**MINUTES – Meeting 6**

**20-21 June 2012**

**Private Dining Room, Old Parliament House, Canberra**

**Attendance and Apologies**

IN ATTENDANCE

Professor Craig Simmons (Chair)

Emeritus Professor Peter Flood

Ms Jane Coram

Professor John Langford

Associate Professor David Laurence

APOLOGIES

Professor Chris Moran

SECRETARIAT AND SUPPORT STAFF

Alex Rankin

Malcolm Forbes

Bernadette O’Neil

Sue Stefanoski

Pamela Finger

Caryn Scott
Helen Vooren

GUESTS AND OTHER DEPARTMENTAL STAFF

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| Fiona Beynon (Day 1)(Office of Water Science)  | Suzy Nethercott-Watson (Day 1 and Day 2)(Office of Water Science) |
| Rob McGregor (Agenda 6.1)(Hoffman Donohue) | Julia Donahue (Agenda 6.1 and 7.1)(Hoffman Donohue) |
| Dean Knudson (Agenda 3.1)(Environment Advice and Compliance Division) | Adrienne Lea (Agenda 3.1)(Environment Advice and Compliance Division) |
| Kimberley Dripps (Agenda 3.1)(DSEWPaC Executive) | Mark Hall (Agenda 3.3-3.8)(Environment Advice and Compliance Division) |
| Frances Knight (Agenda 3.3-3.8)(Environment Advice and Compliance Division) | Cathy Crozier (Agenda 3.3-3.8)(Environment Advice and Compliance Division) |
| David Calvert (Agenda 3.3-3.8)(Environment Advice and Compliance Division) | Lynda Collins (Agenda 3.3-3.8)(Environment Advice and Compliance Division) |
| Louise Lennon (presentation day 2, 8:45am-9:45am)(Sinclair Knight-Merz) | Stuart Richardson (presentation day 2, 8:45am-9:45am)(Sinclair Knight-Merz) |
| Ben Jarvis (presentation day 2, 8:45am-9:45am)(Department of Resources, Energy & Tourism) | Barry Goldstein (presentation day 2, 8:45am-9:45am)(Standing Council on Energy & Resources Coal Seam Gas Steering Group) |
| Randall Cox (presentation day 2, 11:30am-1:30pm)(Queensland Water Commission) | John Doherty (presentation day 2, 11:30am-1:30pm)(National Centre for Groundwater Research and Training) |
| Susan Ferguson (day 2, 1:30pm – close)(Office of Water Science) |  |

As there was a quorum the meeting commenced at 8.45am.

**Welcome and introductions**

The Chair welcomed committee members, the Secretariat provided by the Office of Water Science (the Office) and departmental staff, and noted the apologies received from Professor Chris Moran.

1. **Standing items**
	1. Conflicts of Interest

Before the meeting commenced committee members completed the Meeting Specific Disclosure of Interests and the following determinations were recorded.

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| **Item** | **Committee Member** | **Disclosure** | **Determination** |
| 4.1 | Associate Professor David Laurence | Discussion of UNSW proposal | Participation was limited to expert advice only for agenda 4.1 |

* 1. Acceptance of minutes from previous meeting

The content of the minutes for Meeting 5 were discussed and positive comment was made by some committee members about how well the minutes captured the pitch, tone and style of the previous meeting.

The current level of detail in the minutes was endorsed by the Committee, who also confirmed that project advice would not be included in the minutes but recorded separately.

The minutes for Meeting 5 were endorsed without change and the Chair signed off the minutes as a true and accurate record of the previous meeting.

* 1. Action items report

Ms Rankin spoke to the Action Items list. The completed items were noted and other items were referred to agenda items for discussion later in the meeting.

The Office was requested to investigate the Minister’s availability to meet with Dr Bill Fisher (Chair, Committee on Management and Effects of Coalbed Methane Development and Produced Water in the Western United States), during his visit to Australia. The Chair agreed to provide the Office of Water Science with names of people who may also wish to meet with Dr Fisher while he is in Canberra.

The scope and Memorandum of Understanding with NICNAS was discussed with the Committee supporting the concept. In discussing the scope the Committee emphasised that a staged project was necessary and strong project management is required to ensure success.

The committee asked for the addition of a sixth priority theme be added to the research and knowledge acquisition and be focused on groundwater and surface water processes. This would be further defined during the Strategic Framework discussion.

 The presentation and outcomes of the Stakeholder briefings were noted.

The draft field trip proposal was discussed, with the committee providing feedback and suggestions as on what should be included, for example, meetings with Catchment Management Authority Boards. The committee has offered their assistance to the Office of Water Science in setting the itinerary.

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| ***Action Arising*** ***200612-01*** *Action: Office to investigate the Minister’s availability to meet with Dr Fisher, Chair, Committee on Management and Effects of Coalbed Methane Development and Produced Water in the Western United States, during his visit to Australia****200612-02*** *Action: Chair to provide Office of Water Science with names of people that may like to meet with Dr Fisher during his visit.****200612-03*** *Action: Add additional theme to the research and knowledge acquisition on* groundwater and surface water processes. |

* 1. Out-of-Session decisions

There were three out-of-session items circulated to the committee for decision:

* draft advice for the Codrilla project
* draft advice for the Sonoma project
* draft advice providing comments for the Taroom and Collingwood draft Environmental Impact Statements Terms of Reference

The final advice provided was noted by the committee.

* 1. Correspondence

The Secretariat provided information on correspondence received requesting access to the committee. These requests have been to attend committee meetings, to receive briefings by individuals on specific development proposals that have been referred to the committee for advice, or to accept submissions from individuals either in support of or opposing the development. The correspondence received and action taken was noted.

* 1. Communications

The Media Analysis for the period 16 May to 19 June 2012 was noted.

1. **Research projects**
	1. Briefing on research project status

Ms Finger from the Office provided a report on the current status of the procurement processes and research projects. She advised that the procurement panel for research services had been established and that this panel had been used to source organisations to undertake the research projects.

The committee questioned how the Office is ensuring that the research is meeting the requirements of the Committee. Mr Forbes advised that governance and peer review processes were being established to ensure that the products meet the requirements of the committee; there is also a review point in August to enable the statutory committee to review the projects.

Ms Finger distributed a report showing the list of research projects currently underway and who was undertaking that activity. The Committee asked that this be provided to all future meetings, with the inclusion of traffic lights indicator and comments on current status/issues.

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| ***Action Arising*** ***200612-04*** *Action: Provide the list of research projects currently underway to future meetings with comments on current status/issues and traffic light indicator.* |

* 1. Presentation by Queensland Water Commission

Mr Randall Cox, General Manager, Coal Seam Gas Water, Queensland Water Commission, accompanied by Mr John Doherty, Research Scientist, National Centre for Groundwater Research and training, joined the meeting to discuss the Draft Surat Underground Water Impact Report and opportunities for research collaborations.

Mr Cox provided the committee with an overview of the draft report, which covered: an overview of the Great Artesian Basin; steps to groundwater modelling; future water level impacts; proposed water level monitoring network; and spring monitoring and mitigation. Key outcomes of the report recommend the Queensland Water Commission to promote research activities, produce an annual report to the state government, produce six-monthly reports with the companies and review research methodology every three years.

The Committee noted that the draft report was encouraging and requested that they be kept informed of its progress.

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| ***Action Arising*** ***200612-05*** *Action: Secretariat to obtain and circulate copy of Mr Cox’s presentation to the Committee.****200612-06*** *Action: The committee to be kept informed of the progress of the draft report.* |

1. **Advice on projects referred by governments**
	1. Presentation by Dean Knudson, First Assistant Secretary, Environment Advice and Compliance Division (EACD)

Mr Dean Knudson and Ms Adrienne Lea joined the meeting and provided the committee with a presentation on the role of EACD and the operation of the environmental impact assessment provisions of the *Environment Protection and Biodiversity Conservation Act 1999*.

It was noted that any advice provided by the committee supplemented the EACD advice that is provided to the minister. The committee was requested to provide EACD with suggestions for how proponents can provide information that will assist in shaping the committee’s advice.

The committee heard that the number of projects going to the committee will increase over the coming months. Discussions centred on options for reducing the volume of paperwork, but ensuring the material received by the committee is sufficient and adequate for them to formulate their advice.

Two key challenges were highlighted regarding the provision of project information to the committee – the early delivery of information to the committee to allow adequate time in which to read and comment, and the provision of information in a standardised format .

It was agreed that the Office should work with EACD and states that are signatories to National Partnership Agreements to design a standardised template for requesting advice from the Committee for future meetings. This request for advice should be 5-10 pages long, succinct, including maps and links to the volumes of information in environmental impact assessment documentation; draw on the information guidelines currently under development through the National Partnership Agreements; and be provided at least one week prior to committee meetings. All supporting documents should be made available to committee members via Govdex. For EPBC projects, the committee requested that a staff member from EACD be present to brief the committee on the projects being considered.

The committee noted that basic but important information like the water balance of the area was often lacking from project information. It should be standard practice that proponents provide basic information such as the water balance when submitting a project for approval.

Cumulative impact was also highlighted as an area of concern with suggestions that impacts should be monitored regularly so as to know when thresholds are being reached. It was felt that the monitoring of cumulative impact should be undertaken by the relevant state agency as proponents would not have access to this information. The committee suggested that, in advance of bioregional assessments being completed, a framework on how to measure water input be created by the Office using data from catchment, rainfall and evaporation rates, water usage to date, water use of proponent and potential impacts.

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| ***Action Arising*** ***200612-07*** *Action: The Office to work with EACD and state governments to design a five to ten page summary for each project, to be provided to the committee prior to each meeting.* ***200612-08*** *Action: A member from EACD to attend meetings to brief the committee on relevant EPBC Act projects.****200612-09*** *Action: A framework on how to measure water input to be created by the Office using data from catchment, rainfall and evaporation rates, water usage to date, water use of proponent and potential impacts.* |

* 1. Case Study exercise

This item was deferred due to time constraints.

Officers from EACD sought advice from the committee on five Queensland coal projects (items 3.3, 3.4, 3.5, 3.7, 3.8).

* 1. AMCI (Alpha) Pty Ltd – South Galilee Coal Project

The AMCI (Alpha) Pty Ltd – South Galilee Coal Project proposal was discussed and a draft advice was prepared. This will be circulated out of session for committee approval.

The advice will be published separately on the committee’s website.

* 1. Adani Resources Ltd – Carmichael Coal Mine and Rail Infrastructure Project

The Adani Resources Ltd – Carmichael Coal Mine and Rail Infrastructure Project proposal was discussed and a draft advice was prepared. This will be circulated out of session for committee approval.

The advice will be published separately on the committee’s website.

* 1. Aquila Resources Ltd – Blackwater Washpool Coal

The Aquila Resources Ltd – Washpool Mine Project proposal was discussed and a draft advice was prepared. This will be circulated out of session for committee approval.

The advice will be published separately on the committee’s website.

* 1. Future EPBC project referrals

Discussion centred on the anticipated increase in the number of projects the committee will be asked to provide advice on at upcoming meetings. It was agreed that succinct supporting information including maps and links to the volumes of information in environmental impact assessment documentation would be very helpful.

* 1. Alpha Coal Project

The Alpha Coal Project request for advice was tabled at the meeting. EACD advised that the committee will be asked to provide advice on this project at the next meeting scheduled for 18-19 July 2012.

* 1. Warkworth Mine Extension (open cut coal mine):

The Warkworth Mine Extension proposal was discussed and a draft advice was prepared. This will be circulated out of session for committee approval.

The advice will be published separately on the committee’s website.

1. **Research Projects**
	1. Four Research projects.

A discussion was held on the four unsolicited research projects received by the committee. The committee discussed synergies between these proposals and the agreed research priorities. These projects will be added to potential future projects for the statutory committee to consider.

The proposals seen as potentially most beneficial were the centrifuge facility and mobile test facility.

While there was no unallocated budget funding available for this financial year, co-investment options were raised with the Australian Research Council being a potential source of funding.

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| ***Action Arising*** ***200612-10*** *Action: The Office to add all four potential research projects to the list of future research projects.* |

**Development of an Australian leading practice framework for Coal Seam Gas**

Mr Barry Goldstein, Executive Director, Energy Resources South Australia and Chair CSG Steering Group, Mr Stuart Richardson, Ms Louise Lennon, SKM and Mr Ben Jarvis, DRET, joined the meeting to provide the committee with a presentation on the development of a leading practice framework for Coal Seam Gas for Australian Conditions.

Mr Goldstein introduced the Committee to the National Harmonised Framework for the CSG Industry. The framework was developed to provide guidance to governments on land use decision making and key areas of CSG operation (well integrity, water management, hydraulic fracturing and chemical use).

Ms Lennon provided an overview of a draft leading practice framework developed as part of the National Harmonised Framework for Coal Seam Gas development. This project focused on identifying leading practice for well integrity, water management, hydraulic fracturing and chemical use.

A threat-mitigation approach was used in identifying the hazards but the framework does not encompass a full risk assessment. Only environmental threats and natural resources were focused on. These were compiled from technical assessments, literature reviews and stakeholder input.

There is currently no leading practice in Australia for the disposal of water into aquifers. Well integrity is fundamental in protecting the aquifers surrounding the coal seam for the full cycle of the well. Inter-aquifer leakage is caused by poor well integrity. Current leading practice for water management is considered to be a combination of Qld and NSW CSG water licensing.

The Qld Code of Practice for Constructing and Abandoning CSG Wells is considered to be leading practice for well integrity. Industry may need to embrace behavioural chance to improve the reality and perception of their operations to gain social trust.

Hydraulic fracturing has been occurring in Australia for over 40 years. Key issues are the threat of increased hydraulic conductivity between coal seams and surrounding aquifers, contamination as a result of chemicals used during hydraulic fracturing, and induced seismicity. Australian legislation is considered to be leading practice though there is no existing regulation on induced seismicity.

Leading practice in Australia can be specified from the existing regulations and legislation without significant change from current practice. The key issue will be how to get buy-in from jurisdictions that are not seen to be using leading practice but believe they are.

1. **Bioregional assessments**
	1. Update on management and resourcing

The Office provided an update on the progress of program and project management, and the associated resourcing for bioregional assessments and research projects.

The projects with the NRM bodies in NSW, Qld and SA to identify water related data and asset identification are on track for the delivery of their milestones. To ensure no duplication of work, the Office of Water Science is no longer undertaking a stock take of available data held by state departments. Therefore, similar projects for the Cooper, Galilee, Sydney (including Gloucester sub-Basin and Clarenece-Moreton Basins and the Northern inland Catchments will not be proceeding as separate project but will be incorporated into the bioregional assessments, as along with the outcomes of the projects with the NRM bodies..

The Office is co-investing with the South Australian government on projects in the Arckaringa and Pedirka Basins to accelerate timelines and deliverables for input into the Lake Eyre basin Bioregional Assessment. Similar co-investment has been provided for river monitoring to complement work done under the Lake Eyre Basin Rivers Assessment currently being run by SA and Qld.

All service orders for the Knowledge Projects have now been signed and inception meetings would be starting next week.

The Bioregional Assessment Methodology panel is in the last stages of drafting prior to being sent out for the material for peer review by both Australian and international scientists. It is expected that the paper will be provided to the committee in August, together with peer review comments.

The development of the governance model to be adopted for the bioregional assessments is ongoing. Consultation has been undertaken with stakeholders and others with experience in this area. The committee noted the progress of the governance model and provided input to ensure that mechanisms are in place to manage the process and associated risk.

The committee requested the Office provide a list of all projects that have been commissioned in the bioregional assessment process. Committee members will provide the secretariat with names of suitably qualified people who may be able to undertake a role on a steering committee.

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| ***Action Arising*** ***200612-11*** *Action: The Office of Water Science to provide a list of all projects that have been commissioned for the bioregional assessment.* ***200612-12*** *Action: Committee to provide names for bioregional assessment project steering committees.* |

**Strategic framework**

* 1. Strategic Framework discussion

Mr Rob McGregor and Ms Julia Donahue from Hoffman Donohue joined the meeting and led the discussion on the draft Strategic Framework.

The draft tabled at the meeting was commended by the committee. It was noted that it was heading in a very positive direction, was very readable and easy to follow.

Discussion centred on the timeline for finalisation of the strategic framework, the intended audience, the purpose of the framework, handling of cumulative impacts, best practice examples and the need for the framework to be road tested.

It was suggested that a block diagram could be used with the water balance diagram, to provide a better understanding of the geology of these systems. The Framework needs to strike a balance between being technically correct and informative with readability. Detailed commentary included specifying that the priority regions identified to date are only the first five priority regions, and an addition of groundwater and surface water processes to the initial strategic research themes.

The Office will progress the draft Strategic Framework for consideration by the statutory committee.

Information guidelines discussion

In association with the strategic framework, information guidelines are being developed to clearly define what is required of the States.

The Committee suggested changes be made to the information framework:

* Discuss water accounting standards and whether there is the potential for the Committee to reuse these with the Bureau of Meteorology.
* Develop some practical examples of the type of information the Committee is looking for using real life projects and the information available from Environmental Impact Statements.
* Expose the draft information guidelines to signatory states for comment
* Hold a workshop with practitioners to road test the guidelines and gain a better understanding of what may be required from proponents and regulators to meet the guidelines.

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| ***Action Arising*** ***200612-13*** *Action: Office of Water Science to progress the draft Strategic Framework for consideration by the statutory committee in August.* |

1. **Reflection**

The Committee and Office reflected on the work of the committee and Office over the last six months and what could be improved for the statutory committee.

The committee requested the Office to investigate strategies and processes to handle the large volumes of information coming to the committee.

**Next Meeting**

The next meeting will be held on 18-19 July 2012 in Canberra (venue to be confirmed) and will focus on providing project advice.

Meeting closed at 4.40pm

Minutes confirmed as true and correct:

Professor Craig T. Simmons

Committee Chair

 July 2012