

**SENATE REFERNCES COMMITTEE ON
RURAL AFFAIRS & TRANSPORT**

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**Inquiry into the management of the Murray Darling Basin
Impacts of mining Coal Seam Gas**

ROMA, QLD - MONDAY, 18 JULY 2011

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Briefing paper

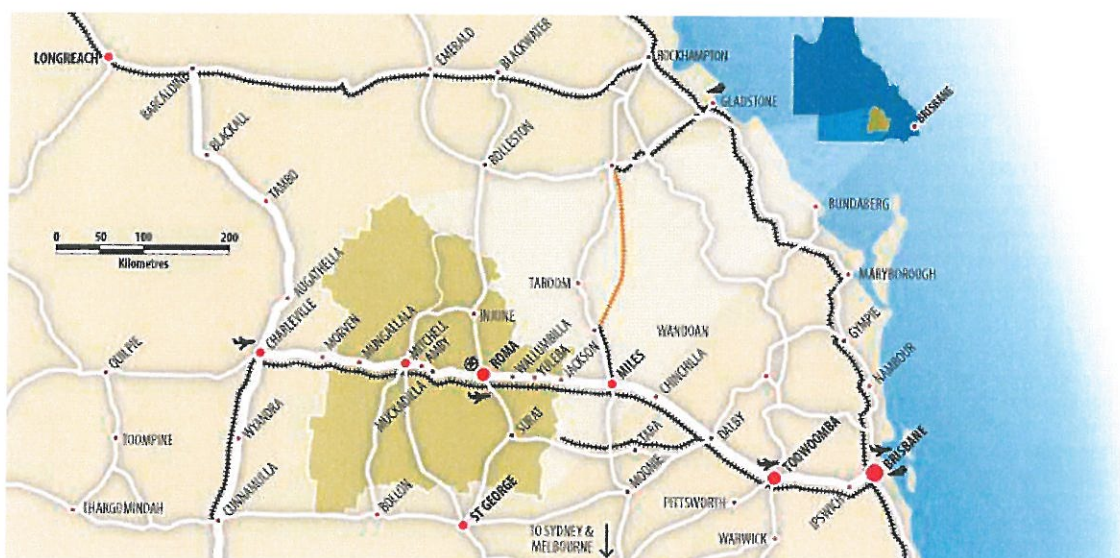
Subject: Submission to the Senate enquiry in to the impacts of coal seam gas and coal mining developments in the Queensland Murray Darling Basin.

Date: 18 July 2010

Author: Ed Sims Manager Organisational Performance Maranoa Regional Council

1. Regional profile as it relates to the mining coal seam gas.

The Maranoa Regional Council local government area is centred on the town of Roma.



The population of 13,500 comprises a workforce of 8,500. The employment by industry profile below profiles the relationship the work force has with the Mining and energy sector. Please note that this table is dated by two years and it is likely that the ratio of those employed in Agriculture is to Mining may have closed significantly to date.

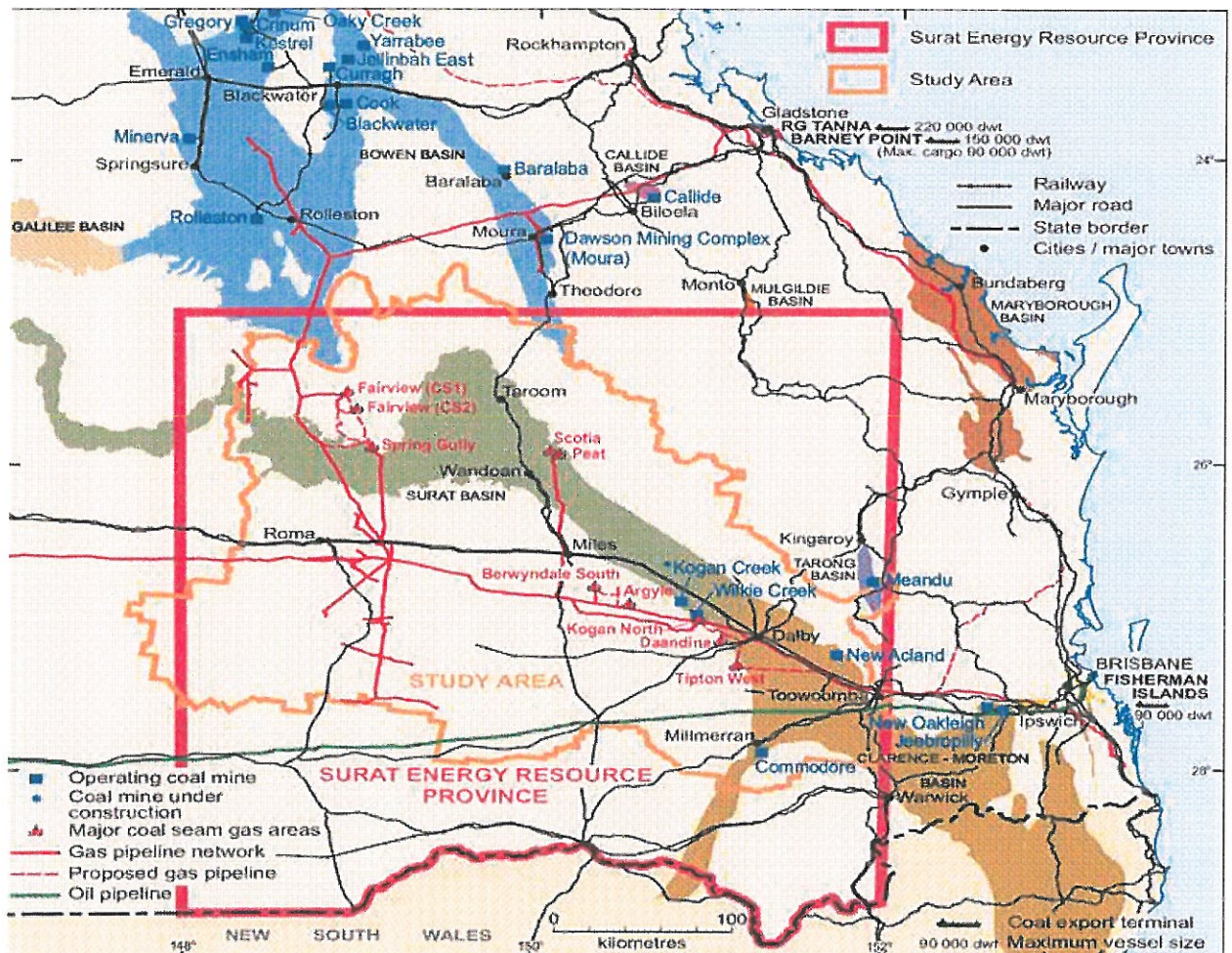
Industry	Maranoa		South West SD	Darling Downs SD	Non Metro Queensland	Queensland
	#	%	% Contribution			
Agriculture forestry & fishing	1,448	23.8%	26.1%	12.3%	6.2%	3.5%
Mining	210	3.4%	3.2%	0.7%	2.7%	1.7%
Manufacturing	405	6.7%	5.6%	10.8%	9.4%	10.5%
Electricity gas & water supply	72	1.2%	1.0%	0.8%	0.9%	0.9%
Construction	308	5.1%	6.2%	7.7%	10.0%	9.0%
Wholesale Trade	235	3.9%	3.3%	4.4%	4.0%	4.6%
Retail Trade	809	13.3%	12.1%	15.5%	15.9%	15.1%
Accommodation cafes & restaurants	283	4.6%	4.6%	3.9%	6.6%	5.3%
Transport & storage	247	4.1%	4.2%	3.9%	4.4%	4.9%
Communication services	57	0.9%	1.1%	1.0%	1.0%	1.2%
Finance & insurance	89	1.5%	1.2%	2.6%	2.1%	3.0%
Property & business services	223	3.7%	3.5%	5.9%	8.2%	10.4%
Education	491	8.1%	7.6%	5.7%	5.3%	5.6%
Government Administration & Defence	400	6.6%	6.8%	9.0%	7.6%	7.7%

Industry	Maranoa		South West SD	Darling Downs SD	Non Metro Queensland	Queensland
Health & community services	624	10.3%	10.0%	11.4%	10.2%	10.8%
Cultural & recreational services	48	0.8%	0.7%	1.2%	2.2%	2.1%
Personal & other services	137	2.2%	2.6%	3.0%	3.4%	3.7%
Total	6,084	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Maranoa Economic Development Strategy - AEC Group Sept 2009

The community has been coexisting with the industry for 110 years.

The Maranoa has a long history of supplying the gas needs of South East Queensland, with Australia's first discovery of natural gas being in 1899 in the Roma area. In more recent times the region is home to the SANTOS/Petronas GLNG project and to a lesser extent a major gas field for the Origin APLNG project both of which will provide gas to the liquefied natural gas plant which is currently under construction at Gladstone Qld.



2. Impacts on community of current coal seam gas mining.

2.1. Summary

Council considers that the Coal Seam Gas Industry specifically the GLNG and APLNG projects and its contractors generally are committed to minimising their impacts on the environment and community in the Maranoa.

They have demonstrated this by taking a leading position on projects that are aimed at effecting remedial measures to matters pertaining to:

- Community communications and feedback
 - CSG Consultative committee established 2010
- Community Infrastructure Development
 - Roma Airport Development
 - Numerous roads construction
 - Flood recovery assistance
- Affordable Housing
 - Significant cash investment to Council for community housing requirements
- Social development
 - Partnering with many community organisations to actively demonstrate a posture of social responsibility.

The Industry has invested over \$9M in cash and unmeasured time into consulting and working with Council to address community issues.

Generally the Industry at short notice has been responsive to any concern we may have raised over the past two years of our relationship with GLNG and APLNG projects. This has adequately demonstrated to Council their commitment to address the intent of their environmental impact statements.

3. Specific concerns

3.1. The sustainability of water aquifers and future water licensing arrangements

It is council's position that the sustainability of water aquifers cannot be accurately assessed, nor can the future integrity of the aquifer and water quality be forecast with any certainty.

Irrespective of the demonstrated best efforts of individual gas companies to ensure that they act responsibly, the scale and diversity of activity by many gas mining companies over such a large geographic area poses the risk of leakage between water bearing aquifers and aquifers containing CSG.

If this occurs it could lower the levels of the current water bearing aquifer which we all rely on in the South West of Queensland for domestic and stock use.

This is a concern however council is satisfied that monitoring and early warning systems are sufficient to alert the Industry of any such occurrences.

3.2. The property rights and values of landholders

Legislation gives the mining sector right of access to underground resources on private property, irrespective of the land owner's views about access. This has given the mining sector a higher degree of power in the relationship with the land owner, making the outcomes of negotiations with miners varied dependant on the ability of the negotiator.

Where GLNG and APLNG have been engaged in negotiation this has not be such an issue, where they will often pay the legal costs of a landowner to determine due compensation levels.

The daily impact on lifestyle and management of the enterprise requires good communications between land owner and miner. Where this has occurred excellent working relationships have been developed with more than adequate compensations negotiated for inconvenience.

In a lot of cases it can be demonstrated that property (enterprise) values have been significantly enhanced because of the assured annual compensation payments. These have increased farm income and in some cases assured future viability making properties more valuable than before mining commenced.

3.3. The sustainability of prime agricultural land and Australia's food task

The CSG industry in the Maranoa is a relatively non invasive activity when compared to open cut mining. As CSG wells can be drilled using multi-directional techniques, unnecessary impacts on cropping and grazing lands can be avoided. Over the past two years, where a concern has been raised by a famer to a CSG miner the latter has made arrangements eliminate the concern by multi-directional drilling or moving the drilling site.

3.4. The social and economic benefits or otherwise for regional towns and the effective management of relationships between mining and other interests

As previously stated in Section 2 of this document the CSG industry specifically GLNG, APLNG, and AGL in respect of new activity in the region have taken pains to ensure that there impacts have been either eliminated or the effects adequately compensated for.

Miners whose corporations are not as wealthy, have required closer monitoring and or harder negotiations to achieve similar outcomes for the community, however they to have displayed similar willingness to meet community expectations.

3.5. Other related matters including health impacts.

Other than placing greater pressure on existing health facilities, which can be argued as a positive impact, there have been no occurrences or impacts that have cause a concern for health, in either a clinical, community or social sense.

Long term impacts on the price of real estate and rents is causing concerns for community health, however steps have been taken to meet this concern specifically:

- ULDA building 300 homes
- GLNG committed \$M's to build local affordable housing.

Pressure to retain staff and particularly trades' people is being placed on every sector. The CSG Industry as an employer offers much more remuneration, better conditions and prospects than many alternative careers in the region.

Accordingly many of our lower paid jobs i.e. hospitality and services sectors, are being stripped of labour and it is becoming very difficult to find and attract suitable replacements.

Council is working closely with the projects to address these concerns, and also to develop and implement strategies to address the long term sustainability of the positive impacts of CSG activity associated with, population growth and economic growth.

Conclusion:

At the time of the EIS assessment process for the GLNG project (2009-10) and in more recent times the APLNG project environmental impact assessment; council had some serious concerns about many of the perceived impacts on the community and the environment, particularly water management, roads and waste management infrastructure.

Damage to roads was commonplace, waste facilities already at capacity were placed under more pressure and as little was actually known by either party about what impacts would happen next and where it would occur, the relationship was quite strained.

It is our experience however over time that during the process of building relationship and developing understanding of the needs of both the community and the CSG Industry, the relationship has developed to one of enthusiastic cooperation and support.

By virtue of the type of mining occurring in the Maranoa we do not share all of the concerns for our environment that our neighbours to the east on the Darling Downs and Burnett area have.

We are generally satisfied that the Industry is a responsible partner and neighbour and we are eager to extract the benefits that the CSG sector in the Maranoa promises.

If you wish to discuss this in greater detail please don't hesitate to contact:

Robert Loughnan Mayor Maranoa Regional Council

or

Ed Sims Manager Organisational Performance Maranoa Regional Council

Senate MDB Coal Seam Gas Inquiry

Mrs Kate Scott

Supporting notes and suggested legislative support for Landholders

- Legislation to give landholders the right to be involved in planning of positioning of all infrastructures on their land.

This "right" would apply from the point in time of granting an exploration and/or production lease permit

- An Agricultural Impact Study (AIS) is required along similar lines as the current requirement for an Environmental Impact Study (EIS).

This would lead to a government decreed Agricultural Approval (similar to the current Environmental Approval (EA))

- Landholders be given the legislative right (not just common law as is the current situation) to invoke a "cease operations" in the event of a "significant breach" by the resource company of their signed agreement with the landholder.

This could be articulated through the appropriate Lands, Resources, Environment or Agriculture Dept. This "cease operations" could be after a non payment of compensation, material damage to water supply, noise in excess of allowable limits etc and may be rescinded once "good has been made" or prevention of future breaches is assured.

- Legislation to make confidentiality of Compensation & Conduct Agreements at the landholder's behest.

Currently this whole process lacks transparency giving rise to a breakdown within landholder communities due to a level of secrecy never before encountered and a lack of information for prospective property purchasers.

- Legislation to put in place a consistent and flexible method of calculating Compensation. This must include loss of land, loss of land use, diminution in value, loss of amenity, business impact, impact on liveability

Currently the resource companies are all using different and inconsistent methods to decide what is a "Head of Compensation" that they will recognise. across all CSG companies and land

- Requirements to be part of any resource company tenure licence to include but not restricted to:

Who is on a landholders property at all times, what activities are being performed, when those activities will be performed.

- Legislation to give landholders the right to "upgrade" any Compensation & Conduct Agreements upon improvements being made across the industry.

Current agreements are being signed with no end date and due to the rapid changes in what is being accepted as "heads of compensation" many of the people who sign early will be significantly disadvantaged.

Kate Scott, Peter Thompson
Concerned Land Holders Roma North (CLHRN)