a member of the Mine Subsidence Board and the Minister's Arbitration Panel.</p> | |
| <p>2.0 Apologies</p> <p>As above.</p> | |
| <p>3.0 Confirmation of Previous Minutes</p> | |

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| <p>MM advised of minor amendments to be made to meeting #39 minutes following discussion with JK. Will be re-issued and shown in track changes.</p> <p>General agreement that minor amendments be accepted.</p> | <p>Minutes to be confirmed at next meeting</p> |
| <p>4.0 Correspondence</p> <p>In</p> <p>20/5/14 - email from AGL on actions from 2010-2012 Independent Environmental Audit 20/6/14 - email from AGL on Compliance Audit Report 25/6/14 - email from AGL on upcoming Open Day 25/7/14 - email response from AGL on query from Justine Firth presentation</p> <p>Out</p> <p>-</p> | |
| <p>5.0 AGL Update</p> <p>Health, safety and the environment Presentation delivered by Aaron Clifton. Copies of the presentation were made available.</p> <p><i>JK – Asked for an explanation of ‘suspended’ refers to?</i> AC - Wells that aren’t producing gas and may either be in need of a workover to stimulate the well and bring it back into production or otherwise be waiting to be plugged and abandoned.</p> <p><i>JK- When you say stimulate, does this mean these wells will be fracture stimulated?</i> AC- the workover rig does not fracture stimulate- to stimulate the well and bring it back into production, they may put a down hole pump into the well to lift water that will then allow the gas to flow again.</p> <p><i>JK – Is the RP09 access road likely to have any visual impact on Mt. Gilead?</i> AC - No, it has been taken into account. The road has really good vegetation screening and is only a small shale access road, similar to a farm track.</p> <p><i>BS – In relation to (Compressor 1 Engine Overhaul), Does it affect production?</i> AC - It has but not significantly. If one of the other two engines fail then production will drop 50%.</p> <p>Corrective actions plan for the EPA 2013 Compliance Audit Report – AGL Updated today. This will be made available on the AGL website.</p> <p>Development consent –issued by Department of Planning</p> | |

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| <p><i>JK - Referred to a discussion with the department on the current Development Consent; The copy provided by the Department was dated 2009, is there a more recent copy?</i></p> <p>AC - We have 10 development consents, and it would be ideal if they could all be consolidated, but this will not happen anytime soon. There have been some minor changes to the Rosalind Park Gas Plant Development Consent and AGL can provide a more up to date copy of this. The minor changes are more inconsistencies that have been brought into line.</p> <p>MM - ongoing changes to legislation to pick up anomalies and inconsistencies. A dynamic process but very lengthy.</p> <hr/> <p>Community update by Jenny O'Brien Copies of the presentation were made available.</p> <p><i>RW – does AGL have a corporate responsibility program?</i></p> <p>JO – Yes. AGL has a corporate social responsibility program and is referred to as Energy for Life.</p> <p>At a local level the Camden Gas project has the ability to support local initiatives and there are a number of projects we support.</p> <p><i>BS – Local communities come to Council asking for sponsorship and grants, is this something AGL would look at supporting?</i></p> <p>JO- I am currently working on a local community investment program that should be implemented shortly. Community groups would then be able to apply for funding similar to that of a grants program.</p> | <p>AGL to provide a copy to the CCC</p> |
| <p>1. EPA Compliance Audit (Kieran Lynch)</p> <p>See Presentation attached to these minutes</p> <p><i>JK –Was the unannounced audit subsequent to Enforceable undertaking?</i></p> <p>KL – No.</p> <p><i>JK - Is this audit process new for the EPA?</i></p> <p>KL – No, process is at least 15 years old. The fundamentals have not changed however some of the sections and focus do change over time to suit what is happening.</p> <p><i>JK - Has anything changed?</i></p> <p>KL – The only thing that has changed is the requirement to do more focused audits. The results of these audits have always been available for the public; however, access to audits has now increased by being available on the web.</p> <p><i>JK – There have been years of non-compliance prior to the Enforceable undertaking. How did EPA not pick it up? How can confidence be had in the auditing process if nothing has changed?</i></p> <p>KL – There has been a big shift in action that has been done. Larger penalties.</p> <p>PB – Yes, the failure to undertake continuous monitoring should have been detected early. The onus is on the Company to comply. Large</p> | |

penalties can result when this does not occur. AGL notified the EPA and community when they became aware of the non-compliance. EPA has dealt with this issue with the Enforceable Undertaking. Some monitoring was being undertaken by AGL and reported. This is the first formal EPA compliance audit that I am aware of for AGL Camden Gas in my capacity as Manager Illawarra.

JK – Issue for communities is the penalties aren't high enough.

PB - The EPA isn't operating the gas plant and the onus must be on the Company to do the right thing. EPA's job is to take action when companies are not doing the right thing. Failure to do so can result in regulatory action. The final action depends upon the nature of the incident.

There has been some criticism that some existing fines are not high enough. For example under existing laws a penalty notice of \$1500 can be issued by EPA for failure to comply with licence conditions. There are moves to increase these fines 10 fold.

JK – where can we find information on penalties and how they have changed?

KL – The Minister flagged these changes in the media in May this year and outlined the broad principles of the changes proposed. It is envisaged that these changes will take effect in September 2014.

PR- when an audit team is put together on a specialised area does the EPA put together a specialist team?

KL- no not necessarily as an audit is about fact finding and gathering information. The EPA does have specialists within the EPA that can then provide assistance and comment on particular issues.

BS - Is more staff being made available? Small number for large number of licences.

KL – The compliance audit team are not involved in day to day regulation of sites but rather focus on key priority issues or activities. This allows for objectivity during the auditing process. The audit team spends time researching activities and pollution controls when planning to audit a new industry.

FA - If the number of licences increased in the number of years, has the burden increased significantly?

PB- There has been a decrease in the number of licences in this EPA region as some industries have closed or reduced operations following the last economic downturn. However community expectation and interest has increased with some licensed premises or other new environmental issues have emerged. . Amount of work therefore, hasn't really changed.

BS - Is it a case that politicians have given community what they want? Falling behind from latest budget for example?

KL - Government has sent very strong signal in re-establishing the EPA. A lot of work to get this fair and solid. Expectations and requirements are constantly changing.

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| <p><i>JK – Workload must have increased because of the number of conditions that have to be met.</i></p> <p><i>PB – Part of the role of the EPA Compliance Audit Program is to ensure clear, effective and enforceable conditions and to prevent ambiguity in licences.</i></p> <p><i>SH- I could imagine that with limited resources and the number of licences issued there would be a good relationship with the regional branches and the Compliance and Assurance Section?</i></p> <p><i>KL- yes there is</i></p> <p><i>JK – Was the audit completed in 2 days?</i></p> <p><i>KL – The site inspection took two days, but the full audit took much longer to assess the information gathered during the site inspection and determine the level of compliance.</i></p> <p><i>JM – When conducting the audit do you select staff that has more knowledge about certain things on the site?</i></p> <p><i>KL - EPA has experts who are able to provide staff with information. It is the auditor’s job to gather information but an information network is also available within the EPA if required to assist in specialist areas.</i></p> <p><i>BS – Government centre adding more resources into compliance – is EPA captured within this?</i></p> <p><i>KL- In addition to regional staff who undertake day to day regulation, EPA has a team of people to focus on compliance auditing on priority issues or premises. This gives EPA flexibility to combine and draw on subject matter expertise within other parts of the EPA if required.</i></p> <p><i>RW – Do announced audits occur?</i></p> <p><i>KL – They do but rarely</i></p> <p><i>PR - Would imagine that given the limits of resources the EPA can’t audit every licence. Is there a selection criterion for audits?</i></p> <p><i>PB - Yes there is. Selection factors include environmental risk, history of non compliance, etc. The possibility of an audit can also increase if communities express concerns. Telling groups of licensees that audits are going to happen but not saying who will be audited also brings the standard up.</i></p> | |
| <p>7. Business arising</p> <p><i>BS – Referred to changes within Council and asked if there an opportunity for additional representation?</i></p> <p><i>MM - Happy to have additional representation.</i></p> <p><i>JO- the SEPP was gazetted on Friday July 25 and what that means specifically for the Camden Gas Project is that the 2km residential exclusion zone remains and therefore the proposed Northern Expansion remains suspended. The changes also allow minor modifications to existing approvals that have minimal environmental impact. Also will allow AGL to look at tidying up our approvals to provide consistency.</i></p> | <p>BS to discuss process with MM</p> |

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| 8. Next meeting date 24th September 2014 | |

Meeting Closed at: 7:10pm

Acronym Index

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| CCC | Community Consultative Committee |
| EPA | Environment Protection Authority |
| EPL | Environment Protection Licence |
| EU | Enforceable Undertaking |
| SEPP | State Environmental Planning Policy |
| DP&E | Department of Planning and Environment |