

ATTACHMENTS



ORDINARY MEETING AGENDA

THURSDAY 22 MAY 2014

~ REFERENCE TO ATTACHMENTS ~

PART A – ACTION

Page Number

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PART B – INFORMATION

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Cobar Water Board – Governance structure

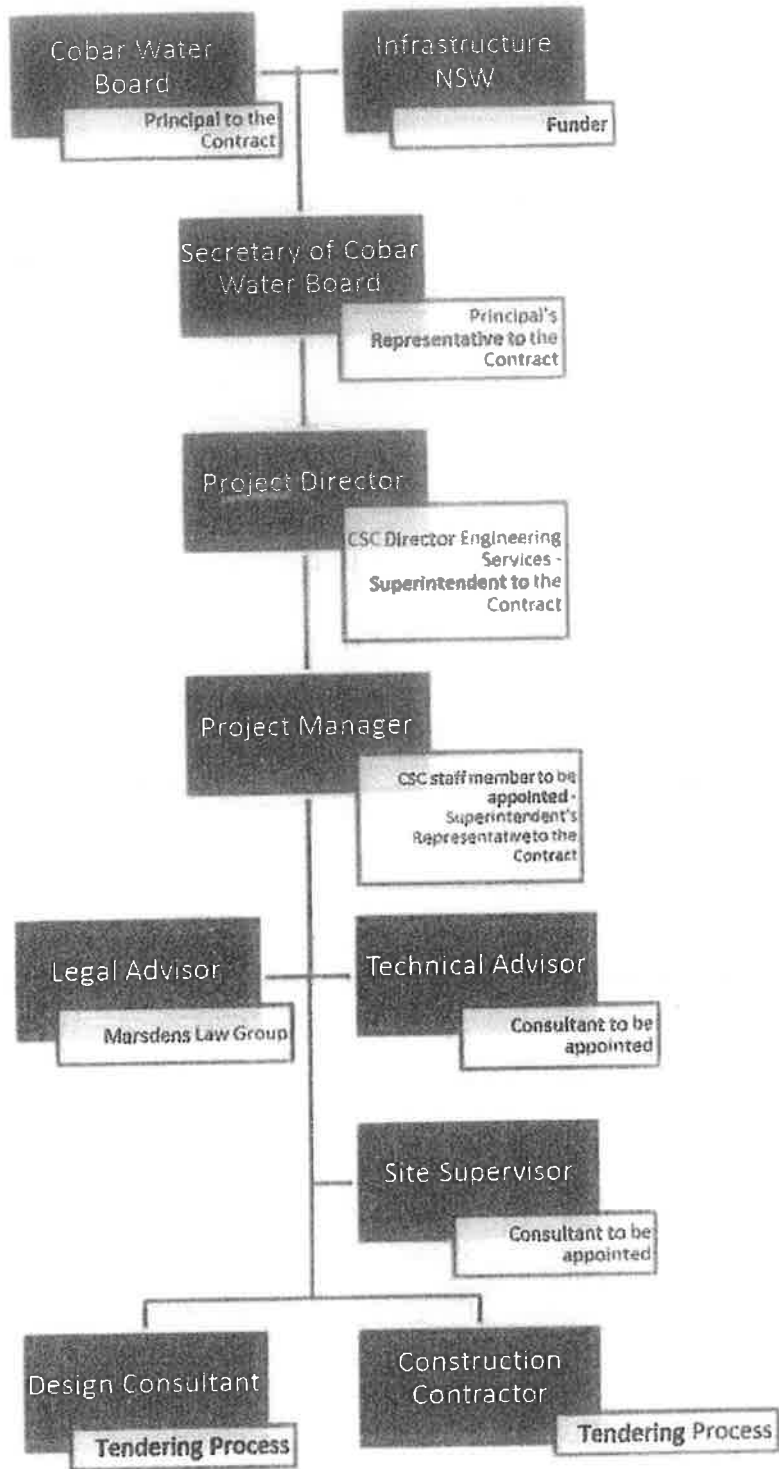
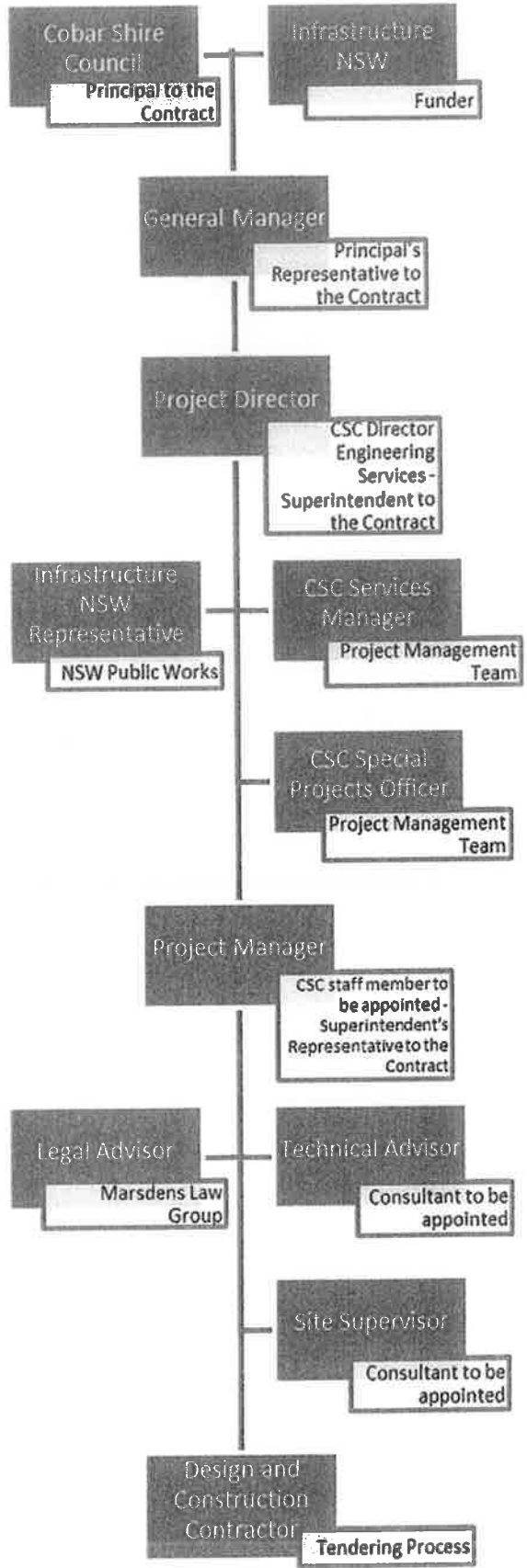
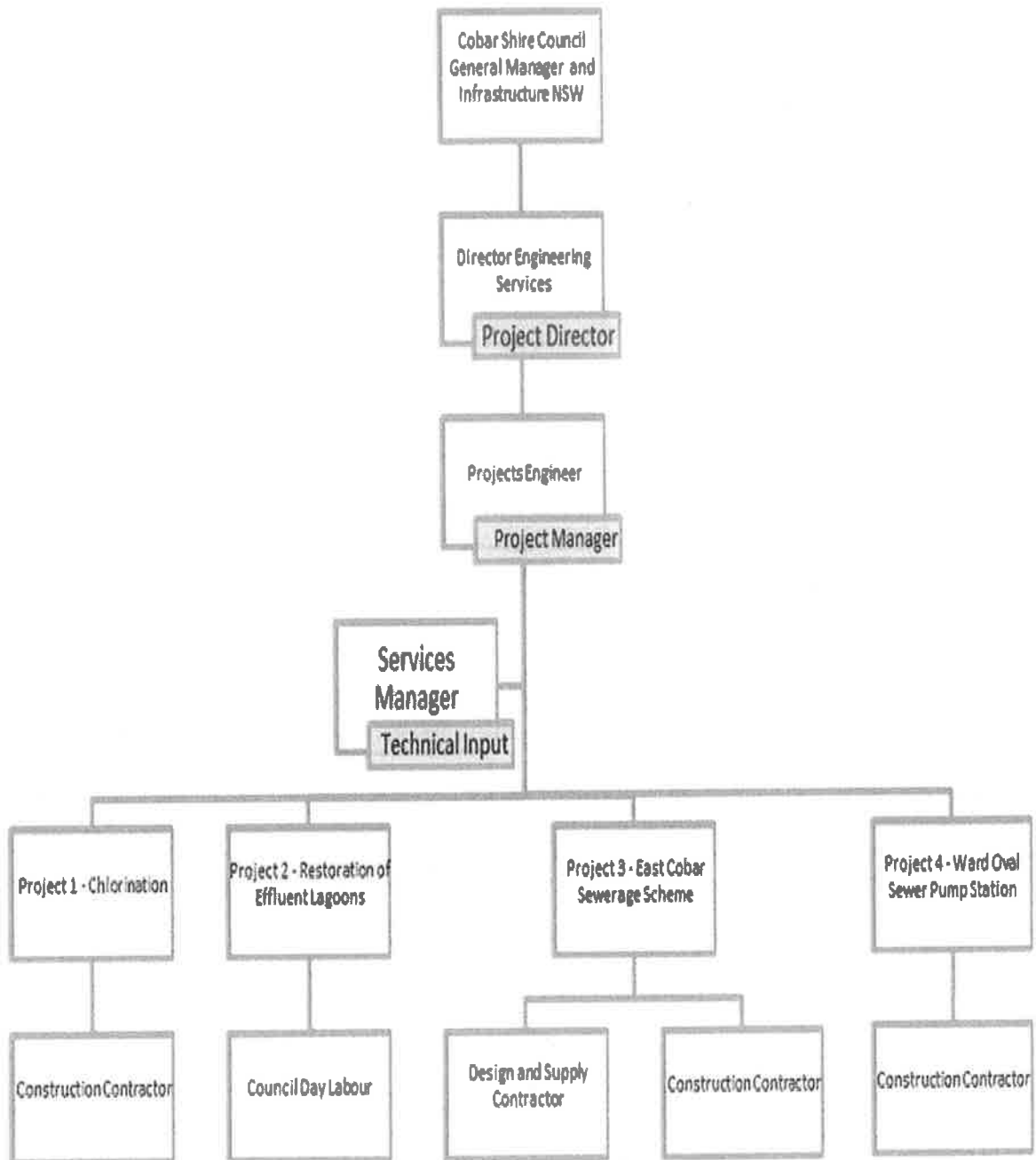


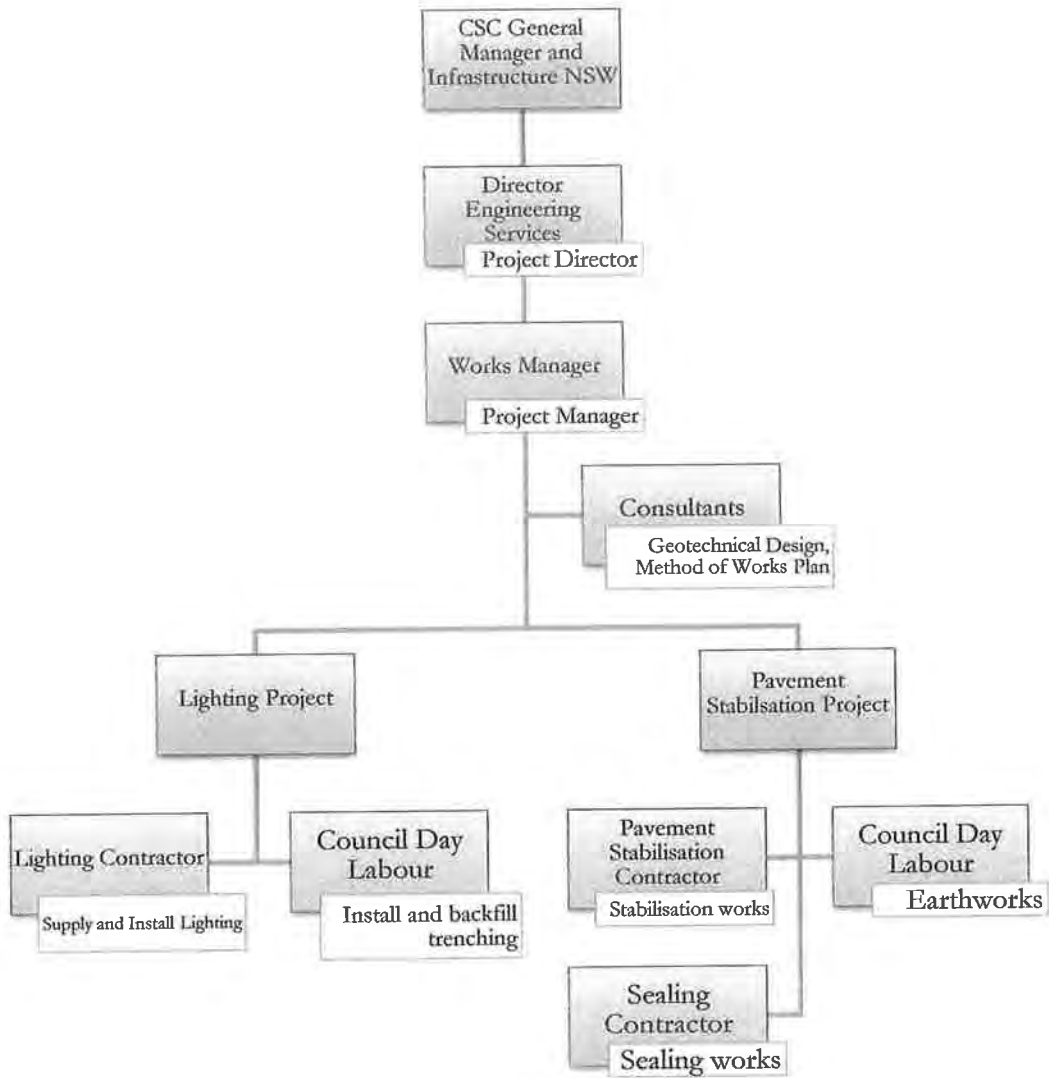
Figure 4 – Governance structure for whole of project



Cobar Sewerage Upgrade – Governance structure.



Cobar Airport – Governance structure for whole project.



PROJECT CONTRACT AND ADMINISTRATION TEAM FUNDING DISTRIBUTION

- Contract Administration Officer (IFTE) \$90,000/annum (including on costs)
- Executive Assistant (0.5 FTE) \$45,000/annum (including on costs)
- Total Cost \$135,000/annum (\$405,000 over 3 years)

*Note equipment, accommodation etc., and elsewhere in the Cobar Water Board Pipeline Project Budget (\$24,000):

	2014/2015	2015/2016	2016/2017
Cobar Water Treatment Plant	\$40,000	\$50,000	\$20,000
Sewerage-upgrade	\$20,000	\$20,000	-
Airport	\$10,000	-	-
CWB Pipeline and pumping system upgrade	\$65,000	\$65,000	\$115,000
Totals	\$135,000	\$135,000	\$135,000

Gary Woodman

From: Gary Woodman
Sent: Sunday, 4 May 2014 12:20 PM
To: Councillors
Cc: Manex; Heather Holder; Stephen Poulter
Subject: Coal Seam Gas Exploration and Development

All,

In the near future Cobar Shire Council may be considering a report to determine a formal position/policy on Coal Seam Gas Exploration and Development.

Accordingly, please find attached below a copy of relevant Fact Sheets concerning Coal Seam Gas Exploration and Development obtained from NSW Government Website on Coal Seam Gas www.csg.nsw.gov.au

It seems a worthwhile web site to have a look at.

For your information.

Gary Woodman
BE (Civil), G. Dip.LGE, LGE, FIPWEA, MLGMA

General Manager
Cobar Shire Council
36 Linsley Street (PO Box 223)
COBAR NSW 2835
Telephone: 02 68365888 Facsimile: 02 68365889 Mobile: 0419 281115
Email: gary.woodman@cobar.nsw.gov.au
Web: www.cobar.nsw.gov.au



What-is-Coal-Sea... Exploration-and-... How-is-Coal-Sea... Protections-and-... Environment,-He... Energy-Security-... Land-Access-CSG...



Anatomy-of-a-CS...

Pilliga Forest
Incident.pdf

WHAT IS COAL SEAM GAS?

Coal Seam Gas (CSG) is a naturally occurring gas found in coal seams hundreds of metres beneath the earth's surface.

CSG, like conventional natural gas, is comprised mostly of methane (CH_4) and is a type of petroleum that was formed from the compressed remains of plants over millions of years.

Coal seam and natural gas make up the gas supply piped into more than one million homes and businesses in NSW for use in everyday cooking, heating and manufacturing.

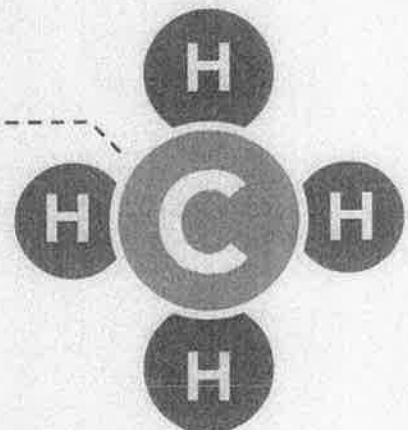
In fact over 30 per cent of the eastern Australian gas network is fed by coal seam gas.

CSG is used to generate electricity in gas-fired power stations as a low emission alternative to electricity produced from coal.

In Australia, the major CSG resources are found in Queensland's

Ten gases that make up clean, unpolluted air.

Nitrogen (N_2)	78.084%
Oxygen (O_2)	20.946%
Argon (Ar)	0.934%
Carbon Dioxide (CO_2)	0.0383%
Neon (Ne)	0.001818%
Helium (He)	0.000524%
Methane (CH_4)	0.000179%
Krypton (Kr)	0.000114%
Hydrogen (H_2)	0.000055%
Xenon (Xe)	0.000009%



**COAL SEAM GAS
FACT SHEET 1**

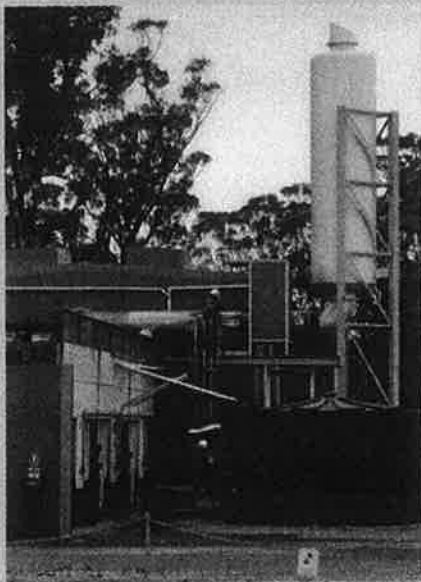
“ Coal seam gas is a naturally occurring gas. ”

Bowen and Surat Basins, in NSW in the Gunnedah, Gloucester and Sydney basins, and on the NSW-Queensland border in the Clarence-Moreton basin.

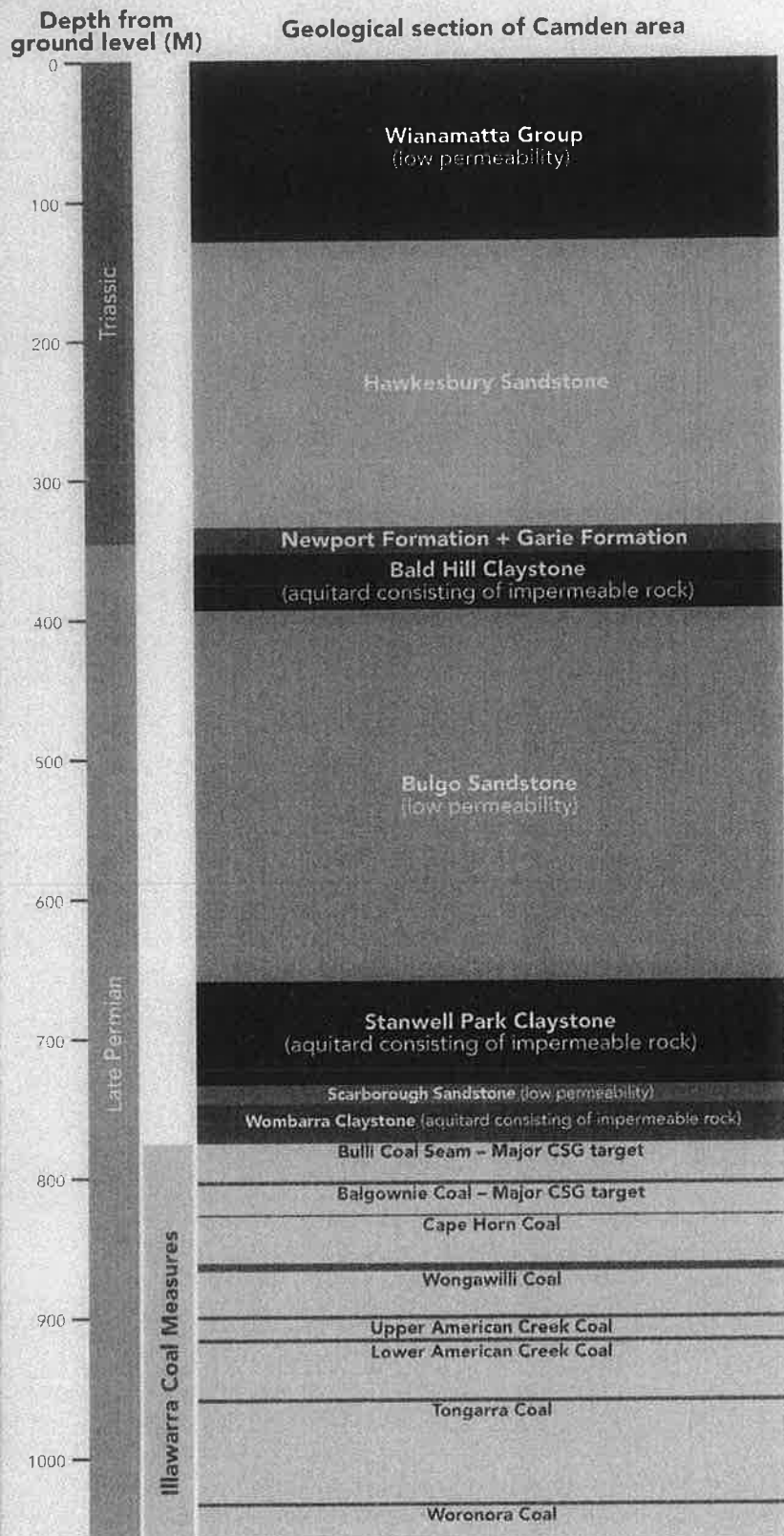
CSG is part of the gas supply used in Australian homes and industry, and is becoming increasingly important in the nation's energy market as Australia moves to a lower carbon economy.

CSG has been safely produced in Australia since commercial production began in central Queensland in 1996. For more than 10 years, the Camden Gas Project has been operating successfully in south-western Sydney.

Australian CSG producers have become international leaders in world-best practice technologies and production and the NSW Government has introduced some of the toughest regulations in the world to safeguard the health of communities and protect the State's valuable land and water resources.



AGL's Camden Gas Project



(Expected depth to the base of the Sydney Basin is more than 2000m)



EXPLORATION & PRODUCTION

Exploration and production of natural gas from coal seams (CSG) began in Australia in 1996, although it was first produced during the early days of coal mining.

CSG was extracted at the Sydney Harbour Colliery in Balmain in the early 1900s. It was compressed and sold as an industrial and motor fuel. Production reached its peak in 1944 when more than 11 million cubic feet of gas was produced.

Today, CSG exploration and production in NSW is subject to some of the toughest regulations in the world to ensure the protection of the environment and the safety of our communities. Exploration and production can proceed only after detailed multiagency

assessments which address environmental, community, health and water concerns.

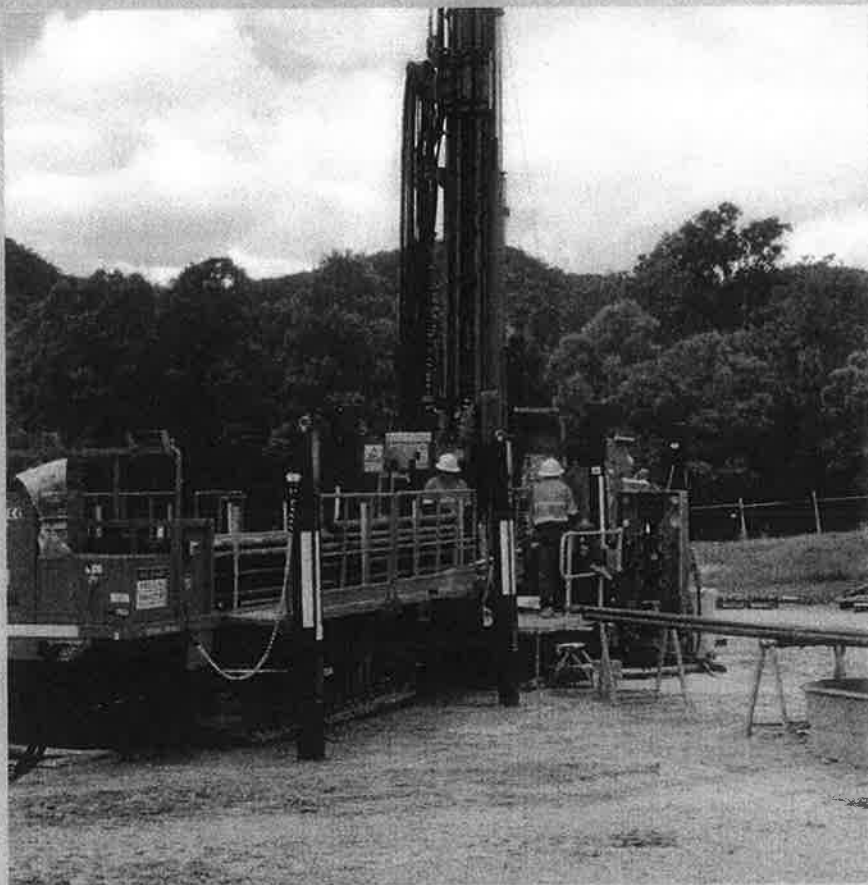
The NSW Government has banned several exploration and production practices used in CSG activities in other parts of the world, including the use of harmful chemicals in the hydraulic fracturing process. It has also banned evaporation ponds to encourage the treatment and re-use of water extracted in the process.

The NSW Government has introduced regulations which ban

all new coal seam gas exploration and production activity in or within 2 kilometres of existing and future residential areas. Coal seam gas activity will also be banned within the areas identified as the Upper Hunter equine and viticulture Critical Industry Clusters.

A hold on exploration and extraction of CSG in the 'Special Areas' zone of the Sydney drinking water catchment also now applies pending an investigation by the NSW Chief Scientist and Engineer on the impact of these activities.

“ The data gathered from the drilling provides comprehensive geological information. ”

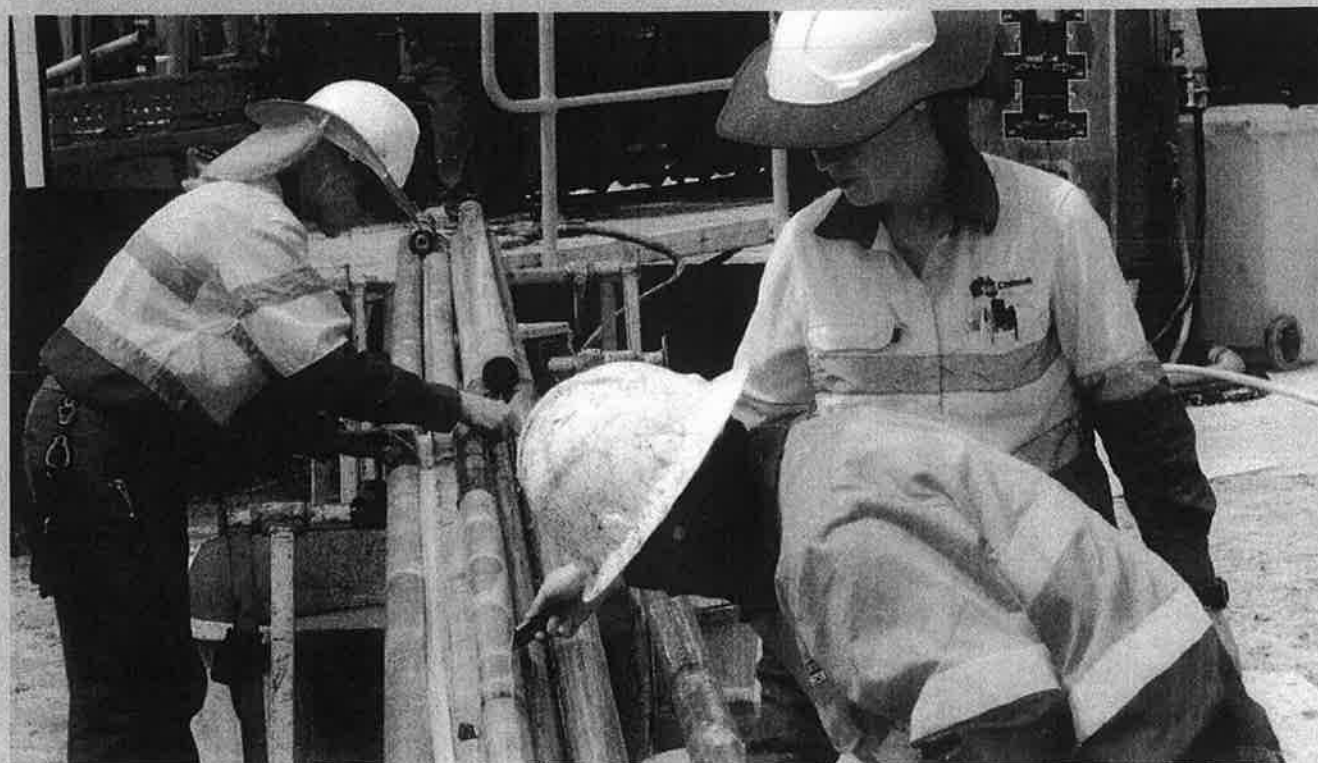


Stringent well integrity standards were also imposed in 2012 to protect aquifers and our precious water resources.

A desktop study is typically the first stage of exploration. After identifying prospective deposits through geological studies and geophysical surveys, engineers move into the field to drill a core hole (up to 20 centimetres in diameter) to obtain a sample of what is below the surface.

The data gathered from the drilling provides comprehensive geological information and details of the gas content in the coal seam.

Once testing is complete, core holes are cemented and plugged and the site is fully rehabilitated by the exploration company, in line with NSW Government requirements.



Geologists at work during the exploration process, NSW Hunter Valley.



HOW IS COAL SEAM GAS EXTRACTED?

Coal Seam Gas (CSG) is extracted from deep below the ground using world-best practice techniques that protect the community and our environment.

Extraction techniques

There are different ways of extracting CSG from below the ground. They include vertical drilling and horizontal or directional drilling. Hydraulic fracturing is sometimes used to release gas from a coal seam. The well is usually only fracture stimulated once during its lifetime.

Hydraulic fracturing

Hydraulic fracturing has been used by the oil and gas industry since 1948. In Australia, the practice

can be traced back over 40 years where it was used in the production of energy resources including conventional natural gas. Hundreds of natural gas wells in South Australia's Cooper basin have been fracture stimulated since the 1970s.

The process has also been used in NSW to enhance water flows from water bores. However, in CSG production fracturing is becoming less common as companies move towards horizontal drilling to enhance methane production.

In situations where the fracturing process is used, fluid is pumped under pressure into the coal seam to open up fractures.

The fluid is typically a mixture of sand, water and minor additives that open up cracks in the seam to create a path for water to flow back to the surface.

The process depressurises the coal seam, allowing the gas in the pores of the coal to be released and flow to the surface.

**COAL SEAM GAS
FACT SHEET 3**

“ Fracturing fluid is 97-99% sand and water. ”

The gas and liquid are brought to the surface via a pipe which is encased in layers of concrete and metal to prevent any leakage into permeable layers, including aquifers. On the surface, the gas is separated from the water.

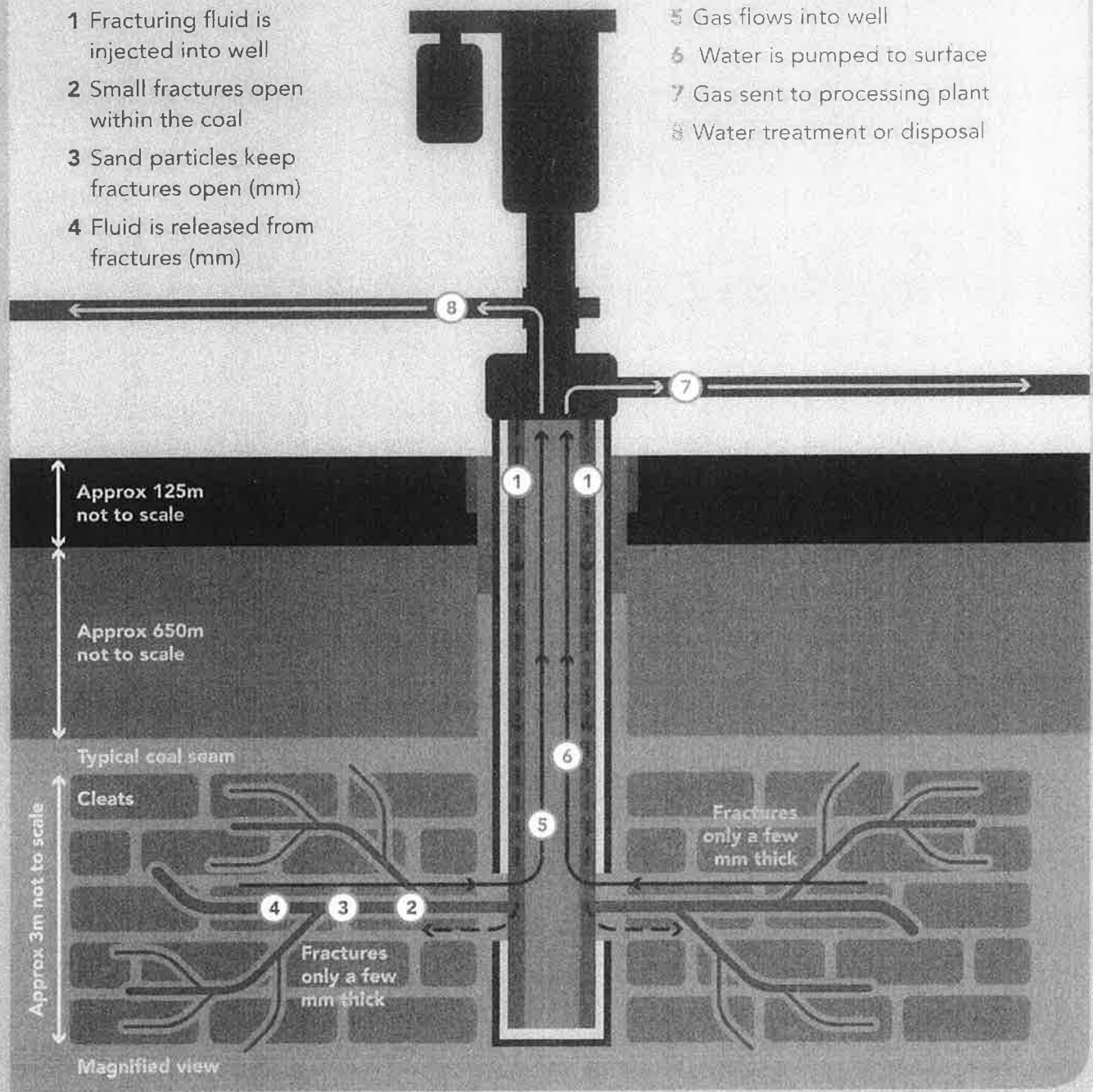
The produced water is safely disposed of, or treated and recycled for industrial purposes or irrigation.

power stations, or join the natural gas supply for use by households and businesses.

The gas is sent to a compressor station and may then be used in

burned chemicals

To protect ground water, surface water and the environment, the



COAL SEAM GAS FACT SHEET 3

Harmful chemicals
have been banned.

NSW Government has banned the use of harmful chemicals known as BTEX. These chemicals are used in some overseas hydraulic fracturing operations.

Fracturing fluid is 97-99% sand and water¹, with a small amount of commonly-used biodegradable compounds included to prevent bacterial growth and to turn the fluid into a gel so it can be pumped more easily.

The biodegradable compounds include the following household chemicals:

- Guar gum (found in ice-cream);
- Surfactants (in soap and toothpaste);
- Sodium hypochlorite and hydrochloric acid (in swimming pools);

- Acetic acid (in vinegar). The permitted components, already highly-diluted, are further diluted by the water in the coal seam.

Samples of CSG drilling additives and CSG fracture stimulation additives may be taken at any time by Government inspectors to verify compliance.

Any chemicals used in the extraction of CSG must be disclosed as part of the application process and are published on the NSW Trade & Investment – Division of Resource & Energy's website. Government agencies assessing the application determine whether the use of those chemicals is safe for both the community and environment.

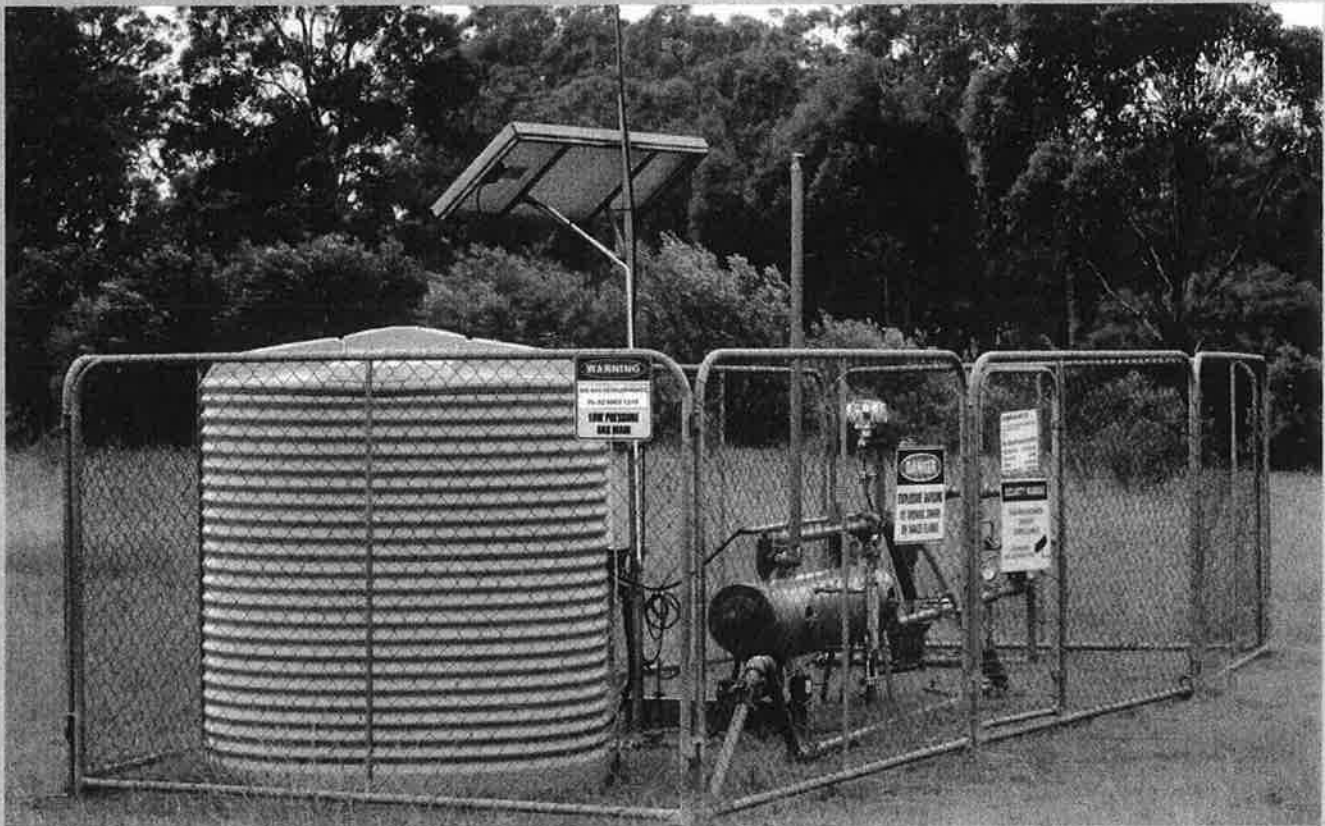
Horizontal drilling

More recent techniques such as horizontal drilling are emerging as an alternative to hydraulic fracturing and are increasingly used in NSW.

Horizontal drilling occurs at deep levels underground and reduces the number of visible vertical wells located above ground.

Once the coal seam has been located, the well bore is encased and pressure-cemented at ground level. Smaller holes are drilled horizontally into the coal seam to stimulate pathways through which the gas can flow into the well, thereby eliminating the need for hydraulic fracturing.

¹ www.csiro.au



A CSG production well operating on NSW farmland.



COAL SEAM GAS PROTECTIONS AND CONTROLS

The Coal Seam Gas (CSG) industry in NSW is governed by tough regulations that control the exploration and production of the State's vast natural gas reserves.

The NSW Government regulates the CSG industry using the following controls:

As part of the measures:

- The Office of Coal Seam Gas has been established within NSW Trade & Investment to administer titles and activity approvals and enforce compliance;
- The independent Environment Protection Authority (EPA) is the lead regulator of environmental and health impacts of CSG activities in NSW with responsibility for compliance and enforcement;
- CSG operations, including exploration, assessment or production titles, will be required to hold an Environment Protection Licence;
- The agricultural impacts of a project must specifically be addressed by the applicant in an Agricultural Impact Statement, at both the exploration and development application stages;
- A two kilometre exclusion zone now applies to exploration and production activities for residential and village areas.

In addition, the NSW Chief Scientist and Engineer is conducting an independent review of all CSG activities in NSW, including the impact on water catchments. The Chief Scientist released her initial report in July 2013.

The Strategic Regional Land Use Policy is being implemented to protect strategic agricultural land through an independent scientific assessment prior to the development application stage. This is known as the Gateway Process. Under the Gateway Process, a panel of independent

experts will assess the agricultural and water impacts of a proposal against set criteria. If a proposal cannot demonstrate that it meets these criteria, it will be subject to recommendations that must be addressed at the development application stage.

To ensure community concerns are adequately addressed, the NSW Government appointed the State's first Land and Water Commissioner in 2012. Farmers and landholders can contact the Commissioner for guidance during any stage of an application, exploration or production process. The Commissioner also provides information about compliance and enforcement matters, land access arrangements, remuneration, compensation

and the rights and responsibilities of exploration companies.

Other controls:

- The development of new Standardised Land Access Agreements to deliver greater consistency and fairness for landholders;
- An Aquifer Interference Policy to assess and protect water resources across NSW;
- A Code of Practice for Coal Seam Gas Fracture Stimulation which establishes a leading practice framework to improve standards and ensure prevention of inter-aquifer leakage;
- A Code of Practice for Coal Seam Gas Well Integrity which means CSG wells must be encased in layers of steel

and cement to withstand high pressure and prevent aquifer contamination;

- A Code of Practice for Coal Seam Gas Explorers to ensure strong standards are set for industry when initiating negotiations with landholders for access to land during the exploration phase;
- Community Consultation Guidelines to improve the transparency and effectiveness of the decision-making process and to ensure communities are fully informed of new licence applications. The new consultation process gives communities the opportunity to voice their concerns and make submissions on all new proposals;
- The development of an Industry Fund which will encourage coal seam gas production companies to invest in local communities.



NSW regulation protects the State's valuable water resources.

A hold on exploration and extraction of CSG in the 'Special Areas' zone of the Sydney drinking water catchment also now applies pending an investigation by the NSW Chief Scientist and Engineer on the impact of these activities.

The NSW Government has also:

Banned the use of evaporation ponds for storing water used in the production process. All produced water must be treated for recycling to encourage beneficial re-use in industry or irrigation; and

Banned the use of harmful BTEX chemicals (Benzene, Toluene, Ethylbenzene and Xylene) to help protect ground water.

ENVIRONMENT, HEALTH & SAFETY



The Coal Seam Gas (CSG) industry in NSW operates under the toughest controls in Australia, with companies facing fines of up to \$1 million dollars for any environmental breaches.

The NSW Government is in the process of implementing strict regulations to protect the State's important agricultural lands and industries such as farming, fisheries, crops, livestock, horse breeding, wine-making and horticulture from any potential impacts of CSG activity.

The Environment Protection Authority (EPA) can prosecute any company that breaches their Environment Protection Licence, with heavy fines of up to \$1 million able to be imposed by the courts.

Companies that fail to inform the EPA of a serious incident can be prosecuted and fined up to \$2 million.

Safeguards

The EPA is now the lead regulator of environmental and health impacts of CSG activities in NSW, with responsibility for compliance and enforcement.

As the trusted independent watchdog for the environment, the EPA has the power to investigate serious breaches

and enforce conditions of environment protection licences. All exploration, assessment and production titles and activities will be required to hold an Environment Protection Licence.

CSG activity in NSW is also regulated under the following legislation:

- *Petroleum (Onshore) Act 1991*
- *Environmental Planning and Assessment Act 1979*
- *Protection of the Environment Operations Act 1997*
- *Water Management Act 2000; Water Act 1912*

- *Work Health and Safety Act 2011*
- *Threatened Species Conservation Act 1995*
- *Heritage Act 1977*

In addition, the federal government imposes further regulatory controls under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* and the *National Greenhouse and Energy Reporting Act 2007*.

NSW Chief Scientist & Engineer's Review

The NSW Chief Scientist & Engineer, Professor Mary O'Kane will conduct an independent review of CSG related activities in NSW, with a focus on the potential impacts of these activities on human health and the environment. The NSW Government has requested the Chief Scientist to:

- Undertake a comprehensive study of industry compliance involving

- site visits and well inspections;
- Identify and assess any gaps in the identification and management of any potential impacts arising from CSG exploration, assessment and production;
- Explain how the characteristics of the CSG industry compare with the industry in other jurisdictions; and
- Inspect and monitor current drilling activities including water extraction, hydraulic fracturing and aquifer protection techniques.

Water protection

Scientific research by the CSIRO¹ shows that groundwater contamination from CSG operations is considered a low risk because:

- Hydraulic fracturing, when conducted correctly, is unlikely to introduce hazardous concentrations of chemicals to groundwater or to create

- connections between fresh and coal-containing aquifers;
- Water extraction from coal seams makes cross-contamination of aquifers unlikely;
- Long-term monitoring of well bore integrity can help to identify the potential for well leakage into surrounding aquifers; and
- The surface footprint of CSG infrastructure does not prohibit other uses of the land.

All new CSG exploration and production activity will be banned in or within 2 kilometres of existing and future residential areas. CSG activity will also be banned within the areas identified as the Upper Hunter equine and viticulture critical industry clusters.

¹ www.csiro.au

Coal seam gas developments – predicting impacts



CSG is banned from critical industries in the Upper Hunter, including horse studs.



ENERGY SECURITY AND BENEFITS

Coal Seam Gas (CSG) is an energy source which is crucial to NSW's prosperity and low carbon future.

Access to affordable gas – through the development of State reserves – is essential if NSW is to achieve economic growth targets, address greenhouse gas emissions, and ensure a reliable and sustainable gas supply in to the future.

Secure supply

At present, 30 per cent of the eastern Australian supply network comes from coal seam gas. In NSW, there are over 1.1 million consumers who rely on gas for

their homes and businesses. However, approximately 95 per cent of the State's gas needs are imported from South Australia, Queensland and Victoria. Only five per cent of the domestic supply is met locally through AGL's Camden Gas Project, that has provided coal seam gas to the NSW network for more than 10 years.

On current forecasts, NSW could face a shortage of gas from as early as 2014/5 as existing contracts

begin to expire. NSW has proven vulnerable to shortfalls on four previous occasions. In 2004, 2007, 2008 and 2010 gas consumption was restricted in response to supply constraints due to infrastructure failures in other States.

In Queensland, more than 27,000 people are working in the state's gas industry, with an increase of almost 7,000 jobs in the first half of last year, and a further increase of 8,500 jobs reported in March 2013.

COAL SEAM GAS FACT SHEET 6

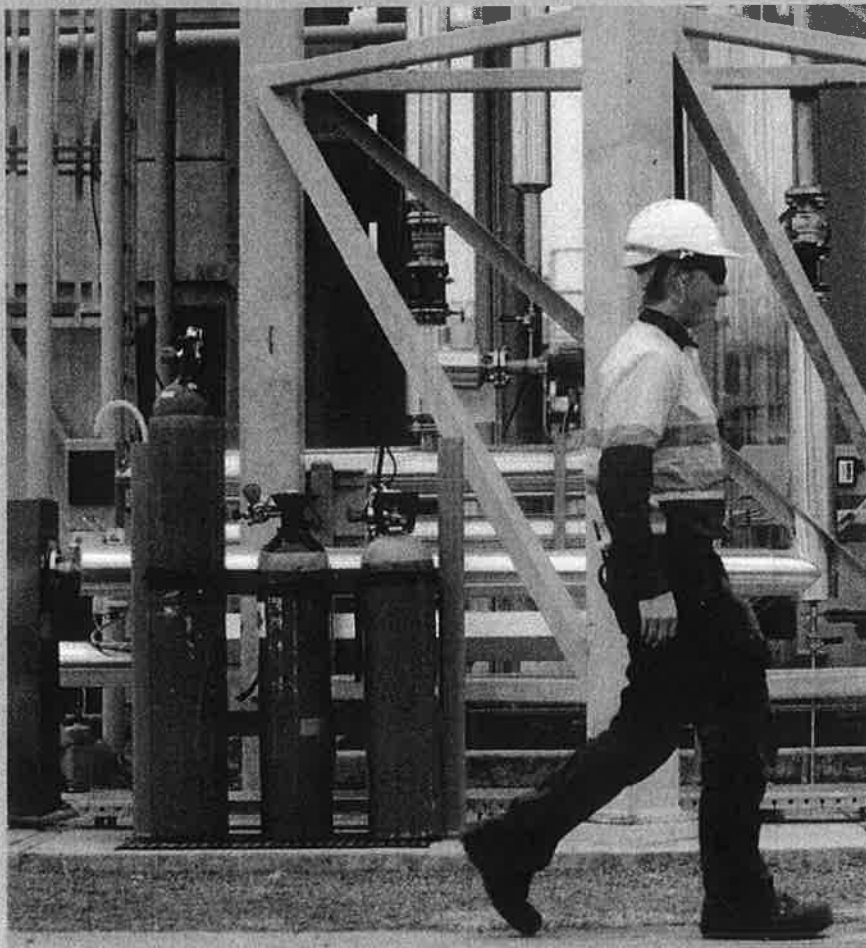
“ On current forecasts NSW could face a shortage of gas from as early as 2014. ”

In comparison, NSW's CSG industry grew from just 39 to 332 positions in the same period.

According to the Australian Petroleum & Production Exploration Association, Queensland industry operators have signed 3,500 landholder agreements and contributed more than \$100 million to community projects.

Regional Benefits

CSG has a proven role in reinvigorating regional communities by delivering infrastructure and investment, providing new jobs and strengthening and diversifying regional economies.



NSW needs a reliable and sustainable gas supply for the future.

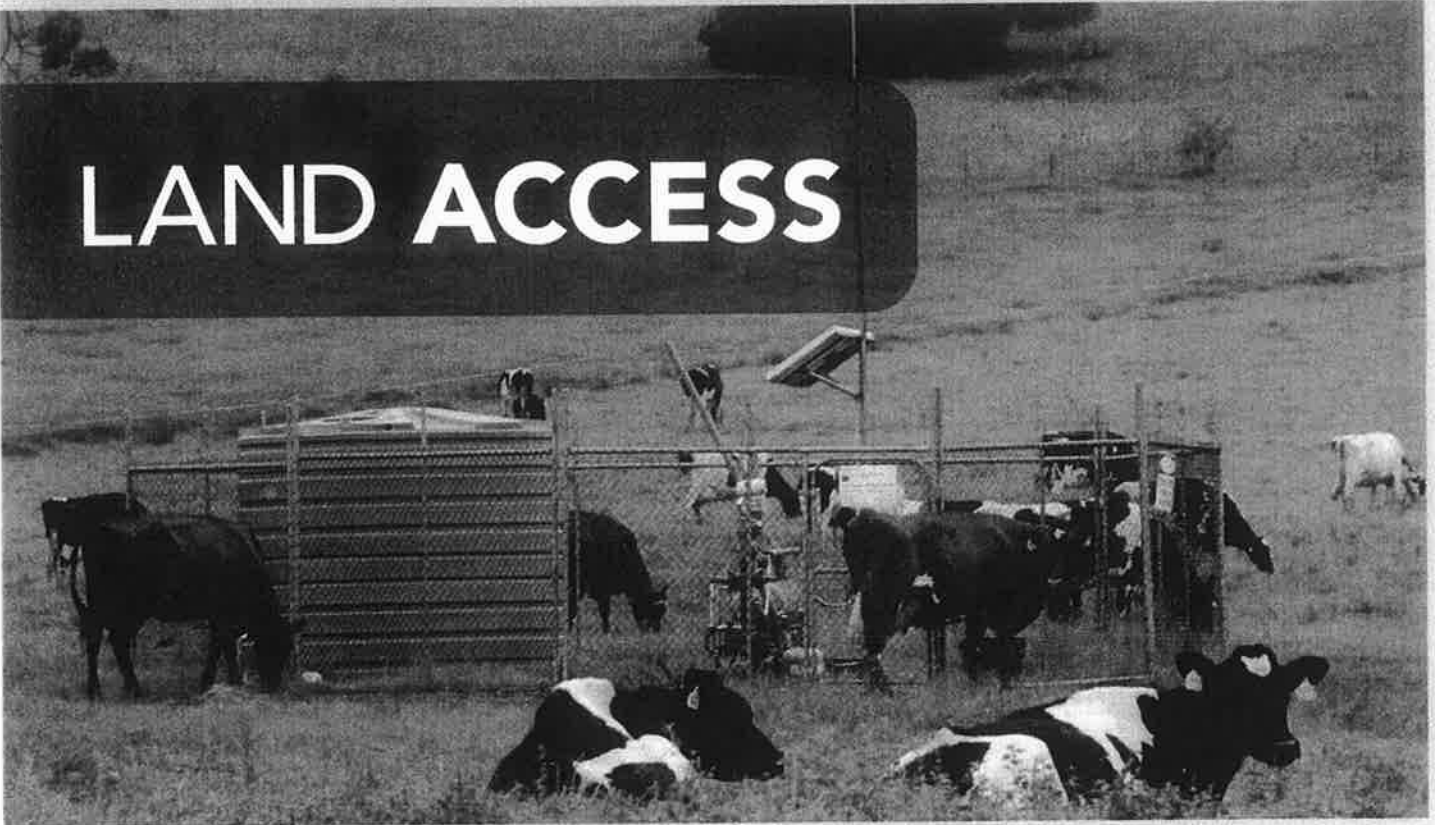
The NSW Government will ensure that communities benefit directly from CSG production through the creation of regional community funds.

Given the resource is owned by the public, it is important that local communities benefit from the production of coal seam gas through royalties and investment in communities in which the industry operates.

The NSW Government has made it clear that funding priorities will be determined according to community needs, in consultation with the community.

The framework to determine how the fund will operate – including assessment of priority areas and the distribution of funds – is being developed and will be released for public consultation prior to finalisation.

LAND ACCESS



Coal Seam Gas (CSG) explorers must hold a title and enter into a written access arrangement with landholders before entering a property.

Landholders' Rights

While landholders in NSW own the surface land of their properties, resources such as CSG that exist below the earth's surface belong to the State. The production of these resources contributes royalties and economic benefits to the people of NSW.

Before any activities may commence, the company must enter into a written access arrangement with the landholder. As part of this process, the company must also consult

with the landholder over where drilling will occur, provide a plan and description of the land they wish to access and a description of what sort of exploration methods they intend to use.

Access arrangements may also include provisions to minimise any loss or interference and landholders are entitled to compensation for loss caused, or likely to be caused, as a result of the activities on their land.

The NSW Government further strengthened landholders' rights by

appointing the State's first Land and Water Commissioner to oversee the development of a standardised land access arrangement in consultation with farmers, irrigators, cotton growers and petroleum explorers. This helped ensure the protection of landholders' rights in the land access process.

The Commissioner also empowers landholders in their negotiations with companies to ensure CSG activities are located and conducted in a manner which minimises any potential impact on

farming activities, the environment and lifestyle of the landholder.

CSG companies are encouraged to establish long-term relationships with landholders based on courtesy and respect. Open and effective communication, including the provision of clear and accurate information, will contribute to the success of an access agreement.

If an access arrangement cannot be agreed to within 28 days, the company may request the landholder appoint a mutually agreeable arbitrator in accordance with the *Petroleum (Onshore) Act 1991*.

If either party is not satisfied with the arbitrator's determination, they can apply to the NSW Land and Environment Court for a review of the determination.

A Code of Practice for CSG Explorers sets strong standards for industry when negotiating with landholders for land access.

Exploration

Prior to any exploration activity, an explorer must first obtain a Petroleum Exploration Licence (PEL) under the *Petroleum (Onshore) Act 1991*. As part of this process, the application will be publicly advertised and invite the public to comment.

If the application is granted, only activities that have minimal environmental impact can be undertaken. Any other activities will require additional multi-agency approval.

A PEL gives the licence holder exclusive rights to explore for

petroleum within a designated area. A PEL does not permit production or guarantee a Petroleum Production Lease (PPL) will be granted. Only a very small percentage of land that is subject to a PEL ever proceeds to a production lease.

Initial work programs may involve desktop studies or a site visit by a geologist or technical officer to walk the area and undertake geological mapping of rock outcrops. If an area of interest is identified, small rock samples may be collected for analysis.

Aerial or surface geophysical surveys may be undertaken. Most of the techniques for obtaining samples or geophysical surveys do not involve significant disturbance of the ground. If resources are indicated in the samples, the next phase of exploration may involve core hole drilling, which is usually conducted by using truck mounted drill rigs.

A comprehensive environmental assessment by way of a Review of Environmental Factors (REF) must be undertaken before approval for drilling and surface geophysical surveys is granted and for any proposed supplementary activities. All REFs must include an Agricultural Impact Statement which comprehensively assesses the potential impacts of the project on agricultural land, water and associated industry.

Once the exploration activity is complete, all disturbed areas must be fully rehabilitated to strict environmental standards and in line



Inaugural NSW Land and Water Commissioner Jock Laurie with "Ellie", Northern NSW.

with Government requirements. If an economic resource is located through exploration, any future production proposal will require a Development Application to be lodged with the Department of Planning & Infrastructure.

The development assessment and approval process for such applications is extensive, transparent and rigorous, and provides for full community input.

This process is administered by the Minister for Planning and Infrastructure under the *Environmental Planning and Assessment Act 1979*. All relevant environmental, cultural and heritage issues are fully considered by the Government in this process.

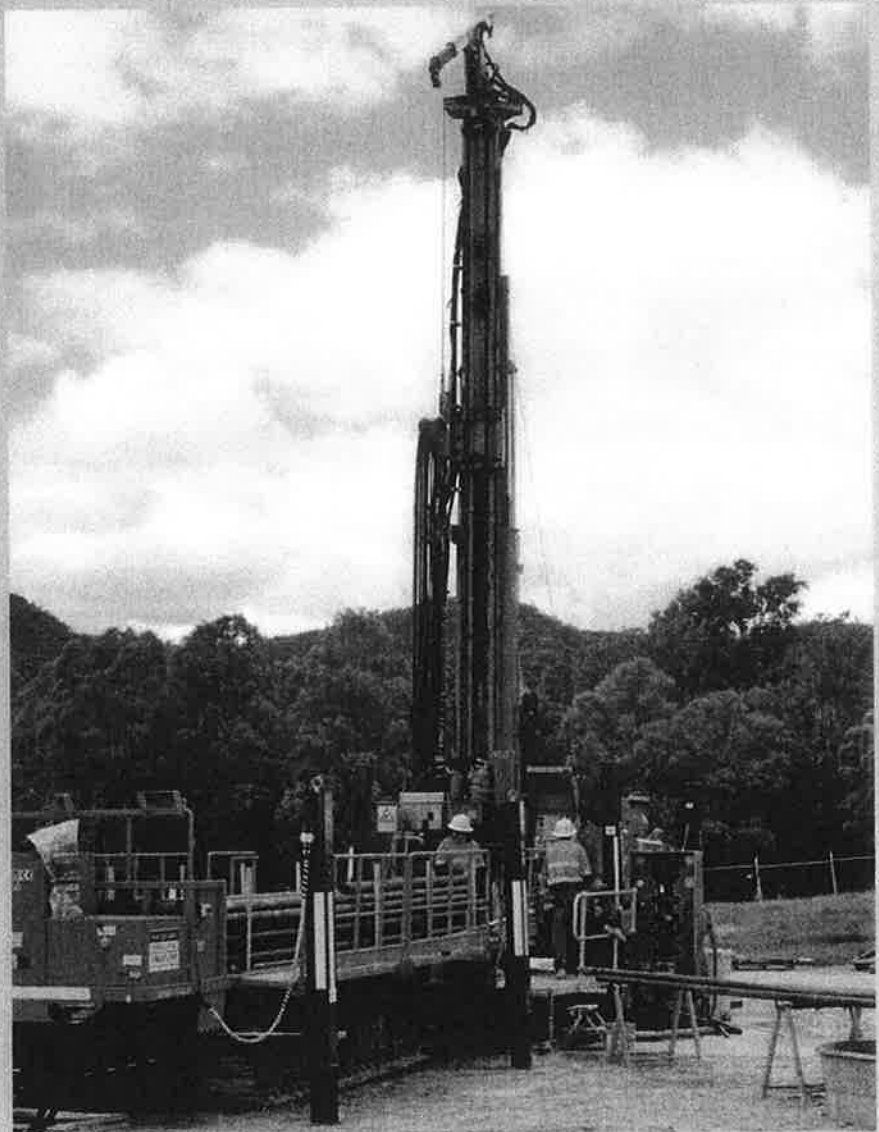
Community Consultation

Local communities now have the opportunity to comment on exploration licences for coal seam gas through the introduction of a public comment process and strict community consultation requirements.

The purpose of the consultation process is to ensure that exploration companies fully engage with landholders and community groups to guarantee that community concerns are heard and addressed.

Local communities will be given 28 days from the publication of the notice of application to comment on the granting of coal and petroleum (coal seam gas) exploration licences.

The consultation process provides communities with the opportunity to voice any concerns and improves the



Core hole drilling is part of the exploration process.

transparency and effectiveness of the decision-making process when determining future applications for CSG exploration licences.

CSG Production

Before production can begin, a company must obtain Development Consent from the Department of Planning & Infrastructure and a Petroleum Production Lease from NSW Trade & Investment. The process involves the following steps:

- Where the project is located on Strategic Agricultural Land, the applicant will be required to go through the Gateway process. The Gateway process is an independent, scientific and upfront assessment of the potential impacts of a mining or coal seam gas production proposal on strategic agricultural land. It will consider proposals at a very early stage before a development application can be lodged. The Gateway



Cows graze near a CSG well at Camden, NSW.

assessment will be undertaken by an independent panel of experts in fields such as agricultural science, hydrogeology, mining and petroleum production.

- Where the project is NOT located on Strategic Agricultural Land, or has obtained a Gateway Certificate, the applicant will apply to the Director-General of Planning and Infrastructure to issue Director General Requirements for the preparation of an Environmental Impact Statement (EIS).
- The Development Application and EIS are lodged and publicly exhibited for at least 30 days to allow the local community and other key stakeholders to lodge submissions.
- The Department of Planning & Infrastructure will consult with the local council and relevant agencies to discuss possible conditions on the application.
- The Minister for Planning, or the Planning Assessment

Commission under delegation from the Minister, determines whether or not to grant consent.

- Once development approval is granted, the Minister for Resources and Energy grants a Petroleum Production Lease.

On the granting of a Petroleum Production Lease, landholders and secondary landholders (persons who do not have a right to possession of the land, but do have a registered interest in the land) are entitled to compensation for loss suffered, or likely to be suffered, as a result of production.

Compensation can be claimed for:

- Damage to land surface, crops, trees or other vegetation, and buildings or other structures;
- Deprivation of the use of surface land, or blocked access;
- Loss of right of way or easements; and
- Destruction, injury, or disturbance to stock.

The landholder and company must sign an agreement that specifies the payable compensation. If agreement can not be reached, the landholder may refer the matter to the Land and Environment Court.

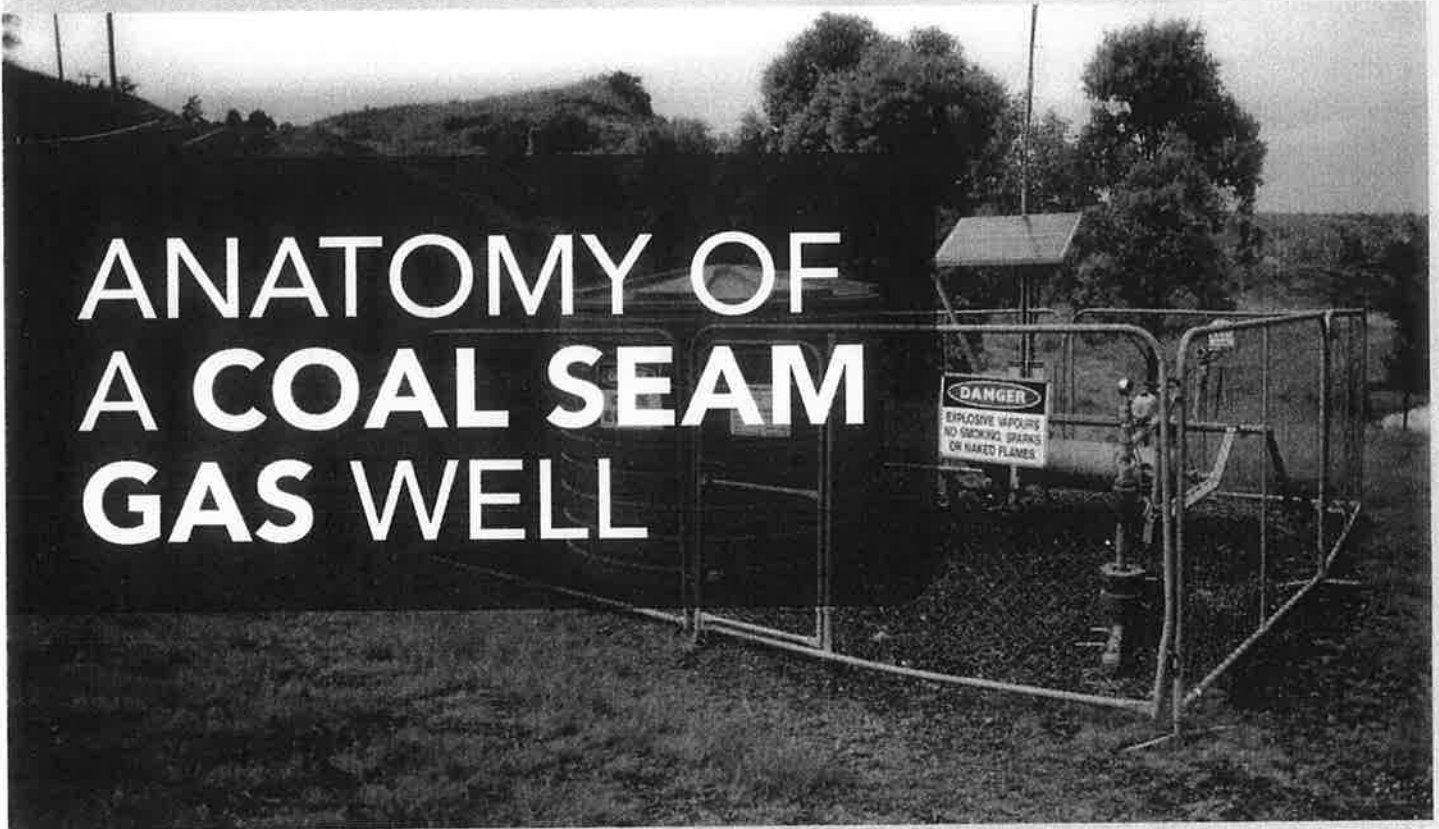
Additional Protections

Strict conditions are attached to Petroleum Exploration Licences and Petroleum Production Leases. These conditions regulate the types of activities that can be carried out and where they may occur.

Rehabilitation

Title holders are required to rehabilitate areas disturbed by CSG activities and must lodge security bonds prior to the commencement of activity. In the event the title holder fails to meet its obligations, sufficient security is provided to cover the likely rehabilitation costs. The security is not returned until the NSW Government is satisfied that the rehabilitation has been adequately completed.

ANATOMY OF A COAL SEAM GAS WELL



The NSW Government has introduced stringent new codes of practice to regulate the Coal Seam Gas (CSG) industry, including new well integrity standards.

For any well to be drilled, it is a requirement of a company's exploration licence that it be drilled in accordance with the NSW Government's Code of Practice for Well Integrity, which stipulates:

- Mandatory practices for well design and construction to ensure CSG activities are environmentally safe and groundwater resources are protected;
 - Guidelines for well monitoring and maintenance; and
 - Methods for the management of water from the CSG extraction process.
- Under the code, the design of all CSG wells must guarantee the safe production of gas by:
- Preventing any interconnection between coal seams and aquifers;
 - Ensuring that gas is contained within the well and associated pipe work and equipment without leakage;
 - Ensuring isolation between different aquifers and water bearing zones;
 - Not introducing substances that may cause environmental harm; and

- Requiring all chemicals used to be disclosed during the approvals process.

Drilling and testing

A CSG well is created by drilling through layers of earth and rock up to 1000 metres below the surface. Multiple layers of steel casing and cement are pressure-injected so the well adheres to the surrounding rock.

A strong seal prevents gas or fluid leakage into permeable layers, including aquifers.

The process of drilling and installing the well can take over a month. Before activation, the well is subjected to a high pressure test. A geophysical logging tool is lowered into the well hole to inspect the casing and ensure it meets Government standards.

These measures limit the potential for CSG drilling activities to interfere with water resources and the environment.

Regulation of wells

The independent Environment Protection Authority (EPA) has been appointed as the lead regulator of environmental and health impacts of CSG activities in NSW. The EPA is responsible for compliance and enforcement and has the power to inspect and prosecute CSG companies for environmental and health breaches.

An Office of Coal Seam Gas (OCSG) has been established in the NSW Department of Trade and Investment to oversee the regulation of CSG matters within the scope of the *Petroleum (Onshore) Act 1991* and the *Work Health and Safety Act 2011*.

This includes:

- The administration of petroleum titles for CSG;
- The granting of exploration activity approvals;
- Workplace health and safety;
- Enforcement and compliance;
- CSG regulatory policy; and
- The regulation of rehabilitation (including security bonds).

End of Well

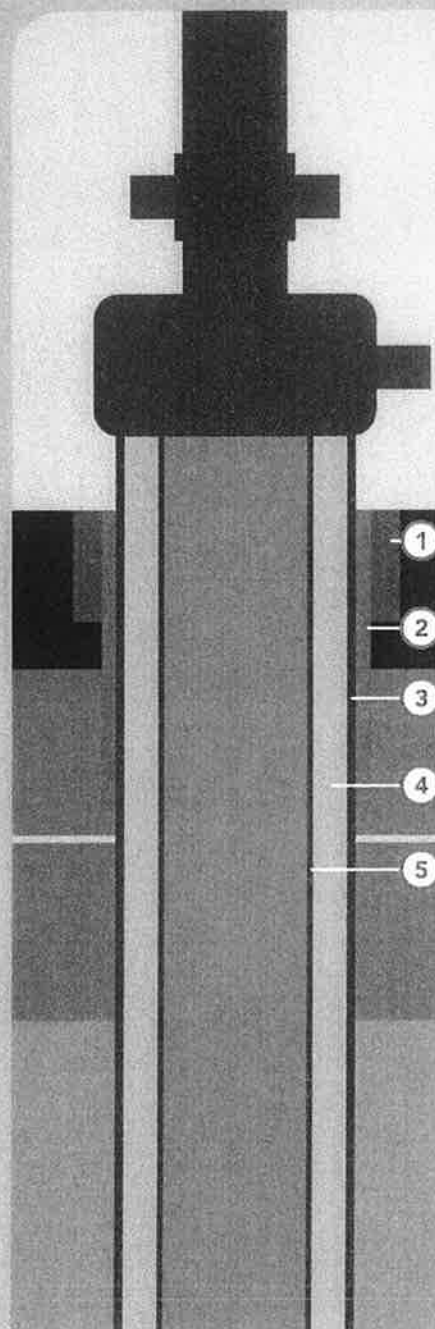
Once a well has exhausted the gas reserves from the coal seam,

it is cemented and plugged in accordance with regulatory requirements.

The title holder must rehabilitate all well sites and the surrounding land to their previous state, or as per their agreement with the landholder. Rehabilitation of the well may include restoring the

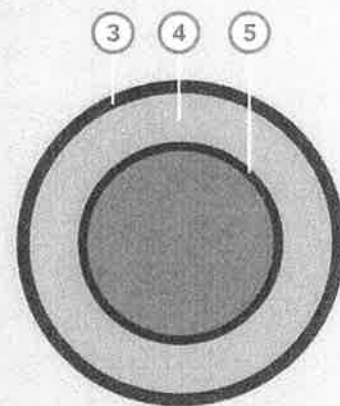
natural surface contour of the land and planting seeds to ensure adequate plant coverage of the area.

The OCSG will hold a substantial security deposit from the title holder to be used in the event that they fail to rehabilitate a well site to Government standards.



Typical well reinforcement details and cross-section

- 1 14" conductor at 6m
Cement to surface
- 2 9-5/8" steel casing at 140m
Cement to surface
- 3 7" casing at top of coal
Cement to surface
- 4 Thick cement encasement
- 5 2-7/5" production tubing



Cross-section



Questions and Answers on Pilliga Pond Incident

13 March 2014

On 18 February 2014 the NSW Environment Protection Authority (EPA) announced it had fined Santos for a pollution incident at a pond which is part of its Narrabri Gas Fields operations in the Pilliga. The EPA media release is here:
<http://www.epa.nsw.gov.au/epamedia/EPAMedia14021802.htm>

The EPA's report on the incident is available on request.

This brief Q&A document has been jointly produced by the Department of Premier and Cabinet, the Department of Trade and Investment, the EPA, the NSW Office of Water (NOW) and the Division of Resources & Energy (DRE). It is designed to help people understand what has happened and to address any queries they may have.

1. Who is responsible for the incident?

The pond is called the Bibblewindi Pond 3 and was installed by Eastern Star Gas (ESG) in 2007. It is part of the Bibblewindi Water Treatment Facility established by ESG to treat produced water from pilot wells it operated. Santos acquired ESG in 2011 so it has taken on responsibility for (and any liability for) its facilities there.

2. When was the government notified and what was done by government?

Santos notified the government in May 2012 that it suspected the pond may be leaking. Santos was instructed to undertake assessment to determine if the pond was leaking and to what extent.

Further studies and monitoring were undertaken by Santos between May 2012 and April 2013 in consultation with DRE. These studies revealed that the leak was small and hard to detect. Santos installed 8 additional groundwater monitoring bores during this period to confirm the results.

Details of Santos' surveys and monitoring that confirmed the existence of a leak, its extent and impact were provided to government in March 2013. The EPA immediately commenced a formal investigation.

3. What did the EPA investigation find?

The EPA investigation confirmed that the liner in Pond 3 was leaking. The liner had not performed adequately and water had leaked to a groundwater system at a depth of between 22m and 33m. The leak was not caused by any drilling or other resource extraction related activity.

The EPA investigation found elevated salt levels in the groundwater between depths of 20m and 33m and elevated concentrations of Aluminium, Arsenic, Barium, Boron, Lead, Nickel, Strontium and Uranium. These are all naturally occurring elements in the surrounding soil and groundwater. Importantly, testing did not detect Uranium in the pond's water. However, Uranium was detected in the natural soils on the site. This indicates that the naturally occurring Uranium in the soil is the source of the elevated concentrations of Uranium in the groundwater. It is suspected that the leaking water mobilised the elements and moved them into the groundwater.

4. How close is the pond to other water sources?

The NSW Office of Water confirmed the shallow groundwater site is more than 5 km away from the nearest drinking water bore. The nearest stock and domestic bore is 4km away and is extracting water at a depth of between 60 and 84 metres.

5. Is my stock or my crops in any danger?

No. There is no danger to stock or crops in the area.

The leak is small, localised and contained, and it is extremely unlikely that the impacted groundwater will migrate beyond the confines of the localised groundwater system within the immediate vicinity of the pond. Water within this groundwater system is barely moving. Therefore there is no risk to private bores.

6. What is an aquifer?

An aquifer is any geological structure or formation, or an artificial landfill that is permeated with water or is capable of being permeated with water. This includes water of non-drinking water quality and that may even be saline.

More generally, the term 'aquifer' is commonly understood to mean a groundwater system that is sufficiently permeable to allow water to move within it, and which can yield productive volumes of groundwater. Groundwater is all water that occurs beneath the ground surface in the saturated zone.

7. Is the aquifer affected by the leak connected to any other aquifers, especially those which supply water for irrigation, livestock or human consumption?

No. Equally, there is no evidence that this groundwater system is connected to other deeper aquifers (for instance the Pilliga Sandstone).

8. How did the EPA determine that there was little or no risk to environment and health?

The leak is small, localised and contained, and the groundwater is barely moving. It is more than 4km to the nearest private stock and domestic water source and more than 5km from the nearest drinking water source. Therefore there is no such risk as there are no exposure pathways.

9. What regulatory action was taken?

The EPA fined Santos \$1,500 for the incident. The fine imposed on Santos reflected the small environmental impact of the incident, the fact that the company self-reported the incident, cooperated in the investigation and is implementing measures to minimise the impact.

10. Could this happen again?

The NSW Government has significantly strengthened the regulatory controls that apply to CSG operations in NSW to prevent this kind of incident occurring again.

Companies are now required to be licensed by the EPA for environmental matters as well as the Office of Coal Seam Gas for engineering and operational matters. Companies must also now have in place an approved Produced Water Management Plan prepared in consultation with the EPA and NSW Office of Water.

The NSW Government has also banned the use of evaporation ponds.

11. What will happen now and will the site be rehabilitated?

Santos' Environment Protection Licence will include a number of requirements and comprehensive rehabilitation will be carried out. Pond 3 will be fully decommissioned once leaked water has been monitored and pumped back to the pond. The water from the pond will be transferred to a new, approved water treatment facility "Leewood" being constructed by Santos. The new facility has double lined membranes with leakage detection and collection systems. Monitoring and acting on the groundwater will continue until levels return to background/ambient levels.

It is estimated that Santos will spend more than \$10m to rehabilitate the Bibblewindi site.

12. What overall regulatory controls has the government put in place?

The NSW Government has the most comprehensive measures in the country for the regulation of coal seam gas.

Any petroleum exploration or assessment licence granted in NSW has conditions that require the development of a Groundwater Modelling and Monitoring Plan in consultation with the NSW Office of Water and a Produced Water Management Plan in consultation with the EPA and NSW Office of Water.

The government has made the EPA the lead environmental regulator of coal seam gas activities in NSW with responsibility for compliance and enforcement.

The government has also put in place a range of protections including an Aquifer Interference Policy and a Code of Practice for Well Integrity to protect groundwater, banned the use of BTEX chemicals, and banned the use of evaporation ponds.

The NSW Government has also put in place a Land and Water Commissioner to provide independent advice to the community.

13. Who do I contact if I have any queries or concerns?

Phone the EPA's Environment Line on: 131 555;
or email: info@environment.nsw.gov.au

or

Phone the Office of the NSW Land and Water Commissioner on:
(02) 6391 3429;
or email:
commissioner@landandwater.nsw.gov.au

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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (March 2014). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of the NSW Department of Trade and Investment, Regional Infrastructure and Services or the user's independent advisor.

Executive Officer's Report to a Meeting of The Association of Mining Related Councils Inc. Executive Committee 22 April 2014

Part A – Information

Item 1 Invitation to Councillor John Coulton, Chair, Australian Rural Roads Group to Speak to a Future Meeting.

I confirm verbal advice (received morning, Thursday 27 February 2014) to the last meeting of the Association that Councillor John Coulton will be accepting the Association's invitation to address the August 2014 meeting in Sydney. This will allow discussion on any areas where the two organisations may be able to cooperate in achieving increased attention and funding for NSW local roads.

Item 2: Interest in Membership of the Association

I have been in contact with Dubbo City Council over the past year with a view to interesting the Authority in becoming a member of the Association. I am pleased to report that the Mayor, Cr Mathew Dickerson and the General Manager, Mark Riley will be attending the May meeting in West Wyalong to observe the organisation's role in local mining and CSG issues.

Item 3. Independent Coal Seam Gas Forum Sydney 25 March 2014.

On behalf of the Association, I attended this forum to ensure that the Association has information as to the opinions of independent experts in the areas of access agreements, underground and surface water and the environment generally where CSG exploration is proposed or is taking place. There were two sessions, afternoon and evening.

Speakers

Mr Hugh Price, Forum Chair and Land Owner from Quirindi NSW

Andrea Broughton, Principal and Hydrogeologist, Ground Water Solutions International.

Dr Gavin Mudd, Senior Lecturer, Environmental Engineering, Monash University.

Dr Phillip Pells, Principal & Geotechnical and Groundwater Engineer, Pells Consulting.

Ian Coleman SC, Adjunct Professor School of Law, University of Western Sydney.

Dr Tony Ingdruffea, Professor of Engineering, Cornell University.

Member Council Delegates attending the sessions included:

Councillor Frank Hooke – Gloucester Shire Council

Councillor Peter Bishop—Upper Hunter Shire Council

Councillor Chris Connor – Wollongong City Council

Councillor Jeff Maybury – Cessnock City Council

Councillor Peter Shinton—Warrumbungle Shire Council

The main issues discussed were:

The need for scientific studies and evidence prior to the commencement of CSG activities.

The speakers maintained the necessary data was not available from CSG companies and that there were major differences in the makeup of NSW CSG reserves and their relationships with aquifers when compared to Queensland and overseas. Where there have been studies carried out, no follow up investigations have taken place in Australia to ascertain what has happened. Ground water for example has its own environment—there has been no biological assessment

of its biodiversity. Base line studies were required prior to exploration. The view was expressed that long term studies were required.

The activities of the Santos company were raised where only three wells were available for information analysis however, eight hundred wells were to be drilled.

There was a need to study the aquifers prior to CSG exploration particularly the drawdown in levels as the CSG coal reserves were tapped.

The NSW Chief Scientist's report was acknowledged however it was claimed that there were still gaps in the scientific knowledge.

The matter of community health issues was raised.

In relation to fracking, it was acknowledged that in the Narrabri area, it was not necessary. However in the Gloucester area it was necessary. In the Camden area, fracking was not required any more.

CSG well construction also came in for discussion. It appears at Gloucester, the wells did interact with each other despite being separately cased – i.e. interconnection which have been denied by the company concerned. There was a belief that driller integrity was required to allow evidence to be gained.

The influence of climate change was also noted especially with drought conditions. It was hard to isolate what issue is affecting aquifers—drought or CSG exploratory drilling.

The Queensland CSG industry was mentioned for its rapid development. The view was expressed that the exploration and drilling had not waited for appropriate studies to be completed.

Access Agreements

The 1991 legislation in the opinion of the speaker gave companies much greater power in negotiating access rights. In disputes, the landholder can only be legally represented if/when the company allows it. In the speaker's opinion, it makes it an uneven contest. In addition, many arbitrators have no expertise or legal qualifications in arbitration. There is no decision as to costs. According to the speaker, there is a need for a fair and transparent process. There was a need to ensure the landowner was no worse off than before the drilling commenced. This also applied to the environment of the area affected.

Review Of Environmental Effects

Environmental Impact Statements [EIS(S)] in relation to CSG exploration and drilling when compared to the legislation are sometimes lacking. In Queensland questions relating to EIS(S) were not answered prior to drilling going ahead in many cases. Many EIS(S) lack local involvement, input and information.

It was noted that the draft Petroleum On Shore Amendment Act was currently before the NSW Parliament and may address some of the issues. It was to be aligned with the current NSW mining legislation.

Some forum speakers questioned the ability/expertise of some government departments and agencies to make the critical assessment of some projects. Companies' produce EIS(S) at considerable expense and the view was put by one speaker that the community is at a disadvantage in dealing with such matters. It was noted that many projects were of "State Significance" where they bypassed a lot of the local review processes.

The evening forum covered (in my opinion) most of the issues discussed in the afternoon session. There were quite a few Parliamentary members at the evening session which may have explained the repeat of issues and speakers.

While it was important to hear the views expressed, it should be noted that no industry representatives were invited or were present at the forums to allow the “other point of view “ to be put.

Item 4. Invitation to Participate in NSW Minerals Council Judging Panel

I advise I have been approached to participate as one of the judges for the forthcoming NSW Minerals Council 2014 Environment and Community Excellence Awards. I have accepted the position, which I believe will continue to lift the Association’s profile in issues relating to mining.

Recommendation

That Part A of the Executive Officer’s Report be received and noted.

Part B – For Decision

Item 1 Policy – Coal Seam Gas.

As at the date of this report, responses have been received from the following councils in relation to the Association’s communication dated the 28 February 2014 advising of the draft policy under consideration and asking for feedback by 10 April 2014:

Cessnock City Council; advising Council has received numerous reports and made a number of recommendations in relation to CSG over the past three years. Most recently Council has resolved to adopt a position statement in relation to the issue which clearly articulates Council’s overarching position when CSG issues arise.

When finalising the draft policy, the Council would appreciate the Association considering this position statement. (Copy of the position statement attached to this report) The statement is in keeping with the Association's draft policy with the additional issue of a secure source of gas for the Cessnock local government area.

Cabonne Shire Council: Council has resolved as follows:

That Council:

1. Support the Association of Mining Related Council's draft policy on coal seam gas,
2. Encourage that consideration be given to protection of all ground water and surface water.

Narromine Shire Council: Council has resolved:

1. Advise AMRC that it supports the Association's draft coal seam gas policy in principle including:
 - proactive community education campaigns relating to the short and long term environmental impacts of mining;
 - The support of CSG exclusion zones and the planning gateway certification process as proposed by DoPL;
 - The request for the release of scientific information in relation to the effects of CSG;
 - The clarification of the role of local government in CSG development assessment;
 - Clarification of the progression of this policy and the expected outcomes in terms of government policy changes be sought.
 - Council has also resolved to develop its own CSG policy for the assessment of any future applications.

Newcastle City Council: Through the Lord Mayor Councillor Jeff McCloy (Also the Association's delegate from that council) supporting the draft policy and congratulating the Committee on the approach proposed.

Campbelltown City Council: Sent 16 December 2013 in relation to the Association's original proposed policy:

Advising that to date Council has opposed coal seam gas exploration and extraction within the Campbelltown Local Government area.

At its meeting on 20 November 2012, Council resolved:

“That Council advise the NSW Government that it continues to have the view that no licences for coal or mining applications be issued until such time as scientific evidence guarantees that such activities do not compromise the environment or health of the community, and

That Council opposes any coal seam gas activity in the Campbelltown Local Government Area”.

Council has further advised- meeting 8 April 2014:

“That Council provide in- principle support to the draft policy of the Association of Mining related Councils on coal seam gas and advise the Association of its decision in this matter”.

Gloucester Shire Council – has requested an extension of time (17 April 2014) for a response which has been agreed to.

Wollongong City Council –Council has responded as follows:

“This matter was considered by Council at its ordinary meeting of 7 April 2014 at which time Council resolved as follows:

1. Council commends the Association of Mining Related Councils (AMRC) for developing a policy position in relation to coal seam gas.

2. Council supports the AMRC ‘s draft policy on coal seam gas and requests the AMRC consider the following:

a. The inclusion of an additional point within the policy which state “That the AMRC does not support coal seam gas exploration and/or production within drinking water catchments” and,

b. The inclusion of the words “Sydney Catchment Authority and Environmental and Hydro-Geological Scientists” to point 3 of the draft policy as follow:

The AMRC calls upon the state government to release as soon as possible the findings of the Chief Scientist and to commission with the key industry groups , **Sydney Catchment Authority and Environmental and Hydro – Geological Scientists** peer reviewed research demonstrating the possible impacts and effects of CSG mining on ground water systems effects related to the use of chemicals, effects related to hydraulic fracturing, effects on greenhouse gas and other emissions and the nature and effect of remediation under the Petroleum (Onshore) Act 1991 and under clause 14 of SEPP (Mining, Petroleum Production and Extractive Industries) 2007.

Council has also forwarded a copy of a letter from the Premier (distributed to delegates) which deals with CSG issues raised by Council and advising of current NSW government decisions in relation to these matters.

Narrabri Shire Council

“That Council receive and note the draft policy of the Association of Mining Related Councils (AMRC). In addition noting that in Narrabri Shire Council’s view, the statements form a positions statement and not a policy.

That Council recommends the following additions to the AMRC position statement:

- Notes the AMRC role to effectively lobby state and federal government to financially support the infrastructure needed to adequately deal with additional local mining and extractive industries;
- That impacts on Local Government Council Infrastructure are adequately compensated for in the immediate and future life of those assets;
- In regard to the communities environmental assets, that the appropriate oversight body, whether government or private , is engaging effectively and is communicating with Council and the processes are put in place to independently obtain baseline data on air and water quality;
- AMRC demands a “nil” effect position in regard to the quality of surface water, domestic, stock and irrigation aquifers used by our community and a “nil” net effect on above ground environmental assets in relation to coal seam gas activities;
- That health and environmental impact assessments are conducted for all significant mining and extractive industries during the approval process;
- That individual property rights in regard to unwelcome drilling , exploration and/or extraction activities are supported;

- That the ten (10) International Council of Mining and Metals (ICMM) principles are supported by AMRC;
- That an independent Ombudsman be appointed for complaints and ongoing oversight of the industry;
- That Item 4 of the draft policy be amended to include a recommendation to the State government to modify the pre-gateway determination process to enable a refusal where appropriate and;
- Promote the dissemination of information to landholders that is independent and informs them of their rights and obligations prior to entering into any agreements relating to coal seam gas exploration or production”.

Further Comment

Since the draft policy was distributed to Councils, the State government has released details of new land access agreements for CSG operations. “The Agreed Principles of Land Access” was signed on the 3 March 2014 by gas companies Santos and AGL and representatives from NSW Farmers Association, Cotton Australia and the NSW Irrigators Council. The agreement covers access to private agricultural landholder’s property for CSG exploration and production drilling operations.

A quote from Adam Marshall MP, Member for Northern Tablelands, Media release:

“The signatories to the Principles formally recognise the rights of landholders across the state to have a voice in what happens to their property. The Principles show there are reputable, professional and capable companies that can responsibly develop natural gas resources in NSW while recognising the importance of respecting, communicating and working with communities” end of quote.

The basis of the agreement is to allow landholders to freely express their views on the type of operations that should or should not take place on their land without criticism, pressure, harassment or intimidation.

The gas companies confirm that they will respect the landholders' wishes and will not enter onto a landholder's property to conduct operations where that landholder has clearly expressed the view that operations on their property would be unwelcome.

Further, the parties will uphold the landholder's decision to allow access for operations and do not support attempts by third party groups to interfere with any agreed operations. The parties condemn bullying, harassment and intimidation by third party groups and individuals in relation to drilling operations.

The State government has also recently announced (through the Minister for Resources and Energy) the cessation of issuing permits for CSG exploration to allow the whole matter to be reviewed. It would appear permits issued previously to many smaller companies have not fulfilled the requirements of the government or the communities where CSG exploration has taken place.

Further, a report in the media (copy attached) Heading: **NSW Office of Water Aquifer Interference Policy will apply to SANTOS Narrabri Gas Project** appears to refute claims by that company that it would be exempt from the policy. The media report details the present situation and statements by the NSW Water Commissioner.

The above matters are now referred to the Executive Committee for a decision in relation to the Association's draft policy.

Recommendation

The Executive Committee review submissions from member councils in relation to its current CSG draft policy. Further, in this review the Executive Committee also notes any recent State government, community and CSG industry actions which may influence the intentions and makeup of the final policy.

Item 2. Membership of the Association- Wentworth Shire Council

Wentworth Shire Council has applied for membership of the Association. The Council has several sand mining activities within its area and sees the Association as one which can assist it in dealing with issues surrounding this mining activity.

Recommendation

That the Executive Committee recommend to the Association's ordinary meeting to be held on Friday 9 May 2014 that Wentworth Shire Council be admitted as a member of the Association.

Item 3. Policy- Delegates Travel Expenses for Attending Events and Meetings on Behalf of the Association Outside Their Local Government Council Area.

Following the Association's decision that a policy be developed for payment of expenses for a delegate who represents the Association on a designated committee or board, I have received and reviewed applicable documents from Executive Committee member's Councils.

It was also resolved that consideration be given to the policy covering the expenses of Executive Committee members when they attend meetings away from their own local government area.

I would put forward the following draft policy for the Committee's consideration and recommendation to the next meeting.

Gary Woodman

From: Executive Assistant <executive.assistant@gloucester.nsw.gov.au>
Sent: Tuesday, 13 May 2014 3:43 PM
To: Gary Woodman
Subject: RE: Coal Seam Gas Exploration and Development
Attachments: Mining and Extractive Industries Policy Final.docx

Good Afternoon Gary

Please find attached Council's policy relating to both mining and csg extraction.

Regards
Leanne Watson
Executive Assistant
Gloucester Shire Council

-----Original Message-----

From: Gary Woodman [<mailto:gary.woodman@cobar.nsw.gov.au>]
Sent: Sunday, 4 May 2014 11:04 AM
To: Don Tydd; Cr Sharon Wilcox; Blayney Shire Council; cassandra.davis@bigpond.com; Catherine Collyer; Chris Connor; Chris Johnston; col mitchell; Col Stewart ; Colleen Fuller; Cr Cohrs; Cr Des Kennedy; Cr Hans Allgayer; Cr John Rosenbaum; Cr Scott Ferguson; david henry; debbie hunt; Dennis Brady; Don McKinnon; eric groth; frank hooke; Geoff Slack; Glenn Wilcox; Gordon Bradbey; Greg Lamont; Heather Nicholls; Ian Davison; Jeff Maybury; Jim Nolan; John Magill; John Martin; Julie Goodwin; Julie Sharpe; Kath Whitehead; Ken Bates; kent boyd; Kevin Duffy; Lachlan Shire Council; larissa bourke; Lea Carter; Executive Assistant; Libby Lantz; Lilliane Brady Home; Liverpool Plains Shire Council; Loretta Talevski; Maree Statham; Melissa Bennett; Michael Greenwood; Narrabri Shire Council; Neville Castle; Newcastle City Council; nicole hunter; Paul Hawker; Paul Phillips; Peter Bishop; Peter Kozlowski; Peter Shinton; Ray Thompson; Renea.Meacham; Rhiannan Pace; Robyn Cox; Robyn Faber; ron vankatwyk; Ron Zwicker; sharon wilcox; Shona Henry; Smith, Cheryl; steve loane; Tony Ellis; Tony Jones; Warwick Bennett; wayne McAndrew; Wayne McAndrew
Cc: Lilliane Brady; Heather Holder; Stephen Poulter; Garry Ryman
Subject: Coal Seam Gas Exploration and Development

All,

It is expected that over the next month Cobar Shire Council will start to consider a more formal position/policy on Coal Seam Gas Exploration and Development.

If your Council already has a formal position/policy could you please provide that information by return email?

Your advice would be much appreciated.

Gary Woodman
BE (Civil), G. Dip.LGE, LGE, FIPWEA, MLGMA General Manager Cobar Shire Council
36 Linsley Street (PO Box 223)
COBAR NSW 2835
Telephone: 02 68365888 Facsimile: 02 68365889 Mobile: 0419 281115
Email: gary.woodman@cobar.nsw.gov.au

Web: www.cobar.nsw.gov.au

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Name of Policy:	MINING AND EXTRACTIVE INDUSTRIES POLICY
Date of Adoption by Council:	20 February 2014
Last Review Date:	not yet applicable
Review Timeframe:	Every two years or as required
Next Scheduled Review Date:	20 February 2016
Related to Legislation:	Local Government Act (1993) Environment Planning and Assessment Act (1979)
Associated Policies/Documents:	The International Council of Mining and Metals (ICMM) – 10 Principles Gloucester Shire Council – Framework for Protecting and Enhancing Our Community – Future Development Principles; 2013
Responsible Director:	Director of Planning and Environment

Preamble

The Gloucester Valley is a narrow strip of land between two mountain ranges generally running north/south. The landscape has historically been used for agricultural purposes, and Gloucester has evolved as an important district Centre to meet the needs of its rural community. The confined nature of the landscape adds to its scenic qualities, but it means that any impacts from mining get contained and distributed along the valley.

Whilst local mining is, in national terms, relatively small-scale in nature, the historical land use and the landscape itself is also small-scale. Mining activity therefore has the potential to create significant impacts in the local community.

Mining is also a relatively new land use except for very small scale localised extraction along gullies and where coal has outcropped near the surface. Our first significant commercial mine was established near the village of Stratford in 1995. Extensive exploration and increasing new development applications have significantly increased the potential for mining to have an impact in our local community.

The Gloucester Valley landscape has been used for agricultural purposes for a significant period of time, and mining is the newcomer. The area over which mining is occurring, and is proposed to continue to occur, is not remote, but is displacing agricultural activity.

Council is also keen to ensure that there is continuous improvement in mining processes, and that new standards can be continuously applied to existing mining operations. There is much said about new mines performing to *international best practice*. Improvements in techniques for rehabilitation of the landscape; new machinery which can operate at significantly less noise generation levels; and improvements such as the covering of coal storage stockpiles and coal wagons transporting coal, to minimise dust; are examples of the continuous improvement Council would be keen to encourage as mining progresses in the area.

The State Government's Strategic Regional Land-Use Planning approach has certainly encouraged additional mining to occur, but it has failed to address constraints in regard to where mining should not occur. Recent amendments to the mining SEPP in regard to coal seam gas have placed some limitation on gas extraction around the residential settlement, critical industry clusters and strategic agricultural lands. The local community has identified strategically significant parts of the local landscape where it has considered mining should not occur, and Council has established planning controls to protect these environmentally significant lands around the town of Gloucester. This has not been supported or recognised by the State Government, and this has led to significant conflict in our local community. The Government has also failed to address appropriate setbacks to open cut coal mines, whilst it has established setbacks for coal seam gas fields (2 km for new gas fields to residential development – this setback does not apply to the Gloucester approval) and wind turbines (2 km). In light of increasing health concerns regarding open cut coal mines, Council is keen to advocate action by the government in regard to this shortcoming.

Policy statement

This policy specifies;

- Council's expectations in regard to applications for new mines, or expansion of existing mines in the local area;
- Compliance and monitoring requirements of approved mines;
- Specific roles for Council; and
- Community's expectations of mining companies operating in our area.

Background

The issues of coal mining and CSG extraction are key issues within our local community. They create passionate responses on all sides of the argument. Decisions about future extractive industry activity in the Valley are likely to be the major influence on the future of our local area.

In putting our first Community Strategic Plan together in 2012, Council acknowledged the significance of this issue, where it was noted that Council *“has committed to a thorough investigation of the issues, so that all potential impacts may be considered and comprehensively addressed”*. It went on to say that *“Council will continue to act as an advocate for the community to ensure that environmental, social and economic issues are adequately considered within the mining debate”*.

Council recognises that extractive industry exploration and development has the potential to deliver benefits to Gloucester Shire, the region, the State and the Nation including; the provision of energy; direct and indirect employment; increased expenditure on goods and services; private sector funding for community development; royalties to the State; and tax revenue streams to government. Council also recognises however that extractive industry competes for a wide range of natural resources of the local area (such as land, air and water), and may have significant detrimental impacts such as;

- making a significant contribution to greenhouse gas emissions;
- impacts on community health, due to noise and dust pollution generated during blasting, loading and transport of mineral products and exposure to heavy metals;
- impacts on local amenity through increased noise, dust, light disturbance to the night sky;
- impacts on groundwater flows due to excavation, subsidence of landform or the interception of aquifers;
- land clearing and the loss of habitat;
- land adjacent to mining projects suffer a loss of value, even to the point of being unsaleable;
- price pressures and impacts on the availability of affordable housing, especially for tenants on fixed incomes;
- impacts on the landscape, with rehabilitation resulting in an artificial rather than natural topography and leading to visual scars, with initial mounds, terminal pits and permanently altered geological structure resulting in possible permanent land-use change;
- result in a severe degradation or loss of agricultural land, and displacement of some agricultural industries;
- lead to loss in other economic sectors, such as agriculture, lifestyle retirement and tourism;
- impacts on the reputation of the town as a delightful and scenic rural town;
- results in other social impacts, such as disempowering of communities, loss of a “sense of place”, population growth followed by the decline, and breakdown of social ties and community cohesion.

As well as cumulative environmental impacts, there are substantial economic issues related to jobs (both within and outside of mining activity), training and housing issues that need to

be addressed. The community has expressed a long standing and fundamental concern with the potential impacts on our local water resources as a consequence of all mining activity.

Local impacts include such things as apprentices being trained in local businesses but then attracted to the higher paid jobs in local mines. This also has the corresponding difficulty of other industries being able to afford to engage labour with appropriate skills against the mining industry.

Council has adopted a statement of *Future Development Principles* (Annexure 1) that seek to capture the things that are valued in our community against which future mining proposals will be assessed. A copy of that statement is attached to this document.

Council is committed to *research, monitor and respond, as appropriate to the long-term and cumulative impacts of resource extraction* (as stated in our Operational Plan). We have established an Extractive Industry Working Group which has been given the task to establish a land use strategy focused on extractive resources that will allow us to put forward a best outcome for our valley. That work is intended to be completed by the end of 2014.

Council is also keen to ensure that there are productive partnerships between all stakeholders so that we can endeavour to get the best outcomes for our community.

OBJECTIVES OF THE POLICY

- To ensure that local values relating to lifestyle and quality of life, including public health, amenity, biodiversity, water (both surface and ground), and other economic sectors (such as agriculture and tourism) are adequately considered and protected from the expanded extractive industry activity in the Gloucester Basin.
- To ensure that any existing extractive industry activity is monitored and managed effectively to meet all conditions of development consent, and will be managed in and endeavour to continuously improve operational practices to reduce environmental impacts wherever practicable.
- To ensure mining companies build a commitment to international best practice standards for mining activity in our area, and participate as active citizens in community affairs.

POLICY

1. The Role of Council

The principal role for Council is to advocate on behalf of the Gloucester community. Council is not the determining authority for mining applications, but no other organisation has the interests of the community of Gloucester as it's principal focus.

In regard to current and future proposals for extractive industry, Council will;

- a. Assume a leadership role in negotiating with the State government and resource companies to provide outcomes that provide benefit to our community, and individuals within the community where appropriate;
- b. Acknowledge that the minerals in the Shire belong to the people of NSW and that exploration for minerals, gas and energy resources will continue;
- c. Seek to establish a clear Extractive Industries Strategy to identify opportunities for further development of extractive resources, and areas where extractive resource activity should be excluded from the local area, through amendments to the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industry) 2007;
- d. Advocate to the State Government for the establishment of a 5 km setback to open cut coal mines for residential development;
- e. Ensure that the impacts on Gloucester Shire Council infrastructure are adequately compensated for in the immediate and future life of that asset;
- f. Effectively lobby state and federal government to financially support the infrastructure needed to adequately deal with any additional local extractive industries approved by the State government;
- g. Ensure a comprehensive examination of potential impacts on surface and groundwater in the Gloucester Basin is carried out, and demand a “*no net impact*” outcome as a consequence of mining in regard to domestic and irrigation aquifers used in the local community;
- h. Seek to identify key natural and environmental assets, and potential risks to those assets, including cumulative impact;
- i. Advocate for the establishment of a rigorous risk management assessment of cumulative impacts on biodiversity, water, land and the community as a consequence of extractive industry development;
- j. Advocate for effective monitoring, and seek a more active role in the compliance of approved extractive industry operations, with meaningful response to community complaint.
- k. Facilitate an open dialogue and discussion within the community of all stakeholders, based on the sharing of accurate knowledge to encourage an informed debate about issues related to mining.

2. Expectations of Mining Companies

Council is keen to ensure that local mining companies operate to international best practice standards in their mining activity. There is concern that international companies can operate to better standards in their own country than what they might do in our local area.

Council expects mining companies operating in our local area to;

- a. Operate in accordance with the 10 Principles adopted by the International Council of Mining and Metals (ICMM) which are;
- *implement and maintain ethical business practices and sound systems of corporate governance;*
 - *integrate sustainable development considerations within the corporate decision-making process;*
 - *uphold fundamental human rights and respect for cultures, customs and values in dealing with employees and others who are affected by our activities;*
 - *implement risk management strategies based on valid data and sound science;*
 - *Seek continued improvement in our health and safety performance;*
 - *contribute to conservation of biodiversity and integrated approaches to land-use planning;*
 - *facilitate and encourage responsible product design, use, reuse, recycling and the disposal of our products;*
 - *contribute to the social, economic and institutional development of the communities in which we operate; and*
 - *implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.*

(See an annexure 2 for extended description of these 10 principles)

- b. Support individual property rights in regard to unwelcome drilling, exploration and/or extraction activities.
- c. Participate with Council and the community in monitoring and compliance review of approved activities with openness, honesty and integrity; to ensure appropriate management practice; compliance with conditions of consent; and improvements in operational performance and activity.
- d. Actively engage with the community in addressing issues arising from extractive industry activity and by substantive contributions to enhancement and improvement programs.

POSITION STATEMENT IN REGARD TO EXISTING EXTRACTIVE INDUSTRY ACTIVITIES

Council is keen to ensure that all extractive industry proposals for our local government area are considered fairly and openly. We are committed to negotiating the best outcome for our local community in terms of jobs, improvements to infrastructure and contributions to public improvements; to be measured against the environmental impacts of any proposed development.

Council is keen to work with the management of existing and future mining activities in an endeavour to ensure mining operations gain a social licence from the local community, based on the principles included in this policy statement.

Stratford

The existing mine at Stratford is coming to an end of its current consent, and has lodged an application for extension of the project. Council did not initially oppose this application in recognition of the economic contribution made to the Valley by this mine, but in light of the initial assessment of the application by the Department of Planning and Infrastructure and its draft conditions of consent, has now resolved to oppose an approval on the basis identified.

Council did ask for amendments to the proposal so that future mining would not come closer to Stratford, would not operate for 24 hours/day and that the landscape would be left in a condition reflective of the pre-mining topography and soil conditions.

AGL CSG approval

Council recognises that conditional consent has been granted for Stage 1 of the Gloucester Gas Field by both the State and Federal governments.

Council is endeavouring to ensure that there is strict compliance with all statutory requirements of the two consents, in light of its commitment to ensure that the *long term and a cumulative impacts* related to this proposal are clearly understood. Council is keen to ensure that genuine scientific and risk data regarding a number of issues related to CSG extraction are fully considered before consent is granted to move to production activity.

Council is actively involved in the development of a comprehensive understanding of the potential impacts on local water resources of this approved development. The community has been keen to ensure that a Gloucester Basin-wide assessment is carried out in regard to water issues. The Federal Government's Bioregional Assessment of the Gloucester Basin will substantively provide this evaluation.

Council is keen to ensure that practices that may propose risk to this community are not pursued until that risk can be properly addressed

Council has also developed a partnership with AGL, so that other detailed issues (flooding of the Gloucester and Avon rivers; produced water management for example) can also be assessed to supplement the work of the Federal Government in their Bioregional Assessment. Council's Water Study Project and the Peer Review of AGL's project specific documentation will enable a comprehensive understanding of potential impacts on existing water assets in light of this proposed development. Council will advocate that no decision be made at either State or Federal level to allow the gas field to move to production before the results of the comprehensive water studies are available.

Council is also keen to negotiate some setback from the approved gasfield to the areas zoned for Large Lot Residential (R5) in the southern parts of the town, and improvements to public infrastructure as a consequence of the development.

Proposed Rocky Hill Coal Mine

Council has established and maintained a long-standing opposition to this proposed mine. This opposition has included documentation of Local Environmental Plans that have zoned the site for environmental conservation purposes in both 2000 and 2010; opposition to the issue of exploration licences over the above-mentioned areas; and opposition to the current development application.

In preparing its current Community Strategic Plan Council surveyed the local community to establish its preparedness for resources to be allocated to the opposition of this mine. The results of that survey identified that 78% of the local community agreed with Council taking this action.

Council has received independent economic advice that the project is not economically viable and will have only marginal economic benefits in our community. Any potential benefits need to be assessed against potential significant negative impacts on other economic sectors.

In a comprehensive report Council has identified 53 grounds for refusal of the application and has forwarded to this submission to the Department for their consideration in their assessment of this application. A copy of Council's submission is available on Council's web page and in the library.

The Framework for Protecting and Enhancing Our Community

– Future Development Principles



The following table documents in our community's values and expectations in regard to future development. They have been developed by Council in response to potential significant changes resulting from major extractive industry activity, but can apply to any future development proposed in our community.

What we value –	What we expect –
Our fellow residents	<ul style="list-style-type: none"> – To live healthy lives – To have wide choices in occupations and activities – To be able to contribute to and engage in community activity – To support and care for each other
Our work	<ul style="list-style-type: none"> – Job opportunities across all economic sectors – Support of local businesses – Priority for local employment
Our young people	<ul style="list-style-type: none"> – Building of skills to meet local employment opportunities – To develop sustainable employment
Our environment	<ul style="list-style-type: none"> – Sustainable management of our soils – Maintenance of clean air – Preservation, conservation and protection of local water resources – Protection of ecological communities
Our property and land	<ul style="list-style-type: none"> – Respect for property ownership – Build value in land ownership – Respect for and preservation of our picturesque rural landscape
Our infrastructure	<ul style="list-style-type: none"> – Maintain and develop infrastructure to meet community needs – That development contributes fairly infrastructure upgrades
Our services	<ul style="list-style-type: none"> – That a broad range of affordable services are available to meet the needs of the community
Social harmony	<ul style="list-style-type: none"> – To Build community through mutual respect – To maintain and support community through inevitable change – To speak freely and honestly without undue threat
Good governance	<ul style="list-style-type: none"> – To make well informed decisions with active engagement – That people will do the right thing – To consider cumulative impacts – To build trust through open and honest dialogue – To promote sharing of responsibility between all stakeholders
Our future	<ul style="list-style-type: none"> – To have security against known risks – To receive a 'risk premium' for hosting businesses that pose knowable risks
Energy	<ul style="list-style-type: none"> – To use energy resources wisely – To promote renewable energy forms
Amenity	<ul style="list-style-type: none"> – To respect and preserve the tranquillity of our rural landscape – To understand, value and appreciate the night sky

Annexure 2– 10 Principles of the International Council of Mining and Metals

Principle 1.

Implement and maintain ethical business practices and sound systems of corporate governance.

- develop and implement company statements of ethical business principles, and practices that management is committed to enforcing
- implement policies and practices that seek to prevent bribery and corruption
- comply with or exceed the requirements of host-country laws and regulations
- work with governments, industry and other stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate the mining, minerals and metals sector's contribution to sustainable development within national sustainable development strategies.

Principle 2.

Integrate sustainable development considerations within the corporate decision-making process.

- integrate sustainable development principles into company policies and practices
- plan, design, operate and close operations in a manner that enhances sustainable development
- implement good practice and innovate to improve social, environmental and economic performance while enhancing shareholder value
- encourage customers, business partners and suppliers of goods and services to adopt principles and practices that are comparable to our own
- provide sustainable development training to ensure adequate competency at all levels among our own employees and those of contractors
- support public policies and practices that foster open and competitive markets.

Principle 3.

Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.

- ensure fair remuneration and work conditions for all employees and do not use forced, compulsory or child labour
- provide for the constructive engagement of employees on matters of mutual concern
- implement policies and practices designed to eliminate harassment and unfair discrimination in all aspects of our activities
- ensure that all relevant staff, including security personnel, are provided with appropriate cultural and human rights training and guidance

- minimize involuntary resettlement, and compensate fairly for adverse effects on the community where they cannot be avoided
- respect the culture and heritage of local communities, including Indigenous Peoples.

Principle 4.

Implement risk management strategies based on valid data and sound science.

- consult with interested and affected parties in the identification, assessment and management of all significant social, health, safety, environmental and economic impacts associated with our activities
- ensure regular review and updating of risk management systems
- inform potentially affected parties of significant risks from mining, minerals and metals operations and of the measures that will be taken to manage the potential risks effectively
- develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties.

Principle 5.

Seek continual improvement of our health and safety performance.

- implement a management system focused on continual improvement of all aspects of operations that could have a significant impact on the health and safety of our own employees, those of contractors and the communities where we operate
- take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among our own employees and those of contractors
- provide all employees with health and safety training, and require employees of contractors to have undergone such training
- implement regular health surveillance and risk-based monitoring of employees
- rehabilitate and reintegrate employees into operations following illness or injury, where feasible.

Principle 6.

Seek continual improvement of our environmental performance.

- assess the positive and negative, the direct and indirect, and the cumulative environmental impacts of new projects – from exploration through closure
- implement an environmental management system focused on continual improvement to review, prevent, mitigate or ameliorate adverse environmental impacts
- rehabilitate land disturbed or occupied by operations in accordance with appropriate post-mining land uses
- provide for safe storage and disposal of residual wastes and process residues
- design and plan all operations so that adequate resources are available to meet the closure requirements of all operations.

Principle 7.

Contribute to conservation of biodiversity and integrated approaches to land use planning.

- respect legally designated protected areas
- disseminate scientific data on and promote practices and experiences in biodiversity assessment and management
- support the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land use planning, biodiversity, conservation and mining.

Principle 8.

Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.

- advance understanding of the properties of metals and minerals and their life-cycle effects on human health and the environment
- conduct or support research and innovation that promotes the use of products and technologies that are safe and efficient in their use of energy, natural resources and other materials
- develop and promote the concept of integrated materials management throughout the metals and minerals value chain
- provide regulators and other stakeholders with scientifically sound data and analysis regarding our products and operations as a basis for regulatory decisions
- support the development of scientifically sound policies, regulations, product standards and material choice decisions that encourage the safe use of mineral and metal products.

Principle 9.

Contribute to the social, economic and institutional development of the communities in which we operate.

- engage at the earliest practical stage with likely affected parties to discuss and respond to issues and conflicts concerning the management of social impacts
- ensure that appropriate systems are in place for ongoing interaction with affected parties, making sure that minorities and other marginalized groups have equitable and culturally appropriate means of engagement
- contribute to community development from project development through closure in collaboration with host communities and their representatives
- encourage partnerships with governments and non-governmental organizations to ensure that programs (such as community health, education, local business development) are well designed and effectively delivered
- enhance social and economic development by seeking opportunities to address poverty.

Principle 10.

Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

- report on our economic, social and environmental performance and contribution to sustainable development
- provide information that is timely, accurate and relevant
- engage with and respond to stakeholders through open consultation processes.

Gary Woodman

From: Nicholas Redmond <NRedmond@orange.nsw.gov.au>
Sent: Tuesday, 6 May 2014 9:25 AM
To: Gary Woodman
Cc: Chris Johnston
Subject: RE: Coal Seam Gas Exploration and Development

Good morning Mr Woodman,
Orange City Council, is yet to formulate the policy on the matter but the following was resolved at a Council meeting on 15 April 2014:

- RESOLVED - 14/143 Cr Whitton/Cr Taylor
- 1 That Orange City Council create a policy banning any and all Coal Seam Gas in the Orange Council area, in affect creating Orange as a Coal Seam Gas Free Zone.
 - 2 That Orange City Council as a member of Centroc, request that our Motion be considered as a Centroc wide policy for ALL Member Councils in Centroc.
 - 3 That Council seek support for this policy through the Association of Mining Related Councils.
 - 4 That Council supports NSW farmers in their opposition to coal seam gas mining.

Nick Redmond
Manager Corporate and Community Relations Orange City Council
(02) 6393 8017
0437 494 459
www.orange.nsw.gov.au

-----Original Message-----

From: Chris Johnston
Sent: Tuesday, 6 May 2014 9:18 AM
To: Nicholas Redmond
Subject: FW: Coal Seam Gas Exploration and Development

-----Original Message-----

From: Gary Woodman [<mailto:gary.woodman@cobar.nsw.gov.au>]
Sent: Sunday, 4 May 2014 11:04 AM
To: Don Tydd; Cr Sharon Wilcox; Blayney Shire Council; cassandra.davis@bigpond.com; Catherine Collyer; Chris Connor; Chris Johnston; col mitchell; Col Stewart ; Colleen Fuller; Cr Cohrs; Cr Des Kennedy; Cr Hans Allgayer; Cr John Rosenbaum; Cr Scott Ferguson; david henry; debbie hunt; Dennis Brady; Don McKinnon; eric groth; frank hooke; Geoff Slack; Glenn Wilcox; Gordon Bradbey; Greg Lamont; Heather Nicholls; Ian Davison; Jeff Maybury; Jim Nolan; John Magill; John Martin; Julie Goodwin; Julie Sharpe; Kath Whitehead; Ken Bates; kent boyd; Kevin Duffy; Lachlan Shire Council; larissa bourke; Lea Carter; Leanne Watson; Libby Lantz; Lilliane Brady Home; Liverpool Plains Shire Council; Loretta Talevski; Maree Statham; Melissa Bennett; Michael Greenwood; Narrabri Shire Council; Neville Castle; Newcastle City Council; nicole hunter; Paul Hawker; Paul Phillips; Peter Bishop; Peter Kozlowski; Peter Shinton; Ray Thompson; Renea.Meacham; Rhiannan Pace; Robyn Cox; Robyn Faber; ron vankatwyk; Ron Zwicker; sharon wilcox; Shona Henry; Smith, Cheryl; steve loane; Tony Ellis; Tony Jones; Warwick Bennett; wayne McAndrew; Wayne McAndrew

Cc: Lilliane Brady; Heather Holder; Stephen Poulter; Garry Ryman
Subject: Coal Seam Gas Exploration and Development

All,

It is expected that over the next month Cobar Shire Council will start to consider a more formal position/policy on Coal Seam Gas Exploration and Development.

If your Council already has a formal position/policy could you please provide that information by return email?

Your advice would be much appreciated.

Gary Woodman
BE (Civil), G. Dip.LGE, LGE, FIPWEA, MLGMA General Manager Cobar Shire Council
36 Linsley Street (PO Box 223)
COBAR NSW 2835
Telephone: 02 68365888 Facsimile: 02 68365889 Mobile: 0419 281115
Email: gary.woodman@cobar.nsw.gov.au
Web: www.cobar.nsw.gov.au

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Gary Woodman

From: Jill Gaynor <jgaynor@ncc.nsw.gov.au>
Sent: Tuesday, 6 May 2014 9:25 AM
To: Gary Woodman
Subject: TCON CSG

Hi Gary

Saw an email recently from Cobar asking if any other Councils have policies on CSG.....City of Newcastle doesn't at this time and its not been identified as a priority for us.

Regards

Jill Gaynor | Manager
Strategic Planning Services | Planning And Regulatory
The City of Newcastle
Phone: +61 2 4974 2707 | **Fax:** +61 2 4974 2222 | **Mobile:** +61 457 707 732
Email: jgaynor@ncc.nsw.gov.au
Web: www.newcastle.nsw.gov.au
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Gary Woodman

From: Melissa Bennett <Melissa.Bennett@warrumbungle.nsw.gov.au>
Sent: Tuesday, 6 May 2014 12:37 PM
To: Gary Woodman
Subject: FW: Coal Seam Gas Exploration and Development

Good afternoon Gary,

On behalf of the General Manager I am writing to advise that at Councils meeting held on 24 November 2011 the following was resolved:

Notice of Motion

189/1112 **RESOLVED** that with Council's current knowledge of coal seam gas extraction Warrumbungle Shire Council does not support coal seam gas mining within the Shire and encourages surrounding Councils to do likewise.

Kind regards,
Melissa

Melissa Bennett | Executive Assistant to General Manager (Special Projects)

Warrumbungle Shire Council
PO Box 191, Coonabarabran NSW 2357
P 02 6849 2000 | F 02 6842 1337
E melissa.bennett@warrumbungle.nsw.gov.au

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From: Gary Woodman <gary.woodman@cobar.nsw.gov.au>
Date: May 4, 2014 at 11:04:21 AM GMT+10
To: Don Tydd <info@miningrelatedcouncils.asn.au>, "Cr Sharon Wilcox" <Sharon.wilcox@cabonne.nsw.gov.au>, Blayney Shire Council <council@blayney.nsw.gov.au>, <cassandra.davis@bigpond.com>, "Catherine Collyer" <cr.collyer@narrabri.nsw.gov.au>, Chris Connor <cr.cconnor@wollongong.nsw.gov.au>, Chris Johnston <CJohnston@orange.nsw.gov.au>, col mitchell <col.mitchell@wollondilly.nsw.gov.au>, "Col Stewart" <col@cpstewart.com.au>, Colleen Fuller

<crfuller@bigpond.com>, Cr Cohrs <CrCohrs@Wentworth.NSW.gov.au>, Cr Des Kennedy <mette.sutton@midwestern.nsw.gov.au>, Cr Hans Allgayer <hansallgayer@infogunnedah.com.au>, Cr John Rosenbaum <john.rosenbaum@gloucester.nsw.gov.au>, Cr Scott Ferguson <crferguson@blayney.nsw.gov.au>, david henry <david.henry@campbelltown.nsw.gov.au>, debbie hunt <debbie.hunt@wollondilly.nsw.gov.au>, Dennis Brady <crbrady@lachlan.nsw.gov.au>, Don McKinnon <CrMcKinnon@Wentworth.NSW.gov.au>, eric groth <ericgroth@infogunnedah.com.au>, frank hooke <fandshooke@bigpond.com>, Geoff Slack <au.geoff.slack@gmail.com>, "Glenn Wilcox" <gawilcox@blayney.nsw.gov.au>, Gordon Bradbey <cr.gbradbery@wollongong.nsw.gov.au>, Greg Lamont <glamont@narramine.nsw.gov.au>, Heather Nicholls <heather.nicholls@cabonne.nsw.gov.au>, Ian Davison <ian.davison@cabonne.nsw.gov.au>, Jeff Maybury <Jeff.maybury@cessnock.nsw.gov.au>, Jim Nolan <Jim.nolan@brokenhill.nsw.gov.au>, John Magill <jhcam@bigpond.com>, "John Martin" <jmartin@singleton.nsw.gov.au>, Julie Goodwin <juliegoodwin@infogunnedah.com.au>, Julie Sharpe <jsharpe@blandshire.nsw.gov.au>, Kath Whitehead <kath.whitehead@brokenhill.nsw.gov.au>, Ken Bates <kba2012@bigpond.com>, kent boyd <kent.boyd@parkes.nsw.gov.au>, Kevin Duffy <Cr.Duffy@orange.nsw.gov.au>, Lachlan Shire Council <council@lachlan.nsw.gov.au>, larissa bourke <lbourke@singleton.nsw.gov.au>, Lea Carter <lea.carter@professionals.com.au>, Leanne Watson <Executive.Assistant@gloucester.nsw.gov.au>, Libby Lantz <libbyl@narrabri.nsw.gov.au>, Lilliane Brady Home <lillieo@bigpond.net.au>, Liverpool Plains Shire Council <lpsc@lpsc.nsw.gov.au>, Loretta Talevski <ltalevski@wollongong.nsw.gov.au>, Maree Statham <clr.statham@lithgow.nsw.gov.au>, Melissa Bennett <melissa.bennett@warrumbungle.nsw.gov.au>, Michael Greenwood <michael.greenwood@parkes.nsw.gov.au>, Narrabri Shire Council <council@narrabri.nsw.gov.au>, Neville Castle <ncastle7@bigpond.com>, Newcastle City Council <mail@ncc.nsw.gov.au>, nicole hunter <nicole.hunter@cobar.nsw.gov.au>, Paul Hawker <paul.hawker@campbelltown.nsw.gov.au>, Paul Phillips <crphillips@lachlan.nsw.gov.au>, Peter Bishop <Cr.Bishop@upperhunter.nsw.gov.au>, Peter Kozlowski <peter.kozlowski@wentworth.nsw.gov.au>, Peter Shinton <peter.shinton@warrumbungle.nsw.gov.au>, Ray Thompson <clr.thompson@lithgow.nsw.gov.au>, Renea.Meacham <Renea.Meacham@lachlan.nsw.gov.au>, Rhiannan Pace <rhiannan.pace@lithgow.nsw.gov.au>, Robyn Cox <RCox@upperhunter.nsw.gov.au>, Robyn Faber <cr.faber@narrabri.nsw.gov.au>, ron vankatwyk <ron.vankatwyk@lpsc.nsw.gov.au>, Ron Zwicker <RZwicker@wollongong.nsw.gov.au>, sharon wilcox <sharonwilcoxcabonne@bigpond.com>, Shona Henry <shona.henry@parkes.nsw.gov.au>, "Smith, Cheryl" <csmith@singleton.nsw.gov.au>, steve loane <sloane@warrumbungle.nsw.gov.au>, Tony Ellis <tony.ellis1@hotmail.com>, Tony Jones <thejones23@bigpond.com>, Warwick Bennett <warwick.bennett@midwestern.nsw.gov.au>, wayne McAndrew <clr.mcandrew@lithgow.nsw.gov.au>, Wayne McAndrew <wmcandrew@cfmeu.com.au>
Cc: Lilliane Brady <mayor@cobar.nsw.gov.au>, Heather Holder <heather.holder@cobar.nsw.gov.au>, Stephen Poulter <stephen.poulter@cobar.nsw.gov.au>, Garry Ryman <garry.ryman@cobar.nsw.gov.au>

Subject: Coal Seam Gas Exploration and Development

All,

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Your advice would be much appreciated.

Gary Woodman
BE (Civil), G. Dip.LGE, LGE, FIPWEA, MLGMA
General Manager
Cobar Shire Council
36 Linsley Street (PO Box 223)
COBAR NSW 2835
Telephone: 02 68365888 Facsimile: 02 68365889 Mobile: 0419 281115
Email: gary.woodman@cobar.nsw.gov.au
Web: www.cobar.nsw.gov.au

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<http://www.mailguard.com.au/mg>

Gary Woodman

From: Jeff Maybury <Jeff.Maybury@cessnock.nsw.gov.au>
Sent: Monday, 5 May 2014 7:19 PM
To: Gary Woodman
Subject: C.S.G. Policy

Gary our council has not got a formal policy as yet we are waiting on final reports from State and Federal Governments to be finalised Jeff

Jeff Maybury
Councillor Ward C
Cessnock City Council

m: 0401 107 525

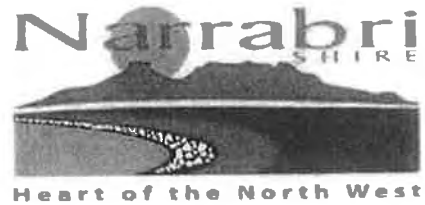
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#####

Gary Woodman

From: Conrad Bolton <salto.conrad@gmail.com>
Sent: Sunday, 4 May 2014 2:19 PM
To: Gary Woodman
Subject: NSC extractive policy
Attachments: 4328_001.pdf; ATT104389.txt

Hope this helps Gary. Feel free to use any or all.

EXTRACTIVE INDUSTRIES POLICY



Responsible Department: Planning and Development Services
Responsible Section: Strategy and Land Use Management
Responsible Officer: Manager Strategy and Land Use Management

Objective

To ensure outcomes pertinent to the community's economic, environmental, social and civic leadership wellbeing are in harmony with the community's wishes.

To ensure that the mining and extractive industry does not have an unacceptable impact on the environmental attributes, human health and amenity of the area in which the mining and extractive industry is to operate.

To ensure that private and public decisions relating to the mining and extractive industry exploration, development and operation are guided by careful evaluation to avoid adverse impacts to human health.

To ensure quadruple bottom line considerations of environmental, social, economic and civic leadership cumulative impact of mining and extractive industry exploration and development within the Shire of Narrabri are beneficial to the community at large.

To ensure key assets and defining values of cultural heritage, native title, biodiversity, communities, ground water, surface water and prime agricultural land are not compromised from the impact of the mining and extractive industry.

Preamble

Narrabri Shire Council recognises that the mining and extractive industry exploration and development has the potential to deliver substantial benefits to the Narrabri Shire, the region, the state and the nation during and after the life of the mining and extractive activity, such as:

- Provision of energy;
- Direct and indirect employment leading to;
 - Regional prosperity and wealth creation;
 - Retention of young people and population growth in the shire; and
 - Improved infrastructure.
- Increased local expenditure on goods and services;
- Private sector funding for community development;
- Increased gross regional product;

- Increased gross state and national product; and
- Tax revenue streams to government;

Narrabri Shire Council recognizes that the mining and extractive industries are not sustainable in the long term and that they compete for a wide range of resources including (but not limited to) the natural resources of land, air and water and in particular may:

- Make a significant contribution to greenhouse gas emissions;
- Impact on the natural landscape, with rehabilitation resulting in lower value natural habitat;
- Alter geological structure resulting in land use change;
- Impact on groundwater flows due to subsidence of landform or the interception of aquifers;
- Impact on community health;
- Impact on the availability of affordable housing; and
- Result in other social impacts.

All of which must be assessed as part of the state based (and if applicable commonwealth) planning approval process.

Policy

In line with the roles and responsibilities of Narrabri Shire Council on behalf of the local community, the community at large and in line with our obligations to the state and federal governments, the Narrabri Shire Council has a responsibility to:

- Assume a leadership role in negotiating outcomes that provide benefit to our community;
- Acknowledge that the minerals in the Shire belong to the people of NSW and that exploration for minerals, gas and energy resources will continue;
- Ensure that impacts on Narrabri Shire Council infrastructure are adequately compensated for in the immediate and future life of that asset;

Adopt a position requiring that mining proposals are designed to have no final void.

- Effectively lobby state and federal government to financially support the infrastructure needed to adequately deal with additional local mining and extractive industries;
- Actively encourage and support the local establishment of service industries to the mining and extractive industries operating in our shire;
- Ensure, in regard to the community's environmental assets, that the appropriate oversight body, whether government or private, is engaging effectively and is communicating with Council and that processes are put in place to independently obtain baseline data on air and water quality

- Demand a 'Nil' effect position in regard to the quality of surface water, domestic, stock and irrigation aquifers used by our community.
- Demand a 'Nil' net effect on above ground environmental assets.
- Ensure Health and Environmental Impact Assessments are conducted for all significant Mining and extractive industries during the approval process.
- Support individual property rights in regards to unwelcome drilling, exploration and/or extraction activities; and
- Support the ten (10) International Council of Mining and Metals(ICMM) principles that are:
 - **Implement and maintain ethical business practices and sound systems of corporate governance;**
 - develop and implement company statements of ethical business principles, and practices that management is committed to enforcing
 - implement policies and practices that seek to prevent bribery and corruption
 - comply with or exceed the requirements of host-country laws and regulations
 - work with governments, industry and other stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate the mining, minerals and metals sector's contribution to sustainable development within national sustainable development strategies
 - **Integrate sustainable development considerations within the corporate decision making process;**
 - integrate sustainable development principles into company policies and practices
 - plan, design, operate and close operations in a manner that enhances sustainable development
 - implement good practice and innovate to improve social, environmental and economic performance while enhancing shareholder value
 - encourage customers, business partners and suppliers of goods and services to adopt principles and practices that are comparable to our own provide sustainable development training to ensure adequate competency at all levels among our own employees and those of contractors
 - support public policies and practices that foster open and competitive markets
 - **Uphold fundamental human rights and respect for cultures, customs and values in dealings with employees and others who are affected by our activities;**
 - ensure fair remuneration and work conditions for all employees and do not use forced, compulsory or child labour
 - provide for the constructive engagement of employees on matters of mutual concern
 - implement policies and practices designed to eliminate harassment and unfair discrimination in all aspects of our activities
 - ensure that all relevant staff, including security personnel, are provided with appropriate cultural and human rights training and guidance
 - minimize involuntary resettlement, and compensate fairly for adverse effects on the community where they cannot be avoided

- respect the culture and heritage of local communities, including Indigenous Peoples.
- **Implement risk management strategies based on valid data and sound science;**
 - consult with interested and affected parties in the identification, assessment and management of all significant social, health, safety, environmental and economic impacts associated with our activities
 - ensure regular review and updating of risk management systems
 - inform potentially affected parties of significant risks from mining, minerals and metals operations and of the measures that will be taken to manage the potential risks effectively
 - develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties.
- **Seek continued improvement of our health and safety performance;**
 - implement a management system focused on continual improvement of all aspects of operations that could have a significant impact on the health and safety of our own employees, those of contractors and the communities where we operate
 - take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among our own employees and those of contractors
 - provide all employees with health and safety training, and require employees of contractors to have undergone such training
 - implement regular health surveillance and risk-based monitoring of employees
 - rehabilitate and reintegrate employees into operations following illness or injury, where feasible.
- **Seek continued improvement of our environmental performance;**
 - assess the positive and negative, the direct and indirect, and the cumulative environmental impacts of new projects – from exploration through closure
 - implement an environmental management system focused on continual improvement to review, prevent, mitigate or ameliorate adverse environmental impacts
 - rehabilitate land disturbed or occupied by operations in accordance with appropriate post-mining land uses
 - provide for safe storage and disposal of residual wastes and process residues
 - design and plan all operations so that adequate resources are available to meet the closure requirements of all operations.
- **Contribute to conservation of biodiversity and integrated approaches to the land use planning;**
 - respect legally designated protected areas
 - disseminate scientific data on and promote practices and experiences in biodiversity assessment and management
 - support the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land use planning, biodiversity, conservation and mining.

- **Facilitate and encourage responsible product design, use, re-use, recycling and the disposal of our products;**
 - advance understanding of the properties of metals and minerals and their life-cycle effects on human health and the environment
 - conduct or support research and innovation that promotes the use of products and technologies that are safe and efficient in their use of energy, natural resources and other materials
 - develop and promote the concept of integrated materials management throughout the metals and minerals value chain
 - provide regulators and other stakeholders with scientifically sound data and analysis regarding our products and operations as a basis for regulatory decisions
 - support the development of scientifically sound policies, regulations, product standards and material choice decisions that encourage the safe use of mineral and metal products

- **Contribute to the social, economic and institutional development of the communities in which we operate; and**
 - engage at the earliest practical stage with likely affected parties to discuss and respond to issues and conflicts concerning the management of social impacts
 - ensure that appropriate systems are in place for ongoing interaction with affected parties, making sure that minorities and other marginalized groups have equitable and culturally appropriate means of engagement
 - contribute to community development from project development through closure in collaboration with host communities and their representatives
 - encourage partnerships with governments and non-governmental organizations to ensure that programs (such as community health, education, local business development) are well designed and effectively delivered
 - enhance social and economic development by seeking opportunities to address poverty

- **Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.**
 - report on our economic, social and environmental performance and contribution to sustainable development
 - provide information that is timely, accurate and relevant
 - engage with and respond to stakeholders through open consultation processes

Measure of Success

The success of this policy will be measured in terms of its effectiveness in achieving its goals and objectives.

History

MINUTE NUMBER	MEETING DATE	DESCRIPTION OF CHANGE
932/2013	December 2013	Adopted

Gary Woodman

From: Conrad Bolton <salto.conrad@gmail.com>
Sent: Sunday, 4 May 2014 2:24 PM
To: Gary Woodman
Subject: Extractive Motion

COUNCIL REPORT

Subject: Narrabri Shire Council Extractive Industry Policy

Author: Cr Conrad Bolton

Conflict of Interest: Nil

RECOMMENDATION: That Council adopt the Draft Narrabri Shire Council Extractive Industry policy and place on public display for community comment for a period of 28 days.

Issues

To develop a draft policy in respect of Extractive Industries within Narrabri Shire.

Background

Within the Narrabri Shire we have a burgeoning extractive industry and to date our approach has been intelligent from a planning point of view but unguided from a policy point of view. To rectify this position a publicly assessed 'policy' needs to be ratified by the Narrabri Shire Community at large. This then gives Narrabri Shire Council a firm footing in regard to how our Community are to be represented.

Current Situation

The Mining Related Councils, of which we are a member, are at present forming a generalized position for Shires exposed to extractive industry and are calling for input from affected Councils.

We should have no issue with MRC developing a 'position' document if it can be based on existing 'policy' in other words 'policy informs position'.

The 'position' of an entity on matters may need several 'policies' to inform the document correctly. For instance our 'position' on our Fleet which is under discussion at the moment would take not just our Fleet Procurement Policy, but our Fleet Management Policy and our Finance Policy to inform a true representation on our 'position' in regard to how we spend public monies appropriately.

We can't and shouldn't form a position on behalf of our community without due process having taken place. The 'policy' on various issues has and always will be in accordance with the Local Government Act and needs to be considered by the Community prior to adoption.

This not only gives the document "horsepower" through Community ownership but is delivered after a clear and transparent process has taken place.

A suggested way forward in regard to 'Policy' versus 'Position' is for 'position statements' to be placed as an addendum to our policies subject to each meeting the following (where appropriate):

1. They are in keeping with our mission statement and;
2. They are based on existing policy.

The Draft Narrabri Shire Council Extractive Industry Policy (refer Attachment ##) will provide the community with the opportunity to provide comment which in turn will assist Council in making an informed decision both in respect of the Council 'policy' and the Council 'position'.

Attachments

Statutory/Legal Implications

Environmental Implications

Financial Implications

Management Plan/Strategic Plan

Gary Woodman

From: Conrad Bolton <salto.conrad@gmail.com>
Sent: Sunday, 4 May 2014 2:31 PM
To: Gary Woodman
Subject: Extractive Support
Attachments: Blank 12.docx; ATT104383.txt

Bit more Gary.

We didn't include the 'precautionary principle' in the extractive policy Gary as we are not the consent authority.

RE: Narrabri Gas Project

Narrabri Shire Council endeavours to represent the views and concerns of all residents in the Shire. There are varied and strong opinions in relation to the Narrabri Gas Project across our region. At times, this can be divisive across the community. There are community groups both clearly for and against the Narrabri Gas Project.

Council's role is to listen to all views in our Shire and seek solutions to bring about a unified, strong community. With this in mind, Narrabri Shire Council has undertaken or is undertaking the following key actions:

- Narrabri Shire Council has an endorsed Extractive Industry Policy which was put out for public comment before ratification by Council. This Policy forms the basis of our response to Government in relation to applications by the extractive industry. A copy of this policy is attached for your information.

Narrabri Shire Council recognises both that the extractive industry has the potential to deliver substantial benefits to the Narrabri Shire, the region and the State; as well as that this industry is not sustainable in the long term and competes for a wide range of resources (land, air, water).

- Council has visited Maranoa Shire in Queensland, with a view to understanding the impacts on a region of Coal Seam Gas production. This visit was very informative and has formed the basis of a future initiative to bring key groups to the Narrabri Shire to further inform the community on the path forward and how to address several of the areas of concern (information flow, environmental impacts).
- Council has hosted a discussion and presentation by 'People for the Plains' to air concerns in an open manner. While this group is strongly opposed to Coal Seam Gas, the discussion was worthwhile and ended agreeing the action going forward to bring the Queensland groups to Narrabri Shire for further information sharing. There was a lot of discussion around "playing the ball, not the players" and, it was Council's understanding that 'People for the Plains' did assure us that they would not be boycotting businesses nor attacking individuals who did not share their views.
- Narrabri Shire Council has also invited the People For the Plains and the Narrabri Chamber of Commerce to provide advice to Council on, for example, ongoing concerns and input into Government submissions, in an endeavour to have full cross-community engagement into the impacts (real and perceived, positive and negative) of coal seam gas.

As has been discussed, Narrabri Shire Council believes the way forward is to continue with a strong, open and transparent narrative to the community and to ensure the benefits that initiatives such as the Narrabri Gas Project are shared with the community, in particular, local jobs, local purchasing and ensuring the infrastructure supports the growth of the area.

Narrabri Shire Council also notes the positive impact of the “Agreed Principles of Land Access” signed between Santos, AGL Energy, NSW Farmers Association, Cotton Australia and NSW Irrigators Council. This initiative was initially raised by Narrabri Shire Council and we believe the confirmation that Landholder’s wishes will be respected is a key cornerstone to building positive relationships between the industry and the community.

Narrabri Shire Council supports all initiatives that provide growth to the Shire by reference to our Extractive Industries Policy and through the approach outlined of listening to all residents and community groups and initiating actions to address those concerns, while striving to maintain a cohesive community and Shire.

Yours sincerely,

Conrad Bolton
Mayor



Dear General Manager,

Reference: Association Coal Seam Gas (CSG) Policy

The Association has for some time been discussing the introduction of a policy for the development of the coal seam gas (CSG) industry in New South Wales. The aim is to adopt a document in due course which will allow the Association to have a position when dealing with government and relevant departments/agencies that are responsible for the industry as it develops in this state under what is obviously government support.

It is acknowledged that member councils will have different views in relation to this matter and on this basis, a draft policy has been developed by the Executive Committee. The draft was considered by the Association at its meeting held on the 27 February 2014 and it was resolved it be circulated to allow it to be considered by member councils or, their relevant committees.

A copy of the draft policy is as follows:

1. That the AMRC takes the position that there are genuine concerns in the community surrounding the short term and long term environmental impacts of Coal Seam Gas as they are not well understood at either a state-wide or regional level.
2. The AMRC would like to acknowledge the progress that has been made by this government in establishing both planning and environmental safeguards around exploration and mining activities. We further acknowledge recent extensions to CSG exclusion zones and the extension of the planning gateway process.

PO Box 1418
Armidale NSW 2350
AUSTRALIA
Mob: 0418 681 320
Tel: (02) 6775 3844

Email: info@miningrelatedcouncils.nsw.au
Web: www.miningrelatedcouncils.nsw.au

3. The AMRC calls upon the state government to release as soon as possible the findings of the Chief Scientist and to commission with the key industry groups, peer reviewed research demonstrating the possible impacts of CSG mining on, effects of ground water and surface water systems, effects related to the use of chemicals, effects related to hydraulic fracturing, effects on greenhouse gas and other emissions and the nature and effect of remediation under the Petroleum (Onshore) Act 1991 and under clause 14 of SEPP (Mining, Petroleum Production and Extractive Industries) 2007."

4. The AMRC also requests that the state government supports and clarifies the role and position of local government in the pre-gateway determinations concerning CSG operations and their impacts on local communities, environment and infrastructure.

Given the interest in this matter in many member councils areas, it would be appreciated if any comments, amendments or other issues which member councils feel should be considered for inclusion in the final policy could be returned to me by **4 30pm, Thursday 10 April 2014** to allow me to include this matter in the business paper for the Executive Committee meeting to be held on 24 April 2014. Recommendations will then be made for member council delegates' consideration at the next quarterly meeting to be held in West Wyalong on Friday 9 May 2014.

Given the importance of the Association having a policy for development of the CSG industry which reflects the majority of member councils' views, I trust council will be able to consider this matter in the proposed timeframe constraints.

Yours sincerely

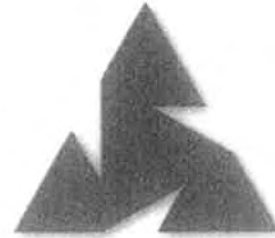


D L Tydd
Executive Officer
28 February 2014

PO Box 1418
Armidale NSW 2350
AUSTRALIA
Mob: 0418 681 320
Tel: (02) 6775 3844

Email: info@miningrelatedcouncils.asn.au
Web: www.miningrelatedcouncils.asn.au

Association of Mining Related Councils



Coal Seam Gas - Exploration and Production

Policy DRAFT

1. The Association supports member councils in the development of Coal Seam Gas Policies that reflect the needs and directions of their local communities.
2. The Association will advocate on behalf of member councils that are affected by CSG exploration and production.
3. The Association shall lobby the NSW Government concerning the role of Local Government as a key stakeholder in all negotiations related to land use, consent agreements and VPAs, when CSG exploration and production is proposed.

Position Statement

1. That the Association takes the position that there are genuine concerns in the community surrounding the short term and long term environmental impacts of Coal Seam Gas as they are not well understood at either a state-wide or regional level. Further, Association will advocate on behalf of member councils that are affected by CSG exploration and production.
2. The Association would like to acknowledge the progress that has been made by this government in establishing both planning and environmental safeguards around exploration and mining activities however, advocates for the inclusion of R5 Large Lot Residential Zone as identified in the Standard Instrument LEP. The Association further acknowledges recent extensions to CSG exclusion zones, the signing of "Agreed Principles of Land Access" agreements between companies and rural industries affected by CSG exploration and production and, the extension of the planning gateway process.
3. The Association calls upon the state government to release as soon as possible the findings of the Chief Scientist and to commission with the key industry groups, Sydney Catchment Authority and Environmental and Hydro- Geological Scientists peer reviewed research demonstrating the possible impacts and effects of CSG mining on ground water and surface water systems, effects related to the use of chemicals, effects related to hydraulic fracturing, effects on greenhouse gas and other emissions and the nature and effect of remediation under the Petroleum (Onshore) Act 1991 and under clause 14 of SEPP (Mining, Petroleum Production and Extractive Industries) 2007.

4. The Association also requests that the state government supports and clarifies the role and position of local government in the pre-gateway determinations concerning CSG operations and their impacts on local communities, environment and infrastructure.

5. The Association monitor the future development of NSW government and commonwealth government energy policies to ensure there is a security of gas supplies for member councils' local communities and industries.

6. The Association supports the actions of those member councils that have adopted local coal seam gas (CSG) policies.

7. That an independent Ombudsman be appointed for complaints and ongoing oversight of the industry;

Additional information to assist councils in forming their CSG policy

1. The Association is the peak body representing NSW local governments areas and therefore, has an important role to effectively lobby state and federal government to financially support the infrastructure needed to adequately deal with additional local mining and extractive industries;
2. That impacts on Local Government Council Infrastructure are adequately compensated for in the immediate and future life of those assets;
3. In regard to the communities environmental assets, that the appropriate oversight body, whether government or private, is engaging effectively and is communicating with Council and the processes are put in place to independently obtain baseline data on air and water quality;
4. Councils should as far as practicable adopt a "nil" effect position in regard to the quality of surface water, domestic, stock and irrigation aquifers used by our community and a "nil" net effect on above ground environmental assets in relation to coal seam gas activities;
5. That health and environmental impact assessments are conducted for all significant mining and extractive industries during the approval process;
6. That individual property rights in regard to unwelcome drilling, exploration and/or extraction activities are supported;
7. That the ten (10) International Council of Mining and Metals (ICMM) principles are supported by Association;
8. That the Association and member councils recommend to the State government that the the pre-gateway determination process be modified to enable a refusal where appropriate and;
9. Promote the dissemination of information to landholders that is independent and informs them of their rights and obligations prior to entering into any agreements relating to coal seam gas exploration or production".

COBAR SHIRE COUNCIL



INVESTMENT POLICY

FILE: P5-54

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OBJECTIVES

To establish an appropriate framework for investing Council's surplus funds so as to strike an appropriate balance between risk and return, thereby ensuring prudent financial management.

CODE

Investments are to be made in accordance with:

Local Government Act 1993 Section 625
Local Government Act 1993 – Investment Order, dated 12 January 2011 (Annexure - 1)
Local Government (General) Regulation 2005, Clause 212
The Trustee Act 1925 No.14, Division 2
Trustee Regulation 2010

DELEGATION OF AUTHORITY

The General Manager, the Director of Corporate and Community Services and any Finance personnel whose duties include investments and cash flow monitoring have authority to invest surplus funds.

AUTHORISED INVESTMENTS

Authorised Direct Investments include:

- a) Public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or Territory;
- b) Debentures or securities issued by a council (within the meaning of the Local Government Act 1993);
- c) Interest bearing deposits with, or debentures or bonds issued by, an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cwth)), but excluding subordinated debt obligations;
- d) Bills of exchange which have a maturity date of not more than 200 days; and if purchased for value, confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the APRA;
- e) Deposits within NSW Treasury Corporation or investments in an Hour-Glass investment facility of the NSW Treasury Corporation.

Authorised Investments via a fund manager are specified in b) of the guidelines.

GUIDELINES

(All ratings used are Standard and Poors – these appear as annexure 2.)

a) Council's Direct Investments

i. Quotations on Investments

All investments shall be subject to a minimum of three quotations with the best being selected after consideration has been given to rate, term, administrative cost and conditions set by this policy. No investment vehicle with a Standard and Poors rating below BBB- may be used.

ii. Term

The term of Maturity of any of Council's direct investments may range from "At Call" to 200 days. On the recommendation of the Director of Corporate and Community Services, the General Manager may authorise investments for a longer term (such as bonds) if they believe that the investment is to Council's advantage.

b) Council's Investments with Fund Managers

i. Council may deposit funds with an approved fund manager, provided that the fund manager reinvests (so that Council retains beneficial ownership) in a security authorised by the Trustee Act and provided that the fund is rated at least AA. Products will be limited to cash deposits and term interest investments.

ii. In addition, the fund manager should be approved by the Office of Local Government and its controlled parent entity (immediate or ultimate) should maintain a minimum rating of A from Standard & Poors.

c) Risk Management -Diversification

i. Diversification of investments will be required when Council's liquid funds exceed \$7m. Where Council's liquid funds are greater than \$7m on an average rolling basis funds in excess of \$7m must be invested on a diversified basis. A band of \$1m may be the first diversified tranche if the balance to \$7m is unable to be immediately reinvested due to locked in maturity dates. Such excess amounts must be invested so as not to have more than 25% of the excess over \$7m in one institution.

iii. Credit Ratings

If any of the funds/securities held are downgraded such that they no longer fall within Council's investment policy, they will be divested within 30 days or as soon as is practicable.

d) Reporting

- i.* In accordance with Local Government (General) Regulation 2005, reg 212, a monthly report should be provided to Council, detailing the investment portfolio in terms of performance and counter-party percentage exposure of total portfolio.

The report should also detail the income earned per investment for the period and for Diversified Investments, the S&P rating for each investment.

- ii.* For audit purposes, certificates must be obtained from the banks/funds managers confirming the amounts of investment held on Council's behalf at 30th June each year.

ANNEXURE 1 – LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER

LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER (Relating to investments by councils)

I, the Hon. Barbara Perry MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation;

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Orders, and such investments are taken to be in compliance with this Order
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Key Considerations

An investment is not in a form of investment notified by this order unless it also complies with an investment policy of council adopted by a resolution of council.

All councils should by resolution adopt an investment policy that is consistent with this Order and any guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet, from time to time

The General Manager, or any other staff member, with delegated authority by a council to invest funds on behalf of a council must do so in accordance with the council's adopted investment policy.

Councils have a fiduciary responsibility when investing. Councils should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

When exercising the power of investment councils should consider, but not be limited by, the risk of capital or income loss or depreciation, the likely income return and the timing of income return, the length of the term of the proposed investment, the liquidity and marketability of the proposed investment, the likelihood of inflation affecting the value of the proposed investment and the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Dated this 12th day of January 2011


Hon BARBARA PERRY MP
Minister for Local Government

Find a Rating

Entity

Find a Rating

Credit Ratings Definitions & FAQs

Credit ratings are forward-looking opinions about credit risk. Standard & Poor's credit ratings express the agency's opinion about the ability and willingness of an issuer, such as a corporation or state or city government, to meet its financial obligations in full and on time.

Credit ratings can also speak to the credit quality of an individual debt issue, such as a corporate note, a municipal bond or a mortgage-backed security, and the relative likelihood that the issue may default.

Ratings are provided by organizations such as Standard & Poor's, commonly called credit rating agencies, which specialize in evaluating credit risk.

Each agency applies its own methodology in measuring creditworthiness and uses a specific rating scale to publish its ratings opinions. Typically, ratings are expressed as letter grades that range, for example, from 'AAA' to 'D' to communicate the agency's opinion of relative level of credit risk.

For more information view the detailed [Ratings Definitions](#)

[What do the letter ratings mean?](#)

[Are Credit Ratings indicators of investment merit?](#)

[Why do Credit Ratings change?](#)

[Are Credit Ratings absolute measures of default probability?](#)

Browse Ratings by Practice

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What do the letter ratings mean?

The general meaning of our credit rating opinions is summarized below.

'AAA'—Extremely strong capacity to meet financial commitments. Highest Rating.

'AA'—Very strong capacity to meet financial commitments.

'A'—Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.

'BBB'—Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.

'BBB-'—Considered lowest investment grade by market participants.

'BB+'—Considered highest speculative grade by market participants.

'BB'—Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.

'B'—More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.

'CCC'—Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments.

'CC'—Currently highly vulnerable.

'C'—Currently highly vulnerable obligations and other defined circumstances.

'D'—Payment default on financial commitments.

Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Specific ratings are also available from Standard & Poor's Ratings Desk by emailing ratings_request@standardandpoors.com.

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Are Credit Ratings indicators of investment merit?

While investors may use credit ratings in making investment decisions, Standard & Poor's ratings are NOT indications of investment merit. In other words, the ratings are not buy, sell, or hold recommendations, or a measure of asset value. Nor are they intended to signal the suitability of an investment. They speak to one aspect of an investment decision—credit quality—which in some cases, may include our view of what investors can expect to recover in the event of default.

In evaluating an investment, investors should consider, in addition to credit quality, the current make-up of their portfolios, their investment strategy and time horizon, their tolerance for risk, and an estimation of the security's relative value in comparison to other securities they might choose. By way of analogy, while reputation for dependability may be an important consideration in buying a car, it is not the sole criterion on which drivers normally base their purchase decisions.

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Why do Credit Ratings change?

The reasons for ratings adjustments vary, and may be broadly related to overall shifts in the economy or business environment or more narrowly focused on circumstances affecting a specific industry, entity, or individual debt issue.

In some cases, changes in the business climate can affect the credit risk of a wide array of issuers and securities. For instance, new competition or technology, beyond what might have been expected and factored into the ratings, may hurt a company's expected earnings performance, which could lead to one or more rating downgrades over time. Growing or shrinking debt burdens, hefty capital spending requirements, and regulatory changes may also trigger ratings changes.

While some risk factors tend to affect all issuers—an example would be growing inflation that affects interest rate levels and the cost of capital—other risk factors may pertain only to a narrow group of issuers and debt issues. For instance, the creditworthiness of a state or municipality may be impacted by population shifts or lower incomes of taxpayers, which reduce tax receipts and ability to repay debt.

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Are Credit Ratings absolute measures of default probability?

**Cobar Shire Council
Economic Taskforce
Meeting No.3
24 April 2014
MINUTES – Commenced at 1:10pm**

PRESENT

Mssrs Peter Abbott (Chairperson), Councillor Bob Sinclair, Gary Woodman (General Manager), Kym Miller (Director of Corporate and Community Services), Garry Rymann (Director of Planning and Environmental Services) and Peter Graf (Director of Engineering Services).

APOLOGIES

Councillors Peter Yench, Jarrod Marsden, Greg Martin and Madam Angela Shepherd (Special Projects Officer).

MINUTES OF PREVIOUS MEETING

Resolved: The minutes of the previous Economic Taskforce Meeting held on Wednesday, 12 March 2014 was confirmed as a true and correct record of the proceedings of that meeting.

(Gary Woodman/ Bob Sinclair)

CARRIED

MATTERS ARISING FROM PREVIOUS MINUTES

Council is currently advertising for Community Representatives, which is expected to be reported to the May 2014 Council Meeting.

PRESENTATIONS

- **John Dineen, Cobar Caravan Park on free camping in the Shire and the economic impact on businesses and the Council**

John Dineen provided members a copy of his presentation information;

Cobar Caravan Park is being affected financially by 'free' camping in locations along the highways and in and around Cobar;

People do not contribute to the local economy, arrive late, leave early;

The Caravan Park contributes to the Cobar community by wages (\$250,000), rates, water charges, Cobar Promotions (\$30,000);

Currently losing money with the majority being primarily from 'free' camping. Cannot compete with 'free' camping. Locations include Newey Reservoir, Old Reservoir, Rest Areas (Cornish), Drummond Park Car Park;

Will also be approaching Crown Lands and RMS for signage at certain locations;

Along the coast all the Rest Areas have signage 'No Camping';

Free campers 'spend' in Cobar is not substantiated;

Prepared to allocate 'discounted' sites, up to four be the 'free' campers at the Caravan Park;

Signage is respected.

The question was asked:

Would signage just move people on and not even the Caravan Park will benefit;

Other rest areas out of town (Meadowglen, Florida) area also getting bigger;

A lot of people using the 'free' camping areas once used the caravan park;

A lot of the 'rigs' are completely self-sufficient;

In the end it could be a case of use it or lose it;

It is on the internet and publications (CMCA) detailing locations around Cobar for 'free' camping;

Perhaps a trial of use of signage of 'no camping' out at the Newey Reservoir and Old Reservoir, would need to have a check of what and who are using the 'free camping' areas. Start here in Cobar, the Caravan Park Industry is working on solutions;

Truck drivers are also being affected by the parking of vans at the Rest Areas or Caravans being affected by refrigerator;

At Crown Land locations, camping is not permitted;

At Cornish Rest Area the caravaners are using the area off the pavement to get away from the parked trucks. This is damaging the grassed areas. The Contracts Manager has been asked to determine if rock barriers can be used to limit the use of the area off pavement.

Have already met the Mayor and Senior Staff on the issue and will continue to talk to the Councillors.

Resolved: That an appropriate report be provided to Council on the signage of locations where camping should be discouraged and how it can be properly implemented.

(Peter Abbott/ Bob Sinclair)

CARRIED

Action	Responsibility	Due Date
Provide an appropriate report on camping to Council.	Manex	26 June 2014

▪ **Chris Higgins, Peak Gold Mines on the processes being undertaken to investigate a 7-7 roster and the recent community survey**

Peak Gold Mine have had a reasonable Q1 2014 with lower costs;

Peak Gold Mine's approach to be taken in considering a 7-7 roster,

- Seriously will consider the effect on the community;
- Still want to be a 'residential' mine;
- DIDO/FIFO are at higher costs;
- 4-4 roster to 7-7;
- Doing a 7 day mine plan, 7-7 roster links to the mine plan;
- Seems that a 7 day roster is more efficient than a 4 day roster;
- Fatigue being considered;
- Got an external consultant to investigate effects of 4 day roster change to 7 day roster – ie effect on residential, clubs, schools, medical, consultant arranged survey, 70% of employees did the survey; typical demographics, spends, club affiliation, etc listed what people like about Cobar and how to improve Cobar to keep people here;
- People will not be paid to DIDO/FIFO;
- Most people will not relocate their family (initial analysis);
- The company will need to determine actions to keep employees and their families 'residential';
- The survey and report will be made up into a booklet, perhaps the summary document may be made public, or certainly to relevant major stakeholders;
- Are seeing Cobar as part of core business not just increased productivity and income;
- Currently to final draft of the community survey results and risks;
- Management team will now consider the risks;
- The final report and summary document hopefully by the next community consultation meeting in May 2014, hoping at least a summary will be available by this time;
- The consultant also surveyed relevant business community members on the effects of a change 4-4 roster to 7-7 roster – initial results were that the individual business would not be affected but 'other Cobar' business would be;

- Peak Gold Mine have always contributed ie CEF, Business Association, Community, Skate Park, etc.

Resolved: That the information be noted.
(Gary Woodman/ Bob Sinclair)

CARRIED

WHATS HAPPENING AT REGIONAL LEVEL

▪ **Skills Audit**

Currently five Councils are working with RDA Orana (Cobar isn't one of the five Councils) to have a skills audit undertaken within the LGA. This submission has been progressing for the least three years, possibly longer. Originally Cobar didn't participate as they wanted \$3,000 to participate and at the time of initial consultation with Councils it was focussing on what skills we don't have. RDA Orana are now taking the project on. It's now a \$120,000 project.

RDA Orana went to tender but need to find additional funding, something should be announced soon on the funding sourcing and development. Cobar can always participate if we want to contribute financially. Originally, it was going to take a lot of 'people power' within each Council and we did not have the free man power, however that has now been outsourced. There is also an increased focus on the 'where to from here', ie how to deal with the skills shortage, not just on what is missing, which was a weakness of the original project.

▪ **Country Week vs longer lasting campaign**

The Economic Development Officers have decided not to go this year's Country Week as they organisers are turning the focus to tourism as well economic development. Country Week is not targeted to a specific demographic. Trying to find an alternative, longer impact marketing approach instead. So may look at a Sunday magazine feature plus internet, etc. There's a focus group working on it - target to get people to move to the region to work.

▪ **Push for EDA Regional Conference**

Economic Development Officers have asked RDA Orana to work on undertaking a regional economic conference, rather than OROC Councils going to the one big state one. The focus of the conference will be what is happening locally, relevant case studies, involvement of the government departments, RDA Orana etc.

▪ **Tourism Destination Management Plans**

Tourism plans are all being updated slowly throughout all Councils. Cobar Shire Council's will be finished in Q2 2014/2015. There is currently a big push for regional

plans, once these are developed we can then use it to develop a more specific one for Cobar Shire.

COBAR PROFILE UPDATE

▪ Lack of funding

Due to timing constraints Council haven't had time to progress the Cobar Profile. At the Meeting with Kevin Humphries MP he told us there was no money available to assist us at the current time. However the Economic Taskforce will still try to gain funding and we will continue to ask the state government for funding.

▪ ABR

We have registered Cobar Shire Council with the Australian Business Register (it's a service from the Australian Government, out of the ATO, with all the businesses registered in the Shire and associated data). Council's Special Project Officer, Angela Shepherd is booked in to do an online tutorial on how to use the data next month, once completed Angela will then advise if it's of use for the Economic Taskforce to use the program/ system.

▪ ABS

The ABS are running a brief tutorial on the information available for profiling at the next Economic Development Officers Meeting in a couple of months. Further information will be provided closer to the meeting.

Resolved: That the information be noted.
(Gary Woodman/ Bob Sinclair)

CARRIED

MARK COULTON'S VISIT – ISSUES TO DISCUSS

General discussion was undertaken.

OTHER BUSINESS

▪ Small Grants

- There's no funding at present for Chambers of Commerce and small groups to run training for businesses;
- Grants used to be at State Level;
- Difficult to up skill and keep business informed of its requirements, ways to increase marketing/ profitability etc without seed funding;
- Very costly to run courses out here.

▪ **Local Retail Revamp**

The Cobar Business Association ran a retail revamp course last month at the Great Western Hotel which was very successful. There were 22 participants that attended and most local businesses have undertaken store revamps as a result of the visual marketing workshop and in store consultation by the presenter. This was part of a region by region visit. Gilgandra and a couple of other LGAs are looking at bringing Australian Visual Marketing (AusVM) out to the region again (including another visit to Cobar) as part of a larger project due to the original success. This task will be very difficult without some seed funding. A possible option to secure a return visit to Cobar, would be through Peak Gold Mine sponsorship.

Next Meeting: Council Chambers - to be held within the next two months.

Action	Responsibility	Due Date
Arrange for next meeting of the Economic Taskforce.	Special Projects Officer	26 June 2014

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 3:00PM

Minutes of the Cobar Youth Council Committee held at the Cobar Shire Council Chambers on 30 April 2014

Meeting opened: 4:00pm

Present: Mykaila Fleming, Brianna Watson, Bree Keith, Debbie Parisi, Codi Walker and Thomas Jones

Apologies: S Barrett, H Toomey, P Smith, J Marsden, Rebekka Manns, Hannah Young and Gary Woodman.

MINUTES FROM THE PREVIOUS MEETING 2 APRIL 2014

That the Minutes of the Meeting held on 9 April 2014 be accepted as a true and correct record of that Meeting.

(M Fleming/B Watson)

CARRIED

BUSINESS ARISING FROM MINUTES:

Nil.

GENERAL BUSINESS

OMAR DEAN CONCERT

- ☆ Received a donation of \$100 from Endeavor Mine.
- ☆ A letter of thanks to be sent to the Manager of Endeavor Mine
- ☆ Venue (Bruce Mitchell Stadium) secured
- ☆ Stage arrangements at Golf Club – Gary Woodman
- ☆ Mykaila to check with Clover Bones about availability
- ☆ Posters designed waiting to be printed
- ☆ Tickets to be printed on coloured paper
- ☆ Prices 0-5 FREE, under 18 \$5.00, Adult \$10, Family \$25
- ☆ Accommodation at Cobar Central at ½ price
- ☆ Stalls – SRC- Cakes, Rotary BBQ, Lolly Jar

Action Table

Bruce Mitchell Stadium	Availability	M Fleming
Stage	Forms from Golf Club to be filled out and returned to Club	Gary Woodman
Support Bands	Burnt Earth available Clover Bones ? DJ Fiddy?	M Fleming

	DJ Khanage?	
Security		
Food Stalls	SRC Cake stall Kelli & Bec Lolly Jar	
Rotary	Letter to address meeting	M Fleming
Drink Stall	Youth Centre	
Coffee	Sonia Horne to be contacted	M Fleming
PA & lighting		Shane Josephson
Motel accom	Cobar Motor Inn	M Fleming negotiating
Entry fees	Under 18 \$5.00 Under 5 Free, Adult \$10 Family \$25	
Advertising Posters		M Fleming
Tickets		M Fleming
Omar Deans flights from Melbourne to Dubbo, hire car from Dubbo to Cobar and return	Final cost to come to next meeting	M Fleming

NEXT MEETING

The next meeting of the Cobar Youth Council will be held at Cobar Shire Council Chambers at 4pm on Wednesday, 21 May, 2014.

Meeting closed: 4:30pm.

**MINUTES OF THE COBAR WATER BOARD
EXTRAORDINARY MEETING
HELD ON THURSDAY 1 MAY 2014 COMMENCING AT 10:30AM**

ATTENDANCE – BOARD MEMBERS

Present:

- Mr Steve Viant (Cobar Water Board President)
 - Mrs Tanya Gilbert (CSA Mine Representative)
 - Mrs Lilliane Brady OAM (Cobar Shire Council)
 - Mr Tony Lord (Peak Gold Mine)
-

ATTENDANCE – OBSERVERS

Present:

- Mr Gary Woodman (Cobar Shire Council General Manager/Board Secretary)
 - Mr Kym Miller (Cobar Shire Council Director of Corporate and Community Services/Board Contract Administration/Financial Services Officer)
 - Mr Jarrod Marsden (CSA Mine Representative)
 - Mr Peter Graf (Cobar Shire Council Director of Engineering Services)
 - Mr Ron Overdevest (Cobar Shire Council Services Supervisor)
 - Mr Wayne Mills (Cobar Shire Council Services Manager/ Board Contract Technical Services Officer)
-

APOLOGIES

- Mr Phil Gilligan (Endeavour Mine)
- Mrs Tracey Kings (Cobar Shire Council)
- Mr Peter Yench (Cobar Shire Council)

RESOLVED: That the apologies from Mr Phil Gilligan, Mr Peter Yench and Mrs Tracey Kings be accepted.

Lilliane Brady OAM/ Tony Lord

CARRIED

CLAUSE 1 – CONFIRMATION OF MINUTES

FILE: WB1-22

AUTHOR: *Secretary, Gary Woodman*

RESOLVED: That the minutes of the Cobar Water Board Meeting held on Thursday 13 March 2014 be confirmed as a true and correct record of the proceedings of those meetings.

Lilliane Brady OAM/ Steve Viant

CARRIED

**CLAUSE 2 – COBAR WATER BOARD’S SEAL ON THE FUNDING DEED
OF AGREEMENT FOR THE RESOURCES FOR REGIONS PROJECT –
TWIN PIPELINES REPLACEMENT**

FILE: WB1 - 4

AUTHOR: *Secretary, Gary Woodman*

RESOLVED: That the Board resolve to affix the Board’s Seal on the Funding Deed of Agreement between the Cobar Water Board and the NSW Government (through the Treasurer) in relation to the Resources for Regions Cobar Water Board Twin Pipeline Replacement Project.

Tony Lord/ Lilliane Brady OAM

CARRIED

CLAUSE 3 – BANK SIGNATORIES

FILE: WB1-6

AUTHOR: *Contract Administration/Financial Services Officer, Kym Miller*

RESOLVED:

1. That Council staff member Ms Stacey Lowe be deleted and replaced with the new staff member Ms Jennifer Mitchell and be included with existing signatories to operate the Boards banking facility, The Commonwealth Bank, for the purpose of operating the general account. BSB: 062-520 Account: 00000011.
2. That Council staff member Ms Jennifer Mitchell be given permission to register with appropriate facilities for the purpose of investments.
3. That the five Council staff members – Messrs Gary Woodman, Kym Miller, Neil Mitchell, Mdmes Jo-Louise Brown and Jennifer Mitchell be nominated to operate Cobar Water Board’s accounts Electronically, be given permission with any two to co-sign using the Commonwealth Bank general account, BSB 062-520, Account: 00000011.

Tony Lord/ Steve Viant

CARRIED

CLAUSE 4 – ATO REPLACEMENT CONTACT PERSON

FILE: WB1-17-2

AUTHOR: *Contract Administration/Financial Services Officer, Kym Miller*

RESOLVED: That Ms Glenda Tasker be removed and replaced with Ms Jennifer Mitchell as a contact person, and Mr Kym Miller remain as the second contact person with the Australian Taxation Office as the Board’s ‘Contact’ persons.

Tony Lord/ Steve Viant

CARRIED

CLAUSE 5 – COBAR WATER BOARD PIPELINE REPLACEMENT AND PUMPING SYSTEM UPGRADE PROJECT

FILE: WB1-4

AUTHOR: *Secretary, Gary Woodman*

RESOLVED:

1. That the Board approve the recommended Work Plan, Funding Plan and Preliminary Cost Plan for the Cobar Water Board Pipeline Replacement and Pumping System Upgrade Project.
2. That the Cobar Water Board engage Cobar Shire Council to undertake the Project Management Work for the Cobar Water Board Pipeline Replacement and Pumping System Upgrade Project amounting to an estimated cost of \$709,000 as detailed in the report that includes a Project Management Team, a Project Manager, a Contract Administration Team and associated office equipment and accommodation and site supervision (by NSW Public Works).
3. That NSW Public Works be asked to provide a submission for the investigation, design, planning and documentation phases for the Cobar Water Board Pipeline Replacement and Pumping System Upgrade Project with a further report to be provided to the Board for its consideration on engagement.

Tony Lord/ Lilliane Brady OAM

CARRIED

CLAUSE 6 – COBAR WATER BOARD AASB 13 FAIR VALUE MEASUREMENT OF LAND AND BUILDINGS

FILE: WB1-19

AUTHOR: *Contract Administration/ Financial Services Officer, Kym Miller*

RESOLVED:

1. That the ASSB 13 Fair Valuation of the Board's land and building asset be undertaken by an appropriate qualified local real estate participant.
2. That the Board express thanks to the person preparing the valuation.

Tony Lord/ Lilliane Brady OAM

CARRIED

GENERAL BUSINESS

NYNGAN PUMP STATION

Pump No 2 failed (26,500 hours), seized bearing. Due back probably late June. Will be fully refurbished, waiting on a cost report. Are trying to get quotes for divers to check the intake area.

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 12:10PM