

Basin Sustainability Alliance



basin sustainability alliance



www.notatanycost.com.au



BSA has had a productive and effective year, contributing to changes in Government policy, drawing issues of concern to the attention of Government, CSG Companies and to the Gas Fields Commission and actively contributing to the research agenda of the various organisations undertaking research on CSG issues.

We have had active input into state and federal Government processes, and have actively engaged with CSG Companies to ensure that our point of view is heard.

We believe that many of the issues confronting landholders, particularly with respect to our land and water resources may be solvable. To do so will require sound research and a strong desire from Government and the CSG industry to adopt best management practices. We are not opposed to CSG activity in our region, but it must not be at the expense of the resources so critical to agriculture. We must preserve our natural resources for future generations.

Governance

Our committee has been energetic and effective and our governance processes are all working effectively. We are very grateful to BMO for their support... more about the “thank-yous” later. You will see from our Treasurer’s report that we are in a financially sound position but we do not have the resources to do much more than we currently do.

We have attempted to secure additional funding from sponsorships, without a lot of success. Clearly, local businesses have been keen to support us, but they do not want to compromise the business they do with CSG companies or their employees.

We continue to rely principally on the funds we receive from our membership.

Input into Government Policy

We welcomed the release of the Government CSG water management policy last January. BSA has had substantial input into this policy and we see it contains many of the important components we have argued for. Provided it is proven to be fit for the purpose for which it is to be used, production water is not a waste product and must be treated as a resource. Our preference would be that it is treated as a resource and managed in harmony with our other scarce water resources. At the same time, it’s important that defining CSG water as a resource, rather than a waste, does not diminish the Government’s power to monitor and condition the way that CSG water is managed.

We support the prioritisation hierarchy, (“make good”, re-injection and substitution) and we strongly endorse that beneficial uses for the CSG water should include a requirement to maintain the local water balance.

We are pleased the Government and the CSG industry are undertaking research on aquifer connectivity, but we are concerned that the administration of the CSG as a water resource is not yet implemented in a way that limits over-exploitation of our aquifers. Aquifer interconnectivity is a risk and we remain strongly of the view, that the precautionary principle must be in place until we know the risks of damage to the aquifers used by agriculture is minimal and manageable.

Legislative Changes

Two changes to legislation have drawn BSA's active interest this last year. When the Queensland Government wanted to change the definition of "occupier" in state legislation we campaigned strongly to ensure the definition included all parties with a core interest in the CSG activity, not just the landowner. We felt this was important because many agricultural businesses utilise a variety of arrangements to conduct their business, particularly because many are family-owned. We welcomed the changes made.

The second piece of legislative change we welcomed was the amendment to the Environmental Protection and Biodiversity Conservation (EPBC) Act which enables the federal Government to force the State Governments to condition new CSG developments to ensure they do not damage the water resource. CSG Companies should have their water take regulated just as other water users have their take regulated to preserve water for future generations.

Submissions

Back in August 2012 we made a submission in response to the Land Access Review Panel Report (of February 2012). We are concerned that many key findings of the Land Access Review are not being followed through. Landholders face an enormous power imbalance when it comes to negotiating access agreements with CSG companies.

BSA made a submission to the Queensland Government's Coal Seam Gas Water Management Water Policy Draft – 2012 which was submitted on 30 November 2012.

We had the opportunity to have input into the Productivity Commission's enquiry into the CSG industry. The Commission was asked by the Australian Government in September 2012 to undertake a national inquiry into the non-financial barriers to mineral and energy resource exploration in Australia. Their report, including findings and recommendations, is due in September 2013 and we look forward with interest to see if the matters we raised have been considered thoroughly.



We are also currently having some input into the DEHP policy on the use of CSG water for irrigation. Our BSA view is that water used for irrigation

- must not come at cost to future productivity or use of the land to which it is applied;
- must not compromise future make-good to bore owners; and
- must not cause and adverse environmental impacts.

The challenge of the submission process

Having input into regulation through formal submission processes is essential, and yet, landholder groups find it difficult to have the time or the knowledge level required to adequately address the submissions.

As an example, over the period from November to January when many families are on holiday, the following submissions periods closed: November – CSG Water Management Policy, December – Mining and Other Legislation Amendment Bill, December 14th - QLD Agriculture Strategy, January 7th – Waste Reduction Amendment Bill, January 25th – Gas fields Commission Bill, February 4th – Santos Draft TOR Gas field Development Project, February 25th - Arrow Surat Gas Pipeline.

During a similar time period (from December through to April), again as an example, the government granted over 48 new or amended environmental authorities.

It's impossible for volunteer groups to get across all these lengthy and technical documents. In our frustration, we tend to wonder if the timing of such submissions and EAs is a deliberate tactic to disempower landholders.



Issues tackled with Government and Industry

BSA dealt with many different issues during the year. Following are some of the key matters we took up with Government and Industry.

Definition of occupier in the Provisions of the Mining and other Legislation Amendment Act -

Letter to Gasfields Commissioner (Oct 2012) and letters to Agriculture, Resources and Environment Committee (Mar 2013). Our correspondence and submissions urged for the change to the definition of Occupier not to disadvantage farming businesses.

Concerns about misleading and untruthful advertising – Letter to Gasfields Commissioner. BSA appealed to the Gasfields Commission to put a stop to CSG companies' misleading advertising, for example the "half a netball court" campaign. We are quite certain there are no *Access and Compensation Agreements* that seek to only access "half a netball court" for each well. Similarly, landholders are currently discussing "make good" arrangements, where CSG activities will almost certainly reduce water availability in their bores. Then, landholders see CSG industry advertisements, which claim CSG activities will have no appreciable impact on underground water.

Make Good Arrangements – The ability for the companies to "make good" is still a major concern to BSA. We wrote to Minister Powell, seeking clarification on

- Can the legislation be amended to ensure that declining water quality can be a trigger for make-good regardless of the change in water quantity?
- In the event that a bore owner's bore is adversely affected by petroleum activities, does the bore owner have the right to choose how (by what method) adversely affected bore water is made-good?
- What happens if the company that has the make good obligation becomes insolvent? Will the Government step in and make good itself from its bonding/security arrangements with the companies? What security does the state require to ensure these obligations will be met?

While we received a reply (which can be found at www.notanycost.com.au), we still feel many questions were left unanswered.

Power of Government to cease activities that are deemed environmentally harmful – Letter to Deputy Premier Jeff Seeney. We wrote this letter in November 2012 seeking assurance as follows: “We understand that the Queensland Gasfields Commission plans to commission scientific studies to understand the risk to aquifers of CSG development particularly with respect to the Condamine Alluvium. In the event that these studies uncover an unacceptable risk to the aquifers, BSA seeks assurance from you as Deputy Premier and Minister for State Development, that the Government has the power to stop CSG activities in a region if the risks are found to be high.” Mr Seeney wrote to BSA four months later to advise that he'd passed the letter on to Mr Powell's office. BSA received a response in May 2013 authored by DEHP Executive Director Anne Lenz advising that the government's adaptive management approach is effective based on proactive compliance inspections and detailed monitoring, reporting and notification obligations. Ms Lenz also advised that the government has capacity to amend an environmental authority when scientific knowledge improves or environmental impacts become known.

Request for improvements to Environmental Authority notifications – Letter sent to Director General Ellwood asking for notifications to be improved so that they continue to include - PEN, tenure number and holders (principal and other holders), but also and include a clear map with sufficient detail - so that you can understand where it is. Importantly, descriptions should use towns, property names, roads and other key landmarks to assist readers with a very clear understanding of the location and the proposed activities at that location. The response we received indicated that the information we request is provided. However we continue to be frustrated with the sketchy information provided in these updates.

Concern about the impact of holding ponds - In reviewing an Environmental Authority for APLNG, Basin Sustainability Alliance (BSA) became aware that sizeable holding ponds are being permitted to be built by CSG companies in the Surat Basin. We were shocked at the combined size of the holding ponds authorised within this Environmental Authority and that the approval was given in spite of a strong Government commitment to phase out the use of evaporation ponds. Further, it is our concern that the public are unaware that government is giving such approvals. Our letter to Environment Minister Powell raised these concerns. The reply we received did little to alleviate our concerns about the treatment of brine and salty water.

Communications with Landholders - At the beginning of the New Year, we wrote to the Arrow head Andrew Faulkner (citing a particular landholders unpleasant experience) to request that he take a personal interest in landholder communications to ensure the communications are constructive and accurate.

Offensive comments from Gasfields Commissioner - The Basin Sustainability Alliance was offended by a letter penned by Mr Rick Wilkinson which appeared in the Dalby Herald on 3 May where the Gasfield Commissioner had attempted to discredit a firm that had been supportive to landholders. We wrote to the Chair of the Gasfield Commission, Mr John Cotter, and expressed our

disappointment. Mr Cotter replied and indicated he understood our concerns and would raise the matter with Mr Wilkinson.

Bore investigation reports - BSA has in the past few weeks written to the CSG Compliance Unit to request a copy of the Investigation Reports the unit has completed on four bores. We understand the reports have found evidence that coal seam gas was not a contributor to the impact on the bores and we are keen to explore the scientific evidence of this finding.

Other matters that arose:

- **Aviation industry** – particular agricultural pilots – about communication towers, power lines and guide wires being erected for CSG activity. There is no requirement for ag pilots to be notified. This is posing a real danger.
- **Organic industry** – BSA sought information from organic farmers to get a better understanding of the dire impact any kind of CSG activity would have to their operations.
- **Pipeline lengths** – We have been given information that indicates CSG companies are sneaking past having a public submission process for their pipelines by submitting them as smaller individual pipelines (that will later be joined up) rather than one big long pipeline. Again we have concerns about the underhanded tactics of the companies in this regard.
- **Fugitive emissions and gas seepages** – We are concerned about this matter and raised it in the media.

Research and Relationships

BSA has a strong view that we should put the effort into engagement and use our best influence to secure beneficial change.

We shared and learned through various activities including:

- regular updates with Bill Date (formerly of the CSG Compliance unit)
- attending Gasfields Leaders meetings in Dalby; Brisbane; Roma
- having a representative on the GISERA panel
- having a representative on the Healthy Headwaters consultation committee
- hosting a Victorian Delegation
- meeting with John Hughes, a member of the CSG compliance unit undertaking research on CSG industry impacts.
- organising an Arrow Energy site visit at Theten
- community consultative committee
- inviting key Government experts to present to BSA committee including the then Queensland Water commission representatives Randall Cox and Sanjeev Pandey and the Department of Environment and Heritage Protection's Anne Lenz and Josh Lean.
- meeting with one of the world's leading energy analysts Gundi Royle
- attending the Queensland Plan workshop in Mackay
- presenting at the Property Rights Australia conference
- attending AgForce CSG sessions



- attending Shine Lawyers CSG session
- regular liaison with other landholder groups such as Save Our Darling Downs
- regular liaison with AgForce via Wayne Newton
- attending International fracking conference

We feel we get a very good hearing at these exchanges, but we must maintain our constructive stance.

BSA is also increasingly being contacted by PHD and undergrad students wishing to tap into the Committee's knowledge and experience with CSG to undertake their own research.



Spreading the message



BSA has also tried to achieve its charter as being a conduit of information by maintaining our website –

www.notatanycost.com.au

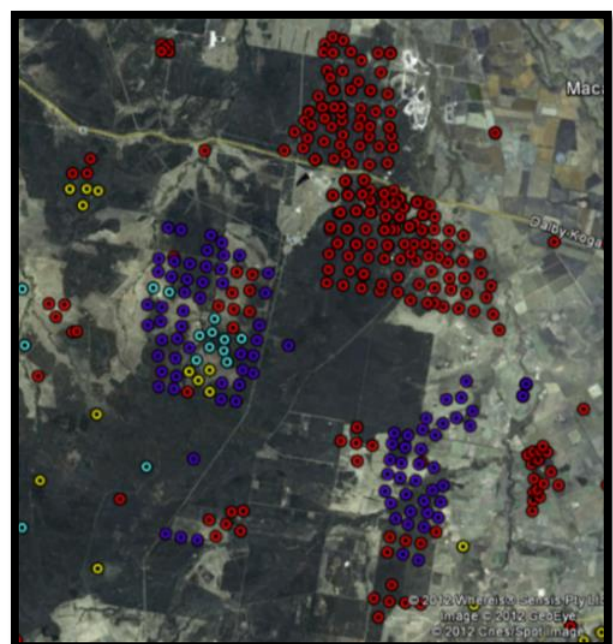
, installing a billboard on the Warrego Highway to encourage traffic to our website, Facebook and twitter followings.

To help drive traffic to our website and Facebook page we erected a billboard on the Warrego Highway.

We send out a regular (at least monthly) email newsletter to our members and a database of subscribers.

We developed a sponsorship proposal document to overview the role and concerns of BSA.

The Well calculator and the Google Earth KMZ files, have continued to be excellent tools, that have helped landholders get a clearer picture of the massive land impacts that are occurring and that are expected to come.



We have also written a number of letters to the editor and press releases which are available on our website (www.notatanycost.com.au) including:

- 14 June 2013 - SKM report provide unbalanced view
- 28 May 2013 - Nothing but hot gas coming from APPEA conference
- 8 May 2013 - Wilkinson's comments are offensive
- 29 April 2013 - CSG should be 'no go' if farmers say 'no'
- 02 April 2013 - Landholders call for urgent inquiry into coal seam gas
- 14 March 2013 - Landholders welcome federal scrutiny of CSG
- 12 March 2013 - Experts warn CSG will impact on matters of national environmental significance
- 12 February 2013 - Government powers questioned in CSG rush
- 4 February 2013 - Bubbles continue to surface
- 19 September 2012 - Landholders need urgent clarity on compensation rights
- 10 September 2012 - Farmers ignored in latest mining power play
- 7 September 2012 - BSA cautions against one-size-fits all approach
- 3 September 2012 - APPEA advertising concerns
- 20 August 2012 - Grass fire sparks concerns about CSG safety

In addition, I undertook numerous media interviews during the year to help explain BSA's stance on key issues including interviews with ABC Southern Qld and Alan Jones.



Issues for future action:

Land access – the power imbalance - Any good business arrangement requires that both parties enter into the arrangement willingly. This is not the case for Land Access agreements with CSG Companies. Landholders know that they must reach agreement with the CSG Company or face going to Land Court. This not to say all landholders are unhappy with the agreements they have reached. Our feedback is that agreements are now fairer and better.

However, it is untrue for APPEA imply that all landholders are happy with their agreements. Statements such as *"More than 3500 agreements have been negotiated between Queensland farmers and gas developers. It is no longer a question of can agriculture and gas production work side by side -- it does"* are misleading and irritating.

Fugitive emissions and gas pathways - Further research needs to be done in relation to the causes of gas seepage in regions where CSG activity is being undertaken. Visible examples of this leakage on the Condamine River and the fire in the bore hole at Daandine cause us concern.

The Basin Sustainability Alliance (BSA) feels that many questions were left unanswered in the Government's investigation report into the gas leaks bubbling in the Condamine River. The report was released by Natural Resources Minister Andrew Cripps in January.

Royalty calculations - We brought our concerns about Royalty Calculations to the Government at the Goondiwindi Community Cabinet meeting last year. Apparently, final agreement on royalty payments has not yet been reached with a number of the CSG companies. In the last 12 months the State Government has revised down its royalty revenue from CSG. BSA is concerned that the true cost of the industry has not been considered.

Devaluation of land - In agriculture, our land assets form the base for most of us to finance our operations. Any compromise to land values will compromise our businesses so we are very concerned to ensure that land values are not diminished by the impacts of the CSG industry.

The "floodplains" - A particular issue requiring much more work. We are not confident that CSG activities can be undertaken without unforeseen consequences, particularly to overland flows, but also to farm operations in this highly productive soil resource.

Make Good - We still have little confidence in the practical implementation of "make good" provisions. In particular we are concerned that water quality is not considered until a water quantity trigger occurs.

Strategic Regional Planning - The draft Statutory Regional Plan currently out for consultation at present espouses co-existence and priority land use areas. There is concern that this draft and future potential legislation could potentially undermine s804 of the Petroleum and Gas (Production and Safety) Act which states that ***'A person who carries out an authorised activity for a petroleum authority must carry out the activity in a way that does not unreasonably interfere with anyone else carrying out a lawful activity.'***

Transparency and Trust – We continue to see big public relations and advertising budgets thrown at winning public support. BSA can't afford a "Darren Lockyer" to sell our messages of concern. We will continue to argue for a fairer playing field, and uncover untruths respectfully and responsibly.

We also hear CSG companies espousing the value of transparency and trust, but they still do not all undertake collaborative research projects on land, water and social impacts and they continue to

retain strong confidentiality clauses in their agreements with research agencies, limiting the capacity of researchers to freely publish their results.

Improvements to our communication - We will be looking to make some upgrades to our website to ensure better access to information and better interaction with our social media sites.



CSG Watch

We are developing a new concept we have named "CSG Watch". The idea here is to empower local groups, to enable them to monitor the land and water resources, to link with BSA, and to solve problems associated with the CSG industry locally.

We liken it to Neighbourhood Watch whereby a community network comes together to keep a watchful eye on their own backyard for CSG impacts. The aims are to empower the community and to reunite people fractured apart by land access processes. The CSG Watch groups will be able to detect potential environmental and human harm

caused by CSG activities. We envisage the concept would have the capacity to be applied in other areas and other states and that it will have linkages to independent scientific testing and analysis.

We will equip ourselves with the minimum of scientific instruments, but with enough capacity to alert us to any concerns which might require more thorough investigation. CSG watch will also attempt to bridge the "city-country" divide and we have been offered support from "Bridging the Divide (Inc.)" which we look forward to exploring further.

We will not be encouraging extremists with hidden cameras. It's about arming people with the tools and knowledge to perform credible scientifically based testing overseen by scientists. We foresee CSG Watch as people performing meaningful scientifically based testing overseen by scientists. As a result of Government policies now implemented and currently in the process of being implemented (ie. regional planning) landholder's ability to seek meaningful policy changes by negotiation has been severely curtailed. It is necessary for people to understand that their only recourse in the future may be legal recourse on scientifically proven facts. We envisage in some cases that early detection of problems and subsequent independent analysis may lead to legal redress by landholders.

Thanks

In closing I'd like to thank the team at BMO who have provided a professional secretariat service to us and have contributed over \$14,000 of professional fees in kind and waived over \$3000 of conference room hire fees during the year. In particular, I would like to thank Michelle McVeigh for her ongoing strong support and Megan James and Chelsea Wyatt for their most valuable contribution. Chelsea has done an excellent job of managing our correspondence and administration. Megan has simply been wonderful. She organises our meetings and minutes, drafts our press releases and contributes to BSA with enthusiasm and commitment.

Thank you to Peter Shannon and his team at Shine Lawyers who have provided countless hours of in-kind support to the committee, and offered our BSA members a complimentary legal appointment to discuss their individual situation.

We'd like to thank the Government agencies, Members of Parliament, the GasFields Commission, APPEA and the CSG Companies for taking on board our concerns and treating us with credibility and respect.

To my BSA Committee Members, your incredible contribution of time and energy, and a few laughs along the way, has been genuinely appreciated. I'd also like to thank the families of BSA committee members who stand alongside them and support the work they are doing.

We have two committee members retiring from their roles today. Bernie Caffery has contributed with energy and enthusiasm. His passion for agriculture on the floodplains is remarkable and we will miss his professional insights.

Max Winders has brought a new perspective to our discussions. His knowledge of environmental issues associated with water has been invaluable and his understanding of water modelling has been very helpful. He also has brought first-hand knowledge of interactions with the CSG companies and these insights have greatly informed our discussions.

Finally to the BSA members, we could not have achieved so much in the year without your support, both financially and emotionally. We know many of you are facing challenging times, but the membership fees will help us to continue to fight for a future where farms still exist and we are successfully and sustainably providing food and fibre for the nation.

Groundwater Update

Anne Bridle

The potential for significant impacts on groundwater from CSG development continue to dominate BSA committee time and resources because of the vital importance of groundwater, the risks posed to groundwater supplies and legitimate concerns about the governance of the CSG industry to protect groundwater users.

Groundwater is vitally important to rural and regional areas as often it is the only water supply available. Water pumped from bores is used for a range of purposes such as: drinking water, water for domestic purposes in homes such as for showering and washing, water for livestock to drink; water for the irrigation of crops and vegetables; drinking water for intensive livestock industries, such as feedlots, piggeries and poultry. 22 of the 23 towns in the Western Downs region rely on groundwater.

CSG development has now clouded the security of bore water supplies in Queensland otherwise sustainably managed by groundwater resource operation plans. Within BSA we are very concerned about the massive unrestricted take of water by the industry, the proximity of that take to water bores and the capacity of CSG water extraction to affect underlying and overlying water aquifers.

There are real issues with the make good provision, particularly "from where will the make-good water come?" Moratoriums prevent further entitlement from both surface and groundwater systems and the CSG companies have not purchased umpteen entitlement licences. And while they may have Reverse Osmosis treated CSG water at their ready, to divvy out to affected bore owners this water is only going to be available for the first 20 years of production, if that. The greatest groundwater impact from CSG extraction is expected after 2050-2060 at a time when this industry will have no treated water to provide.

Adding to concerns for water users is the need of the CSG industry to feed gas into LNG processing facilities longer term. Once the high capital LNG trains are built at Gladstone there will be a need to

feed gas to those assets and that gas has to come from somewhere. The multinational companies are simply not going to turn those gas processors off in 20-25 years' time. The industry will not stop drilling wells once it reaches its proposed 40,000 wells. To feed gas into these plants they are going to have to continually develop new gasfields (by expanding into new areas) and 'milk' existing fields.

How would a CSG company milk a gasfield? From looking at overseas experiences, CSG companies could go back into an area and increase well density; and or, they could stimulate gas recovery rates by techniques such as hydraulic fracturing, acidisation, cavitation or using what I call the next generation of well stimulation - injecting bacteria bugs to grow the gas.

Be aware that well stimulation is not necessarily a practise utilised to milk a CSG gasfield when gas production drops off. In areas where the coal is "tight" the Queensland Government has given approval to companies to frac 85%-100% of CSG wells in some tenure areas right from the outset in order to get the gas.

Impact on Water bores

CSG impacts on groundwater are likely to manifest at someone's bore in two ways:

- An inability to pump water due to water drawdown; And or
- Quality changes making the bore water unsuitable for its normal use

The value of a water bore is not just defined by its cost; but also:

- The security it provides - it may drought-proof the property
- Its use in the home,
- The availability of and access to other water in the area
- The Value of production the water bore contributes to – it could be priceless
- Value of the bore infrastructure in the ground including reticulation systems around the property
- Cost to drill a new bore
- Cost of an alternative water supply for perpetuity

For the individual bore owner

It is important that you have an understanding of the inherent quality of their groundwater. What is in your bore water? When you think about what makes up your bore water, have you also thought about what is not in it?

If CSG development were to cause water quality change, what sort of changes should you be looking for? It's a hard question, but a starting point might be to look at:

- What is in the background CSG water in your area?
- What is typically found in drilling fluids or additives used by the CSG industry?
- What is in the waste concentrations found in CSG water treatment plants?

Tiered water quality test suites have been now been developed for water resources impacted by, potentially impacted by or in the path of CSG extraction. These involve testing for a range of parameters within a tiered suite. The first tier survey acts as an early warning system. The second tier establishes a water benchmark. The "Extended" tier suite is used where there is a specific mixed-water risk involving suspected pollutants from the CSG industry.

Given the scale and pace of the CSG industry with the full backing of the government, BSA urges bore owners to be proactive and take responsibility for their bore despite the barriers. Excuses such as... *"I've never had to worry about my water before, it'll look after itself"; I'm not going to spend money on testing my bore; if they bugger it the company is going to make it good"* ; no longer justify doing nothing.

You need to be proactive and put in place your very own groundwater bore insurance policy

That would mean:

- Having an understanding of your bore- where it is, stratigraphy, understanding your right to water
- Valuing your reliance on your bore
- Undertaking tiered benchmarking depending on your proximity to risk and the nature of the risk
- Practical measures- such as installing an air- line to measure Standing Water Level regularly
- Keeping a close eye on CSG expansion and changes to the 3 yearly UWIMR predicting impacts on water bores.

The scale and pace of CSG development in Australia is unprecedented anywhere else in the world and it's not just the threat to groundwater that is of concern. You need to invest the time and get informed to understand the potential impacts of this industry on your business and lifestyle.

BSA is of the strong belief that given the uncertainty around industry impacts and the huge imbalance of power in favour, landholders should not be forced into agreements with CSG companies.

The Petroleum industry in past has long enjoyed the privileged position politically with a right of way to development. Never before have they had a need for a social licence. BSA believes that they need one now and you and your community have the capacity to hold them to it.

We urge you to hold BSA's line in the sand that CSG development must not come at any cost...and in the case of our lifeblood, our groundwater, it is simply NOT negotiable.

The Committee



David Hamilton, Chair

David is a farmer and consultant. Together with his wife Jeanette he operates a farm at Macalister. Previously David was General Manager, Plant Science with the Department of Primary Industries and Fisheries. He holds a Bachelor of Agricultural Science and Masters in Agronomy. He is a Fellow of the Australian Institute of Company Directors and on the board of the Australian Institute of Agricultural Science and Technology (AIAST).



Wayne Newton, Vice Chair

Wayne, along with his wife Bev and brother-in-law Glenn and his wife Ruth, operate irrigated and dryland grain and cotton operations on several properties near Dalby. Bev and Wayne are also partners in a veterinary hospital and pet barn in Dalby. Wayne is AgForce Grains Director and was previously Queensland Grains Growers' Association Director. Wayne has held many other industry positions, including on the Grains Research Foundation, Darling Downs Research Advisory Committee, Conservation Farmers Inc and National Grains RD&E Strategy Committee.



Lyn Nicholson, Treasurer

Lyn owns and operates a 1,500 acre grazing property at Jimbour, and has a background in both nursing and law. She did her Bachelor of Laws degree and completed her Articles of Clerkship in Dalby. Lyn then practised as a Solicitor in partnership and then as a sole practitioner for some 17 years before retiring in 2000. Lyn brings to the table a strong understanding of legal matters and first hand experience as a farmer. Lyn's passion for sustainability of our land and water resources for future generations has driven her to get involved.



Anne Bridle, Secretary

Anne, husband Robert, and family operate Talbingo Pastoral Company - an integrated agricultural operation from properties at Dalby and Dirranbandi. Anne holds a Bachelor of Agricultural Economics and has been actively involved since 2008 in understanding the developing coal seam gas industry and its interface with the agricultural industry and rural and regional communities. Anne is a member of the Australian Lot Feeders Association (ALFA) CSG sub-committee and the Gasfields Community Leaders Council – South Region.



Ruth Armstrong

Together with husband Dave, Ruth operates an irrigated and dryland cropping property 'Yanco' at Cecil Plains. Ruth holds a Bachelor of Applied Science (Ecology) and Bachelor Applied Science (Honours) from QUT and has post-graduate research experience in the same field.

**Bernie Caffery**

Bernie is a Director and Principal Agronomist of Crop Management Services with over 30 years of experience in agricultural consulting to irrigated and dryland crop farmers on the Darling Downs. He holds a Bachelor of Applied Science (Rural Technology) and undertakes regular on farm crop monitoring and agronomic advice. Prior to agronomic consulting, Bernie worked in vegetation management research in Western and Northern Queensland.

**Veronica Laffy**

Veronica and her husband Dan own and operate an organic beef farm west of Dalby. They are very interested in the development and promotion of sustainable agriculture that will not only feed communities but provide employment for future generations. Dan and Veronica also run a fence contracting business "CSSS - Fencing" from their property. In 2002 Veronica built and established Dalby's first purpose-built childcare centre, "A Country Garden - Early Childhood Centre" in partnership with her sister, and takes a keen interest in the development and implementation of child protection policy in relation to the CSG Industry.

**Max Winders**

Max, a Brisbane-based engineer, is the principal of MWA Environmental, a specialist consultancy in water, air quality and noise impact assessment and management. His involvement in agribusiness includes developing and managing a medium-sized feedlot. Wambo Feedlot lies across boundaries between Arrow and QGC leases near Daandine and adjoins the Braemar power stations and gas pipelines. The feedlot utilises untreated CSG water and provides facilities for the development of ion exchange processes for the sustainable recovery of this groundwater resource. He has authored presentations to several conferences on this topic and has prepared submissions to government concerning groundwater modelling and the Land Access Code.

**Neil Cameron**

Neil is a Taxation Consultant with BMO Accountants in Dalby with 27 years experience in taxation and business matters and has assisted many farmers and small businesses over the years. Neil also operates a mixed grazing and grain property in the Millmerran district and has had first-hand experience dealing with Coal Seam Gas companies and their exploration activities on farm. He is a Fellow of Certified Practising Accountants Australia, a Chartered Tax Advisor and a Graduate of the Australian Institute of Company Directors.

This is the hardest of all of the end- of-year reports to make interesting so I will keep it brief.

INCOME

We have finished the financial year in credit thanks to donations from Future Foods and more recently the Environment and Property Protection Association. Our income is derived solely from membership fees and donations. Many Groups of landholders have mothballed their groups for a variety of reasons such as CSG tenures being relinquished by tenure holders. However I urge those members of former groups to continue their membership with BSA. We currently have some 100 members, a similar figure to earlier years. If a threat to our groundwater does not mobilize and unify farmers and graziers it is difficult to know what would galvanize them! I urge all previous members to renew their membership even if CSG tenements directly affecting them have been relinquished or there is no CSG currently active in their area. I also urge members to encourage membership from friends and neighbours who have not yet joined. If groundwater is damaged in one area then it **WILL** affect water reserves both within and outside the gas fields and ultimately every farmer.

OUTGOINGS

The main expense incurred by BSA is BMO Business Centre for Secretariat, media, administration, book-keep and accounting services. The fees paid are extremely reasonable in regard to the service provided. I would like to thank the partners of BMO Accountants for the contribution of their resources often at no charge. I also thank Megan James and Chelsea Wyatt for their input. Without BMO Accountants BSA would not be as productive a force as it is. BMO is pivotal to BSA's success as an organization which commands respect in Government circles, the community at large, and the Resource Companies. The committee has a wealth of knowledge which is meaningless without the support services that BMO provides in disseminating such knowledge.

Another expense incurred by BSA is the cost of the Billboard erected on the outskirts of Dalby which I am sure many of you will have noticed. It is a direct attempt to reach out to our local community and to people across the Surat Basin travelling through Dalby, to inform them of CSG concerns and direct them to resources on our website. We are hopeful too that it will result in an increase in memberships.

I would also like to thank Kate Boshammer at Kabosh Creative who has assisted BMO with management and upgrades to our website at a very reasonable rate.

The role of BSA is expanding as we are starting to see adverse effects from the dewatering of aquifers and increasing concerns about the effects of Hydraulic fracturing. Governments have neither the desire, the manpower, nor the policies in place to properly oversee and monitor the Resource companies. This is evident in relation to governments and industry reports such as:

- Industry's claim that there was no connectivity between aquifers. Shown to be incorrect.
- That there is no evidence of a link between lead levels in children in Mt Isa and the Mt Isa Mine – This contention is currently being challenged scientifically.
- That there is no evidence of a link between health issues in the Tara Area and CSG. A report that I think will be tested in the future.
- That there is no evidence of a link between mining related works and the diseased fish and marine life in and about Gladstone Harbour. This contention is crying out for thorough scientific investigation.

- That there is no evidence of a link between Gas bubbling in the Condamine River and CSG extraction. In fact the bubbling has now increased to the point that it could be termed water spouting at times.

Evidence is continually emerging of concerning facts:

For example:

- Duke University conducted testing across Pennsylvanias Mexellus Shale gas fields and found methane concentrations 6 times higher and ethane concentrations 23 times higher in water from private bores within a kilometre of a shale gas well that had been fraced as opposed to water from bores outside the one kilometre radius. Propene was also found in a number of the water samples.
- In New Zealand Fonterra has announced that it will not take milk from dairy farms which have had drilling mud spread on the properties because of the costs of testing for petrochemical contaminants. The half life of some of the petro chemicals likely to be found in drilling mud is 5,000 years.

So in addition to contamination of streams and underground water there are also issues of contamination of animals and crops.

Hence the need for CSG Watch to roll out state-wide so that we can obtain a big picture in relation to subtle changes in the environment and can identify the source or cause of the change with irrefutable scientific evidence. CSG Watch will involve landholder groups monitoring bores, creeks, air quality, and surface water flows. It is imperative that we increase our membership base if we are to remain a force in bringing to governments attention the failings and flaws in their policies, continue to scrutinize and provide submissions on reports and documents generated by Industry, and set up CSG watch. In saying this to the people in this room I am preaching to the converted. It is people outside this room to whom we need to get the message.

In order to cover our expenses in the coming year I seek a resolution from members that BSA membership fees for the 2013 / 2014 financial year be increased by \$50.00 to \$250.00 per person or entity.

Conclusion:

Our thanks go also to Peter Shannon of Shine Lawyers at Dalby who provides the BSA Committee with pro bono advice on many issues on a regular basis. Thankyou also to David Hamilton who has led us through another successful year and whose organizational skills have allowed the various committee members abilities to be utilized to their fullest extent.

Finally, I would like to thank all the Committee members for their input and time spent preparing numerous submissions on government policy documents and Industry proposals and submissions. The wealth of knowledge both Anne Bridle and Ruth Armstrong possess on all aspects of resource activity and its effects is quite frankly astounding. Wayne Newton, Bernie Caffery, Max Winders, Neil Cameron and Veronica Laffy I thank you all for you input and passion to provide farmers and graziers with a fair deal.

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

| INCOME | | EXPENDITURE | |
|---------------|---------------------------|---|---------------------------|
| Membership | 20,400.00 | Advertising & Promotion | 2,294.00 |
| Donations | 23,803.00 | Seminars & Meetings | 380.64 |
| Interest | 20.90 | Secretariat, Accounting & Communications Service Fees | 13,316.00 |
| | | Insurance | 500.00 |
| | | | <u>16,490.64</u> |
| | | Profit | 27,733.26 |
| | <u>\$44,223.90</u> | | <u>\$44,223.90</u> |

BANK RECONCILIATION

MAIN ACCOUNT

| | |
|---|------------------------|
| Opening Balance as at 1 July, 2012 | 3,288.64 |
| Add: Income | <u>44,223.90</u> |
| Less: Expenditure | 16,490.64 |
| Less: Transfers In/Out from Cash M'ment A/C | 26,400.00 |
| Closing Balance as per cashbook 30 June, 2013 | |
| Closing Balance as per bank statement 30 June, 2013 | <u>4,621.90</u> |

TERM DEPOSIT

| | |
|--|-------------------------|
| Opening Balance as at 1 January 2013 | 0.00 |
| Add Income: | |
| Deposits | 30,000.00 |
| Interest | 268.11 |
| Less Expenditure: | |
| Withdrawals | 3,600.00 |
| Closing Balance as per bank statement 30 June 2013 | <u>26,668.11</u> |

NOTES