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Project	Gloucester Coal Seam Gas Project	From	Michael Ulph
Subject	Community Consultative Committee	Tel	4941 2841
Venue/Date/Time	Thursday 12 January 2012 Gloucester Country Club, 10am – 12:50pm	Job No	21/17714
Copies to	All attendees		
Attendees	Rod Williams – Community Representative Marnie Johnson – The Gloucester Project Anna Kaliska – Mid Coast Water Clr Paul Hogan – Mid Coast Water David Mitchell – Avon Valley Landcare Tim Hickman – Community representative Lisa Schiff – Great Lakes Council John Dugas – standing in for Gary Smith – Barrington, Gloucester, Stroud Preservation Alliance (BGSPA) Clr Karen Hutchinson – Great Lakes Council Graham Gardener - replacing Glen Wilcox — Gloucester Shire Council Clr Tony MacKenzie – replacing Peter Ainsworth – Dungog Shire Council Ed Robinson - Lower Waukivory Residents Group Sally Whitelaw – Port Stephens Council Clr Gerry Germon – Gloucester Council Ian Shaw (IS)– AGL Lands Officer Toni Laurie (TL) – AGL Land and Approvals Manager Naomi Rowe (NR) – AGL Community Relations Manager John Ross (JR) – AGL – Manager Hydrogeology Michael Ulph (MU) – GHD - Facilitator Kristy Moran – GHD - Assistant Facilitator Barbara Company (BC) – GHD Principal	Apologies	Terry Kavanagh

1. Introductions

Action



Michael Ulph

Welcome and Acknowledgement of Country

2. Meeting agenda

- 10am Welcome
 - 10:05am Introduction and purpose
 - 10:15am Phase two update
 - 10:30am Draft Terms of Reference (TOR) for the peer reviewer
 - 10:55am Draft selection criteria for the peer reviewer
 - 11:25am Review of Candidates
 - 12:25pm Communications with peer reviewer
 - 12:30pm Close of meeting.
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3. Minutes

MU: Welcomes all attendees and presents the agenda.

MU: New appointees are Graham Gardener replacing Glen Wilcox at Gloucester Shire Council and Tony MacKenzie replacing Peter Ainsworth at Dungog SC

All around the room then introduced themselves.

MU: I'd like to introduce John Ross, Manager of Hydrogeology at AGL, Barbara Company, a Principal in Stakeholder Engagement from GHD, and Naomi Rowe, Community Relations Manager from AGL..

John Ross (JR): My background is in groundwater and water resource management, and my current role with AGL is mostly with NSW CSG projects. Today I'm going to provide an update on current water studies and investigations.

Barbara Company (BC): I have a role in facilitating the development of the CEP, and am assisting AGL with community engagement processes.

MU: My role here is as an independent facilitator or Chair, and the purpose of today's extraordinary meeting is to look at draft terms of reference, draft selection criteria and then to recommend the selection of a peer reviewer, who will examine and provide recommendations on the water investigations.

I'd like to acknowledge the recent blockade and the current environment. There is a desire by AGL to involve and empower the community. I'd like to reference the International Association of Public Participation (IAP2) spectrum, which starting with "Inform" shows increasing levels of public participation in a project. The steps are "Inform", "Consult", "Involve", "Collaborate" and then "Empower", which is the maximum level of participation.

This CCC is not empowered to make these decisions around appointing a peer reviewer, but you are a long way over to the most



empowered end of the spectrum when AGL is asking for a recommendation from this group.

The benefits of this are transparency and involving the community to make recommendations, and so that AGL doesn't make decisions without community input. It would be hard to question the independence of a reviewer when this CCC has had such a large input into the process.

CCC: where do we sit on the spectrum?

It will be in different places for different things. The more involved this CCC is in communication and decision making, the further along we are.

MU: This group has good representation from a wide range in the community. We are aiming for an open and transparent process, with open communications with company representatives.

CCC: Pleased to hear about purpose of the CCC with the open and transparent process.

John Dugas: I'd like to circulate this Position Statement from our group (BGSPA).

A document is circulated by John Dugas on the position of the group he represents, the BGSPA.

CCC: Can the CCC make recommendations, but not decisions?

MU: Correct.

CCC: So the peer reviewer will review phase one and phase two review? Has phase two been available?

MU: I understand it is not finished yet. Everyone will get copies when available.

CCC: We understand that someone will be appointed as the peer reviewer but we are not sure the nature of the review.

MU: We will look to the draft terms of reference (TOR) today.

CCC: Phase one points to water resource protection, but not the detail.

MU: There seem to be many points here that are quite technical about the water studies. John Ross can talk to this in further detail later in the meeting.

CCC: I move for support to hear (John Dugas') document now.

MU: I'd prefer to run through the agenda now and then get further into detail when John Ross speaks.

John Dugas: I'd prefer to run through all points of this document now.

CCC: (discussion of the BGSPA document and as to whether to go through points raised in the document now).

Motion that the speaker no longer be heard was put by Paul Hogan and carried.

A second statement is tabled as a procedural motion by Marnie Johnson of The Gloucester Project.

Marnie: We held a meeting last week regarding today's extraordinary



meeting. As a result, I was asked by my group not to be involved today, and to read the circulated statement. I represent food production in the region and feel put in position to make a technical decision on water quality and land quality of the region. The farming community is dependent on water, and we're here to make sure water isn't adversely affected.

The extraordinary meeting was called early. We have technical advisors in our group who have reviewed Phase One. The document itself does not provide enough information to decide who will review ground water. We are waiting on phase two, and were lead to believe the phase two report would be given to them to make a decision. We feel rushed, and manipulated. The CCC is being used to get an agenda for AGL.

CCC is not a decision making body, and this is non-constitutional.

(Marnie referenced the statement about transparency in their document. She read the document, and it is tabled.)

(Marnie starts to leave the meeting).

MU: I suggest that in leaving the meeting you will do your group a disservice by not participating today.

You are a valuable proponent, and CCC will lose out by not having you here today. I believe this will be a disservice to the group by not being here today by not discussing agenda items.

Marnie: I will not participate as I do not agree with the process today. We want the information of the report, but not happy with timing. We needed the phase two information.

CCC: (Other members) we would like to have all items addressed now.

Marnie Johnson leaves.

John Dugas: I move that the meeting is adjourned until all members have the phase two report. We can't make a decision on a reviewer without knowing the scope of the job. We need the phase two report.

The timing is hasty, especially at this time of year.

The project is in the hundreds of millions of dollars, deliberations are going to affect wider LGAs. I don't want anything happening to the water. There is a lot at stake. We must address this carefully with adequate resources. This extraordinary meeting is not well thought through. It is hasty.

CCC member: I came to hear the ground water update. Let's hear some facts.

Ed Robinson: I have been asked not to participate because we don't have all the facts. I can't be seen to participate.

John Dugas: I want to know who 'a not AGL person is' to appoint.

CCC: Where are we on the IAP2 spectrum? Addressing this might help us with this process and to understand our role.

MU: AGL is working on the more collaborative end, rather than at the other end of the spectrum where they simply inform the community of their predetermined decisions. There is a document that discusses the role of the CCC.



BC: The CEP was developed with the CCC with opportunity for input. There has been little feedback. I've been brought in to help guide AGL to improve its community involvement, and understand that today is about bringing in John Ross to recommend a decision. AGL wants to work with the community to give some technical expertise to make a recommendation on a report developed by consultants. John has come today and we should give him the respect he deserves.

I recognise that John Dugas provides good input and always has for his group. But it would be a disservice to the CCC to not hear the technical update from John Ross.

MU: I'd like to go back to the motion.

John Dugas: Please clarify the purpose of today.

John Ross: To go through the framework and chronology, and what has happened in last 18 months. We have today the table of contents of the phase two report.

John Dugas: So, based on contents page of the phase two report, we are making a commitment on the person making the peer review. It's a decision for a project in the hundreds of millions of dollars based on a five page contents page.

John Ross: We are looking at their credentials today and their professional experience, we don't need all the details.

John Dugas: I feel we need the detailed report.

CCC: I am disappointed the Alliance group hasn't put up anyone they are happy with. If we want to choose someone today, select them and give the group someone to review.

TL: We did have a meeting yesterday with the Alliance. They presented us with their points of view and a proposal, marked confidential.

CCC: That's not very transparent.

TL: We are considering the options put forward to us in the meeting.

CCC: They are fracturing the CCC.

TL: We will also have meetings with other groups.

CCC: Sounds like the Alliance is running the CCC.

MU: Back to the motion, we need to have a vote.

MU: The motion is that "This meeting be adjourned until these matters have been addressed satisfactorily, point by point; and

That on future occasions, sufficient time be given for GCCC members to properly and fully acquaint themselves with adequate and necessary documentation and, where deemed necessary seek expert advice, before they are expected to provide any further input into recommendations associated with the Gloucester Gas Project."

The motion is defeated.

John Dugas and Ed Robinson leave the meeting.

MU: Gentlemen I hope that you will avail yourselves of the minutes of this meeting in due course.



CCC: Do we still have a quorum (now that Marnie, John and Ed have left)?

MU: Yes.

CCC: Please clarify if the Alliance may come up with someone other than whom AGL suggest.

TL: We organised for senior management to meet with the Alliance. They put forward a strategy, we committed to them to consider it.

They asked us (at the meeting yesterday) not to have this meeting today, however it is still being held with respect to the other members of CCC.

CCC: Is this likely to affect the terms of reference?

TL: No. The documents are draft and we can amend them with suggestions from the CCC.

CCC: I have a problem with the confidentiality of the Alliance document. This committee needs to be transparent.

CCC: How can the committee consider this person (they put forward)?

MU: We should go through the TOR.

CCC: The CCC is to represent the community. It (AGL) can't favour one section of the community and then advise that a meeting has been made with the Alliance... they need to stick with the committee.

MU: This CCC is an important part of AGL's consultation with the community. It represents a wide range of community members and groups. As Toni said, AGL has always said their door is open and they will talk to anyone, whether the person or people represent a group or not does not matter.

Let's move on to John the floor is yours.

JR: (John provided information on his professional background); I have 35 years in ground water, am well respected and worked with the NSW Government for 20 years before becoming a private consultant. I have been involved with CSG since 2003 and been engaged in hydro geological studies during that time. I know water resources and catchments well, and have also worked with Sydney Catchment Authority during the recent drought.

I joined AGL in May 2010 and was brought in to get in front of the game. In 2010 AGL realised that groundwater is a big issue for environmental and water resource considerations, communities and regulatory concerns/requirements.

We have achieved a lot here in the Gloucester area in last few years, particularly in the past 18 months.

The 2007 (URS) desktop report will be on the table for peer review together with the released (SRK) desktop report of 2011.

The original reports identified gaps in the existing data. The Phase two (field investigation program) was awarded to PB in October 2010, and field programs commenced in December 2010, with a view to complete that program within 12-15 months. We are still on the timeline that we committed to the CCC in 2010 and 2011. Works have been underway



as per the commitment.

We have drilled, tested and analysed all the groundwater systems in the Stage 1 area, and are monitoring right down to the coal seams at about 300m depths (the monitoring horizons are shallow, intermediate and deep).

I'll now provide an update on where holes have been drilled and monitoring bores established. We have a concentration of bore holes around Stratford. Work in that area is to confirm the conceptual model at a local scale for application at the sub-regional scale.

Ground water in this basin is brackish and salty. So we needed to understand the groundwater recharge, discharge and flow characteristics, particularly given the high rain fall across the region. We needed to work out the fundamentals of groundwater and how it fits into the hydrological cycle across the region.

The phase two report will be a highly technical and detailed report for someone with a scientific background. We wanted to have an independent review of that report to ensure the work PB (Parsons Brinckerhoff) put together is comprehensive and allows us to step in to the next phase. We needed dedicated fieldwork programs and 12 months of monitoring data. We now have that, we were planning to start build the groundwater model in April. We wanted to have a detailed and transparent report, and wanted to involve the community understanding what we have done and where we are headed with our water monitoring network. We will have fact sheets to help explain some of the detailed concepts and results.

I'll now talk to the table of contents. It is standard for similar groundwater investigations where you are trying to characterise a particular area. We have the background, then chapter 2 on what we already know. Groundwater information will include information that has never been included before from Lucas (such as the earlier flow testing programs). Site characterisation is what we know about the site environment, that is what we know today without this new study. Chapter four is PB's methodology; the things we really need to know and understand; their scope of work; and specifications for the groundwater testing, monitoring and bore drilling program.

CCC: So we gave PB a brief? Midcoast water came on late in the process... was this brief discussed at CCC before? Were we advised that these bores were going to happen?

MU: Yes, and when John Ross was here last time, he addressed the details of this. It was basically just groundwater 101. Also, other AGL staff and independent experts have been here to explain other areas of the project, such as particulates, seismic survey etcetera.

CCC: The whole projects sounds like AGL is a company that will do what it wants to do. Is it self-monitored?

JR: The planning approval conditions are prescriptive in terms of what the Government wants for assessment and monitoring systems before we can put in a production gas well. AGL was proactive in late 2010 and initiated this detailed investigation before the approvals came out in early 2011. We knew there was a lot of fieldwork to be completed and dedicated networks to install. We took a punt that what we were doing would meet the criteria. We asked agencies for their input into



our approach, and have also asked them to look at the phase two report to ensure we get it right before moving into the construction phase.

CCC: Do you need water licences to get the project underway?

JR: Yes. Licences for industrial and irrigation licences for production gas wells; test and monitoring bore licences for all investigation programs. We are working to meet the intent of the Planning approval conditions, such as with the peer review. Phase two is a critical report as the first rung on the ladder to obtain the required approvals pre-construction.

CCC: Do they sign off on the peer reviewer?

JR: No, not that level of the detail.

It is one the most comprehensive reports I have guided for the industry. It trust it will stand the test of time, and hopefully set a benchmark for CSG baseline investigation studies.

CCC: How do irrigators that pull water out of the river fit?

JR: That's not in this phase two report, it's essentially a groundwater baseline report that links to current river characteristics. For surface water interaction, it's not the flow or volumes, but is the height at which a stream flows. Providing the height in the river is known (together with water quality), a conceptual model can be developed, and the other data doesn't really matter.

In addition to water level and water quality characteristics, we have done testing for permeabilities, and have done gas sampling and composition of coals.

Then onto chapters 5-9, with all the results; it's the intimate detail of what we've found that tells the full story. We have dated the water in the alluvium, it is modern (less than 50 years old). All water at depth (to 300m) is much older and up to 30,000 years old. I expect the water in the deeper coal seams to be even older again. This fits the conceptual model, of low rainfall recharge, slow migration through the rocks, long residence times and minimal discharge.

The highest salinity is about 6,000 parts per million salt, which is not highly saline (given that seawater is almost 40,000 parts per million salt). The bedrock groundwater systems (and catchment) has picked up salts from past marine deposits.

Isotope studies completed by PB have confirmed that all groundwater is rainfall derived. Groundwater discharge is to the base of the alluvium and eventually the streams. During dry periods it is evident from the monitoring programs that the river salinity picks up.

The data and model shows that salinity is coming out of the alluvium. During wetter periods salinity increases with the initial catchment runoff then decreases dramatically.

MU: What is the timing on report?

JR: The hard copy is ready for printers... and will probably be back next week. We plan to give to the CCC at the same time as peer reviewer.

CCC: So there are several documents – the document from 2007 no one has seen, phase one desktop study and phase two investigation



report?

JR: Yes, as well as raw data from data loggers in 22 holes that comprise the groundwater monitoring network, and an additional 3 stream gauges that comprise the surface water monitoring network.

CCC: So there is no information that the peer reviewer can't obtain?

JR: No, we want to go forward without any gaps.

CCC: I suggest the raw data is provided as a matter of course.

CCC: Can we have the data available for everyone? For transparency.

JR: Yes we will investigate, we just need to make sure it can't be manipulated, perhaps secure PDFs?

CCC: There are 25 sites with data loggers... how often water is quality monitored?

JR: For surface water the salinity is measured every six hours, so the same as the water levels for the other loggers.

For groundwater we did one comprehensive round of monitoring in April 2011. We are planning another round of all networks at some time in late 2012, but at this stage it is not timetabled. But will have two comprehensive events (at least) prior to construction, and will list all elements measured.

There is no point having continual water quality samples as groundwater movement is very slow and the quality doesn't change much.

To complete the study there is a comprehensive reference list in the back of the report. Also there are reference documents, such as the recent CSIRO desktop study about naturally occurring petroleum compounds in natural groundwater in these Eastern Australian coal basins, that AGL can provide to the peer reviewer and CCC.

MU: any other questions of John Ross?

(No responses).

Thank you.

Now to questions about the Terms of Reference.

TL: Does everyone have the document?

JR: I'm happy to go through it. AGL was always going to undertake a peer review at this stage of the investigation process. We need someone to dissect it (our reports) that make sure we have all the information and monitoring data we need for baseline and to step into the compute modelling stage.

(Referenced TOR document.)

We will discuss this to make sure we have everything captured.

The document outlines what we are going to have them do, their deliverables and also the selection criteria.

NR: We want to make clear that this is a draft document, and this relationship with the document is one owned by the CCC. Feel free to contribute.



BC: Given David's comments regarding the separation of groups, we also need to know how the TOR will sit with those who walked out of this room. We need to ensure this CCC is a peak body representative of the broader Gloucester community.

CCC: If we table a suggestion and give them the chance to comment, and they don't, we can make the decision.

CCC: These other groups have had the chance to make their point of view.

CCC: Who was at the Alliance meeting yesterday?

TL: Three representatives attended. EB Phillips for the Alliance. They brought in a consultant from the Central Coast, Phillip Pells Consulting. Julie Lyford was also there as a community representative. For AGL there was myself, John Ross, Naomi Rowe and Paul Ashby (Head of Commercial Development and acting Group General Manager, attending for the CEO).

CCC: This is hard to handle, getting information out to the community. All the representatives need to document questions and help spread the information. AGL is stuck with this problem all the time. We all have a loyalty to those represented. To sit it out makes it hard to represent it.

MU: To paraphrase what I said to Marnie, (if you leave) you still have option of reading minutes, but not to contribute (to the meeting).

CCC: Can I get clarification on the process, what has the peer reviewer responded to without having the brief?

JR: I disagree that you need to have seen the studies you're reviewing prior. If you're a professional hydrogeologist with the right experience you know what you're looking for.

Initially, I started by brainstorming who has 20+ years experience and who could potentially be available. I rang eight people and a couple dropped off. I then sent the remainder the brief as referenced in the document everyone has. Four have indicated a willingness to proceed.

NR: We also advised candidates that the TOR are draft and may change.

CCC: The one thing that is most important is their communication skills. What are they going to do – just review data and translate? Will they make public statements? This is an important skill. I'd like to meet these people and hear them speak.

JR: Communication is a key aspect of this review as the report needs to be a plain English report.

NR: It is the same process as with other CCC groups. We want someone who can present in plain English and someone who can be asked many questions.

CCC: We would like to discuss if they are going to make a public presentation?

JR: The criteria say, be "available for" public presentation. I've included that for discussion.

CCC: Was there any reason for calling those you know, rather than a request for tender? Perhaps that's the issue for the Alliance, that there



were people suggested.

CCC: We were given the chance to go out and research possible candidates and suggest people.

CCC: I just thought an ad in the paper would have been good. But I'm not doubting your choice. Might just be a transparency issue.

NR: That's taken on board as a recommendation.

JR: Point taken. Just that there are about 50 or 60 people nationally with exceptional years of experience and the likely credentials, and probably only 20 or 30 in Eastern Australia. A tender or advert was unlikely to have turned up other suitable candidates. There are lessons learned all the time for us, and we can take it on board.

CCC: I was involved in Tillegra Dam, and this is the sort of thing that fractured the community there. Fair bit of value of putting a two week delay on this in making this a transparent process.

CCC: This is another example of AGL not being transparent and they need to be, and Barbara needs to take this to AGL.

CCC: Putting it out there does make it a lot more transparent.

CCC: Can I suggest putting an ad in the paper?

IS: It has been in the emails going out. I think it's been three times, asking for people to put in for this opportunity.

CCC: AGL asked the CCC to put people up and they didn't have people they felt were suitable.

The timing was the other thing, however, I suggested (to the Alliance) calling to register their expression to suggest someone if they didn't have time to submit them.

JR: To answer the questions over timing and travelling at this pace, there are several reasons.

One reason is the groundwater model. Our program is to get this going in April/May. We need to have peer reviewer come in, critique the studies and available information and get this process going, particularly if there are any data gaps.

We also need to have the Waukivory drilling and testing program underway as soon as possible to get actual data on the shallow aquifers, and the impact (if any) of the flow testing programs when we pull water out of the greater depths.

Back to the peer review role: there are five points, and the first couple are critical: We are asking them to step back and ask if the methodology, locations and what we're monitoring for are appropriate for this gas field development. Essentially do we have confidence on the drilling, methodology and network locations to go forward?

Then we are asking them to review the studies, have a look at the data sets and whether the conclusions are fair and reasonable.

The third one, reporting requirements by the 17th (February).

The fourth point; come to the area to inspect the sites possibly with the CCC. And the last point is to have them come and present to the CCC.



CCC: And gaps in the process will be noted?

JR: Gaps will be identified and more than just noted. We will act upon them. PB are also working on recommendations to AGL to identify any minor gaps or extras now required. We need to pool all this information. We can share all these recommendations with the CCC after the peer review process is completed.

CCC :Perhaps “noted and reported” – it should state.

CCC: The fourth point, “encouraged” should be “required”. Third point should be the last.

JR: We will also tweak the second point to be “will” supply raw data.

MU: So point three, “will be required” to undertake a review of the area.

BC: We have the idea of the open day ahead of peer review, however we could change this so that we have the peer review before. So on 7 February we could have the peer reviewer and CCC tour the site.

BC: Even so with advertising, we should still have info back by end of January. So a tentative date of 7th February subject to peer reviewer availability?

MU: What about taking the date off?

CCC: OK.

BC: OK, at “date to be set”.

MU: Onto point five, “peer reviewer required to present findings of report”.

CCC: Is there a public presentation? And is that desirable? I’m in two minds about the benefits, but am not sure how reasonable it is.

BC: It’s a great idea, perhaps at the open day. We could provide a couple of presentations throughout the day.

CCC: Great idea.

JR: We can also have PB come along and talk about their instruments.

IS: We are looking at a couple of days (to ensure all can make it).

CCC: Perhaps make it an additional point.

IS: Or, add ‘presentation to CCC’ and also provide public presentation as required?

JR: something more substantial.

CCC: Just add, ‘also for two day community engagement open days.’

BC: We will work through (a suitable date) to make it available to those who work.

JR: moving to the brief – detail of dissecting phase one and two.

BC: If we advertise – can existing people still be included?

CCC:yes.

MU: Is there an overarching body that we can advertise through?

JR: The Australian Chapter of the International Association of Hydrogeologists. They have an employment page that we could use.



CCC : Yes, we can put that up and ask for a response to this brief.

JR: All the high profile credible people are members. The website and jobs page are looked at weekly by most people.

MU: Is everyone happy with that?

CCC: Motion moved. Timeframes will change slightly.

CCC: You will need to advise the existing applicants.

JR: We will advise applicants of the details and will have to ask them to reconfirm their availability.

CCC: Need to really meet someone for such a big project. Communications skills are very important. Need to meet them or teleconference with them.

CCC: perhaps not necessary for all the CCC to attend. We could endorse someone to attend as a subcommittee.

CCC : I am also conscious that they must be credible technically.

CCC :(Suggested a candidate).

MU: That would be jumping the gun, let's continue with the peer reviewer brief.

JR: The first point; review and dissect reports. That involves expert advice, methodology and then results and conclusions of these studies.

CCC: Review "the" not "the latest".

JR: Third point, "inspect" not "be available".

CCC: I'm concerned that all areas need to be captured in the process.

JR: We have data sharing arrangements with the mines.

CCC: Would like to document that there are parcels that AGL can't capture data from? It might weaken the data results.

JR: There's nothing major that we can't access.

BC: The peer reviewer is appointed for a specific role for a specific amount of time. It may be that the CCC would like to have access to a technical expert for longer. This could be discussed once the peer review work for the Phase II Report is completed.

MU: The peer reviewer is also to answer questions from the CCC – no time frame on that.

MU: Communication through the peer reviewer is through myself and for technical questions John Ross.

JR: Primary communication will be through the (CCC) group.

CCC: I think it would be good to spell out who will manage the peer reviewer, and who will manage the communication and the project brief. And that should be MU's role to communicate with the peer reviewer.

The community also need to ensure they receive the information.

The role to manage the communication about the project should be spelled out.



JR: Ultimately the CCC is the client and will be delivered the report.

CCC: I think that should be spelled out.

CCC: The community of Great Lakes is concerned about water quality. What is the likelihood of water degradation at Karuah?

JR: We will report on water levels and water quality in an annual monitoring report, with the first one in August this year. I can't speak for the miners. This AGL report will be baseline data from our monitoring network.

My expectation is that as we are taking salty water out of the water, then the water quality may improve.

CCC: Is there a role for the peer reviewer to examine water quality outside this area?

CCC: No.

NR: It's likely that questions posted to the peer reviewer will become broader than their original brief. I don't think we should restrict this person down the track from answering these questions.

JR: Back to the selection criteria. In putting this together we were trying to be objective.

Back to point one: we are searching for 20+ years experience.

CCC: Good.

JR: To point 2: To be independent, a fresh set of eyes.

CCC :Do you need to say "In NSW"

JR: No as a few consultants in QLD would be removed.

CCC: Remove "in NSW".

CCC: Could we include membership in a professional body that has a code of ethics.

NR: AGL has a code of ethics too.

CCC: Or demonstrate adherence to a professional code of ethics.

JR: To point 3, we didn't want someone who was hands on in the mines.

CCC: Or "extractive industries".

CCC: Yes.

CCC: Are we being too limiting in our criteria regarding working with or against an industry?

BC: If someone has been predisposed to an industry it's hard to remove that from them.

CCC: We will be able to tell who is associated with pro or con projects.

CCC: But sometimes consultants will be hired objectively to work with such projects.

CCC: Take out third and fourth points.

MU: So we've clarified the changes?



CCC: Agreed.

JR: The next version of this criteria will be circulated.

We will remove the timeframes from the 5th point.

CCC: Is it too onerous to specify “exceptional communications skills”?
The CCC should be the facilitator of their findings.

CCC: we could also find out their communications skills in the
interview.

CCC: I think the communications skills should be point two. They
should be a good communicator. We already have great technical
expertise.

NR: Add “to diverse audiences” to the final point on communications.

CCC: and move it up the list to second point.

JR: The last four points are desirable.

CCC: So it’s not essential to have worked in the CSG industry?

JR: Not essential as peer reviewers know the fundamentals of ground
water investigations and these types of studies. They could also be
excellent communicators.

CCC: Perhaps change to “water management expertise” instead of the
mining industry?

JR: “Water catchment experience”?

CCC: Yes, someone who has worked in water resources not just in the
mining industry.

JR: Perhaps add in “know catchment and water resources”.

IS: “Significantly informed on a diverse range of catchment/ground
water systems”.

CCC: Yes.

JR: And it’s important that the person is recognised.

The final point, similar studies on similar projects.

MU: (Recapped the changes).

CCC: Yes.

BC: We need to make sure the peer reviewer is appointed in a
transparent way. So suggest we advertise in the IAH (International
Association of Hydrogeologists) as well as the Gloucester Advocate..

CCC: Will this go some way to addressing the concerns raised
yesterday?

NR: I think so. Transparency is a big issue. I think the document is
confidential as it’s not their final position. I’m not speaking on their
behalf however.

Ensuring the community has trust and transparency is a big concern
for them.

CCC: Which part of the community?

NR: It wasn’t qualified. We are hoping the steps today will bring



together a lot of the elements that will satisfy a lot of the priorities of the CCC.

BC: I've been involved in this process for a little while and it's a tough process until there's a bit of certainty. It's about improving existing consultation processes and striving to continually improve.

So what's the time frame for the ending date for the request for submission?

JR: Let's aim for 31 January to receive names.

CCC: The existing submitters will need to re-submit against the revised criteria.

BC: So is everyone happy to close submissions on 2nd February. Are you happy to classify the criteria into professional areas such as expertise, reputation (professional experience), objectivity, capability to deliver on the brief within the timeframe, and communication skills. Happy to have the bullet points sit within the criteria?

CCC: yes.

CCC: Just add that the final candidate will be determined following an interview with the CCC.

CCC: We talked about the role of the PM and Communication manager.

BC: AGL can project manage the process on behalf of the CCC if the CCC is happy with that.

CCC :Don't we then get the responses to the brief?

CCC :Then send the invite to all CCC members to a video conference (for the candidates)

MU: Show of hands, who can attend? So eight people. And potentially those who have left the room.

BC: So a first come first served basis?

MU: I expect we'll be able to fit every CCC member than can come.

The date for this interview is the 9th Feb?

NR: are we going to interview all submissions?

BC: Or do you want John to filter them to say the top 3?

CCC : No. Perhaps John could prepare a table and then circulate the results, send it out and we could get back to the chair.

MU: GHD could prepare an online survey to allow CCC to rank submissions. We could get a hard copy to Paul at Midcoast Water.

BC: CCC could then nominate their top 3 candidates.

MU: I will send out the results.

(Gerry Germon and Tim Hickman leave).

BC: So we advise on 18 January in the paper of the new process, plus advertise on the IAH website. Close applications on 2 February. Results are issued in a spread sheet on 13 Feb. We circulate the results on 14 Feb. Then video interviews with candidates will be held



on 16 Feb, and the successful candidate appointment on 17 Feb.

MU: So by the next CCC the peer reviewer has been appointed, but they can't come to the meeting as they've only just been appointed.

They could come to the open day to meet the CCC and see the site.

JR: We could then formally hand over the documents and data.

CCC: To clarify, this committee doesn't have a legal right to determine the peer reviewer?

MU: AGL is volunteering to take the recommendation, and is also paying for the fees.

(Lisa leaves).

BC: Is everyone happy with the process? Other comments?

CCC: Yes.

MU: One more item on the agenda.

TL: I wanted to flag something now before the next meeting.

MU: before that, communicating with the peer reviewer. I'm going to try to do that with the peer reviewer. If people have questions, I'm going to make sure that all of the CCC has copies of the questions and the answers, and to also have these put on the AGL website.

IS: For the interviews, should the chairman ask the questions? We just don't want someone who isn't here to dominate the questions.

CCC : The chair should ask the questions. The CCC could send questions to the Chair to ask the questions.

MU: So that's understood. MU to include information on the process for asking questions at the interview.

CCC: Do we need to put an ad in the paper about the issues of this morning, and about their position being different to the CCC?

NR: No. But a CCC member can write into the paper representing themselves. We want all members to be able to state their position in the CCC meetings.

MU: Toni?

TL: A couple of updates that will go into the next meeting, that I feel I need to update you on now. Mark Bonisch has left AGL. We will be replacing Mark on this project in due course.

The second point is that there are rumours about AGL purchasing property. I wanted to confirm with the CCC first. We have purchased property to the North of the Tiedeman property.

MU: Sally has some general news.

Sally: I will be replaced on the CCC by a nominated person from Port Stephens Council while I am on maternity leave".

MU: No other comments for questions?

I'll close the meeting at ten to two pm.

GHD to prepare a survey to allow CCC to rank submissions.
GHD also to prepare hard copy to Paul at Midcoast Water

The CCC to send interview questions to the Chair to ask the questions.



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10. Next meeting

The next CCC meeting is planned for February 23rd from 10am at the Gloucester Country Club.

Attachments.

1. Position statement tabled by John Dugas for the Barrington, Gloucester, Stroud Preservation Alliance.
2. Position statement tabled by Marnie Johnson for The Gloucester Project.



**STATEMENT OF POSITION
BY
BARRINGTON-GLOUCESTER-STROUD PRESERVATION ALLIANCE INC.
FOR
GLOUCESTER AGL COMMUNITY CONSULTATIVE COMMITTEE
ON 12 JANUARY 2012**

With reference to the documentation provided thus far to GCCC members, the following items require addressing and satisfactory resolution prior to any recommendations being made:

1. The Reviewer is required to review the Phase 1 and Phase 2 reports for Stage 1 of the project which are purported to cover hydrology (surface waters) and hydrogeology (ground waters). However, the Phase 2 report has not yet been published, is not available to GCCC members, and the Phase 1 report only covers limited factual data in respect to hydrogeology (no hydrology).

2. The Phase 1 report includes recommendations for major, further, factual investigations, and there is no indication by AGL whether this work has been done, or will be done.

3. The Document refers to "water resource protection" and "impacts to water resources" as being the key issues for the review, but nowhere defines what are the components that are the key drivers of the study that is to be reviewed (is the review to cover swamps, rivers, dams, floodplains, existing bores, potential groundwater resources, groundwater pressure regime, groundwater chemistry, disposal of extracted contaminated water, baseflows to springs, creeks, rivers and ephemeral flows, impacts of surface water fauna and flora etc etc ??).

Put another way, the Document does not define the terms of the studies (Phase 1 and Phase 2) that are supposed to be reviewed - **so it is impossible to select a reviewer with appropriate expertise.** Does the Reviewer need to be an expert in 3D groundwater modelling, or groundwater chemistry, or hydrology, of aquatic problems? What?

4. The Reviewer is required to provide independent advice to the GCCC, but the GCCC has no statutory authority to make any decisions or recommendations

5. The Reviewer is indicated as reporting to the Chairman of the GCCC, but that Chairman is paid by AGL, and is therefore potentially compromised. This is unsatisfactory corporate governance and raises issues of probity.

6. The Reviewer is required to determine whether the Phase 1 and Phase 2 reports represent a "fair and reasonable" study – but this is impossible because the scope and objectives of the Study are not defined anywhere and therefore "fair and reasonable" has no meaning.

over/



7. The Review is required to be completed by 17 February 2012 - this is an impossibly short period if the Phase 1 and Phase 2 reports are properly comprehensive - and if they are not then the exercise is not meaningful.

8. The Document only refers to quantities of subsurface water - it no where refers to changes to groundwater equipotentials, which changes are critical to bores and baseflow recharge of creeks, rivers and swamps

9. The Document, and the Phase 1 report, nowhere refers to the actual chemicals that will be injected into the ground for hydrofracturing, but in terms of types of chemical and quantities of chemicals - yet these chemicals are one of the major concerns in respect to CSG extraction (see Scientific American Nov 2011).

10. The Document states that it is "important that the Reviewer identifies any technical gaps and recommends any additional work programs...". This is meaningless in the context where there is no definition of the scope of the study (see Point 3, above), and in any event the GCCC has no Statutory Authority to ensure that such work is implemented - and there is no consequence if the work is not implemented.

11. From investigation and further advice that has been made available by practitioners in the field, of the list of names proposed, three of the persons are compromised according to the criteria that has been proposed by AGL.

12. We are further aware that Gloucester Shire Council and Taree City Council, whose ratepayers are downstream users of water sourced from Gloucester Shire, have resolved for a pause to CSG related activities until the completion of suitable scientific studies regarding Coal Seam Gas Exploration and Production. In addition, both MidCoast Water (which is responsible for the provision of water services to over 80,000 people – including Gloucester) and Great Lakes Council, have adopted Position Statements calling for the implementation of the **precautionary principle** with regard to any proposed CSG developments, Those expressed views which reflect community concerns should be taken into account by GCCC members as they form their views on ways forward with AGL's proposals.

Given all of the above issues,

I move Mr Chairman:

That this meeting be adjourned until these matters have been addressed satisfactorily, point by point; and

That on future occasions, sufficient time be given for GCCC members to properly and fully acquaint themselves with adequate and necessary documentation and, where deemed necessary seek expert advice, before they are expected to provide any further input into recommendations associated with the Gloucester Gas Project.



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12.1.2012

**Position Statement from The Gloucester Project to AGL
re extraordinary meeting of the GCCC**

The Gloucester Project directs its representative Marianne Johnson not to participate in the extraordinary meeting to recommend a peer reviewer for the AGL CSG stage 1 project.

- The Gloucester Project (TGP) supports the Gloucester community's call for a comprehensive and transparent assessment of the impacts and risks associated with AGL's industrial practices.
- TGP believes that AGL has attempted to retain control of the assessment process to the detriment of our region's water security.
- The GCCC is not constituted, nor does it have the expertise to approve AGL's control of the assessment process
- If AGL is confident that their industrial practices carry no risk to our region's capacity to be a significant food and water supplier to Gloucester and downstream communities, it should not need to manoeuvre to retain control of the assessment process.
- TGP cannot give credibility to AGL's strategy of using the GCCC to endorse its restrictive program by participating in the January extraordinary meeting.
- TGP believes that the assessment procedure, as expressed by the BGSPA led community group is fair, comprehensive and transparent and only seeks to establish a true picture of this region's hydrogeological characteristics. We believe that the impact of drilling, fracking and the excavation of other mining industries carries inordinate risks for this region. Only by a full and open process can the real conditions and risks be assessed.
- The Gloucester Project is prepared to continue to contribute in a positive way, to the legitimate aspects of the GCCC, and calls on AGL to negotiate fairly and openly with the BGSPA led community negotiating group


Ken Johnson
President TGP

Chairperson
Ken Johnson
BA,OAM

Treasurer
Thomas Davey
BEc.,Dip Mkt

Secretary
Marianne Johnson
BA, Dip PE, NDT