

Senate Rural Affairs and Transport References Committee

Questions on Notice – Tuesday, 2 August 2011
NARRABRI, NSW

Inquiry into management of the Murray-Darling Basin

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**SENATE RURAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE**

Inquiry into the management of the Murray-Darling Basin

Public Hearing Tuesday, 2 August 2011

Questions Taken on Notice – NSW Farmers' Federation

1. HANSARD, PG 9

Senator JOYCE: Once more, congratulations, Ms Simson. You do a good job. I want to go to the history of how the rights became so overwhelmingly weighted towards the miners. In Dalby we had evidence that in 1915 a resource security act was brought in by state parliament where they basically took over the rights of the farm and therefore they became rights of the state. Certain titles in New South Wales are actually held by the Crown, Goonoo Goonoo obviously. It actually holds the mineral rights. Do you have any knowledge of how such superiority became the right of the miner over that of the landholder? How did that historically come about?

Ms Simson: I would have to take the exact details of that on notice. I am happy to do some research and provide you the exact details about it.

ANSWERS TO QUESTIONS ON NOTICE – MDB INQUIRY – 2 AUGUST 2011

The NSW Farmers President, Fiona Simson, and I gave evidence at the Public Hearing of the Senate Standing Committee on Rural Affairs and Transport *Inquiry into the Management of the Murray Darling Basin – impact of mining coal seam gas*, held in Narrabri 2 August 2011.

Ms Simson took the following question from Senator Joyce on notice:

Senator JOYCE: Once more, congratulations, Ms Simson. You do a good job. I want to go to the history of how the rights became so overwhelmingly weighted towards the miners. In Dalby we had evidence that in 1915 a resource security act was brought in by state parliament where they basically took over the rights of the farm and therefore they became rights of the state. Certain titles in New South Wales are actually held by the Crown, Goonoo Goonoo obviously. It actually holds the mineral rights. Do you have any knowledge of how such superiority became the right of the miner over that of the landholder? How did that historically come about?

Ms Simson: I would have to take the exact details of that on notice. I am happy to do some research and provide you the exact details about it. Anecdotally, from what I can remember and from what I am told happened is that in about the seventies—

I have copied below the response to this question on notice, sourced from the NSW Farmers submission in response to the NSW Legislative Council Coal Seam Gas Inquiry (see [http://www.parliament.nsw.gov.au/prod/parlament/committee.nsf/0/1816e46e92eebf39ca25790d0025aa24/\\$FILE/Submission%200335.pdf](http://www.parliament.nsw.gov.au/prod/parlament/committee.nsf/0/1816e46e92eebf39ca25790d0025aa24/$FILE/Submission%200335.pdf)).

3.1.1 Ownership of petroleum resources

Historically in Australia, landholders own their land to a sufficient depth to allow reasonable use – including minerals unless they have been specifically reserved by the Crown.^[1] The ownership of minerals in NSW is a convoluted area of law which has seen successive governments grant, reserve, acquire, re-vest and on-sell the rights to various minerals associated with land titles over time. The end result has been that the state government now holds the rights to a majority of minerals in NSW with a small proportion remaining in private hands.

Ownership of petroleum (including CSG) is more straightforward; it remained the property of the landholder until it was declared to be property of the Crown under the *Petroleum Act 1955* (NSW), the terms of which prevented any claim to compensation. Similar legislation has been passed in all Australian jurisdictions except the Australian Capital Territory. Recognising that CSG was expropriated from landholders by the Cahill Government in 1955 is of historical importance, and relevant to the resentment many farmers hold toward the legal framework which allows CSG companies to enter their land without permission.

¹ *Wade v NSW Rutile Mining Co Pty Limited* (1969) 121 CLR 177

Please feel free to contact me via telephone or email should further information be required.

Kind regards,

Brianna Casey
Senior Policy Manager
NSW Farmers' Association

^[1] *Wade v NSW Rutile Mining Co Pty Limited* (1969) 121 CLR 177

**SENATE RURAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE**

Inquiry into the management of the Murray-Darling Basin

Public Hearing Tuesday, 2 August 2011

Questions Taken on Notice – Eastern Star Gas

2. HANSARD, PG 67

Senator WATERS: We saw some discharging water to I think Bohena Creek, which as we have heard is an ephemeral creek, so there is not a lot of flow. I think the previous witness said that about 12 per cent of the time it flows. There was quite a volume of treated RO water coming out that we saw. Do you test that water?

Mr Kelly: Yes, we do.

Senator WATERS: At the point of discharge?

Mr Kelly: Yes.

Senator WATERS: Are those results publicly available?

Mr Kelly: I am not sure that they are.

Senator WATERS: Could you make them available please?

Mr Kelly: Yes. Obviously I have to consult internally and that sort of thing as well, but my expectation is that they would be because they are submitted to the department.

Senator WATERS: It would be great if you could take that on notice.

CHAIR: We can compare your sample with ours then, because we took a sample.

Mr Kelly: Absolutely.

3. HANSARD, PG 68

Senator WATERS: We will keep an eye on that. Do you have an audit regime to track pipeline leaks? How often do you go around and check whether your pipes are leaking?

Mr Kelly: I understand—and I am not the operations manager on site—that the guys are generally out in the field all day every day. I do not know there is a specific audit or inspection checklist for the gathering system leaks.

Senator WATERS: So there is no specific monitoring program.

Mr Kelly: Not of the actual gathering system. There is one for the wellheads. It is operated under a SCADA system electronically and the guys go to sites and check as well.

Senator WATERS: Can you put that in plain language for me. You are checking the well heads but not the pipelines—is that correct?

Mr Kelly: Basically, the bulk of our pipelines are located on roads so the guys are driving along them every day. There are low-point drains. The guys actually check those quite regularly and the SCADA system is an electronic system with telemetry.

Senator WATERS: I do not know what that system is.

Mr Kelly: It is driven by computers and it communicates by radio signal back to a control room and tells us whether the well is working or shutting and what is going on. Typically, it tells us how much water it is making a day and that sort of thing.

Senator WATERS: So they are driving past and they are glancing down to see if they can see a leak. Is there anything a bit more scientific, regular or programmed about that?

Mr Kelly: I cannot answer for the operations group. I would need to ask that question.

Senator WATERS: Perhaps you can take that on notice too.

4. HANSARD, PGS 71-72

CHAIR: Thank you very much for that answer. I am imposing a discipline. I have one question that needs to be asked and you may take it on notice if you like. Do you have any knowledge of whether the proposed pipeline through Mullaley Coolah would be exempted from the strategic land use policy? You may take it on notice if you want to give some thought to it.

Mr Fox: I think I will have to take it on notice. If it is purely technical I think I will have to take it on notice.

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Senator WATERS: It would be great if you could take that on notice.

CHAIR: We can compare your sample with ours then, because we took a sample.

Mr Kelly: Absolutely.

Answer

Eastern Star Gas confirms that it will provide to the Committee water quality data samples for water treated by our RO plant.

3. HANSARD, PG 68

Senator WATERS: We will keep an eye on that. Do you have an audit regime to track pipeline leaks? How often do you go around and check whether your pipes are leaking?

Mr Kelly: I understand—and I am not the operations manager on site—that the guys are generally out in the field all day every day. I do not know there is a specific audit or inspection checklist for the gathering system leaks.

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Senator WATERS: So they are driving past and they are glancing down to see if they can see a leak. Is there anything a bit more scientific, regular or programmed about that?

Mr Kelly: I cannot answer for the operations group. I would need to ask that question.

Senator WATERS: Perhaps you can take that on notice too.

Answer

Eastern Star Gas has a detailed inspection regime in place for its well and pipeline installations. The frequency of inspections and the form of inspection undertaken is tailored according to the type of facility and its operating status. For example, typical inspection regimes for main well and pipeline asset categories are:

- Daily inspection of operating wells;
- Weekly or monthly inspection of suspended wells (ie wells that are closed off, not producing water or gas); and
- Weekly or more frequent inspection of pipeline drain points.

Inspections include visual inspection and testing for the presence of escaping gas, which can be detected at very low atmospheric concentrations.

This prescriptive inspection regime is in addition to other, non-prescribed inspections that occur in the normal course of operations by ESG staff working at our facilities or travelling between facilities in the field.

4. HANSARD, PGS 71-72

CHAIR: Thank you very much for that answer. I am imposing a discipline. I have one question that needs to be asked and you may take it on notice if you like. Do you have any knowledge of whether the proposed pipeline through Mullaley Coolah would be exempted from the strategic land use policy? You may take it on notice if you want to give some thought to it.

Mr Fox: I think I will have to take it on notice. If it is purely technical I think I will have to take it on notice.

Answer

It is Eastern Star Gas' understanding that the Strategic Land Use Policy is to be implemented through detailed plans to be developed for specific areas. ESG is not aware of any specific provision (ie whether for inclusion or exclusion) for any specific assets.

CERTIFICATE NO.: 146094
ISSUE DATE: 17/06/11

REVISION NO.: 01
This certificate supersedes any previous revisions

CLIENT DETAILS: Shane Rily
Eastern Star Gas
300 Yarrie Lake Road
Narrabri NSW 2390

CLIENT REF:
DATE RECEIVED: 6/06/2011
TEST DATE: Sample tested between date received and reported.

CONDITIONS OF SAMPLE: Receipt Temperature: Room Temperature
Storage Temperature: Refrigerated

RESULTS OF ANALYSIS:

Sample Description Test	Method Code	Unit	146094-6 BH Creek
pH	EFF006	-	7.44 @ 21°C
Electrical Conductivity	EFF007	mS/cm	0.14
Solids (Suspended)	EFF009	mg/L	<2
Solids (Dissolved)	EFF010	mg/L	232
Ortho-Phosphorus	EFF019	mg/L	<0.2
Chloride	EFF011	mg/L	11.20, 11.77
Alkalinity (HCO ₃)#	EFF031	mg/L CaCO ₃	31
Alkalinity (CO ₃)#	EFF031	mg/L CaCO ₃	<1
Alkalinity (OH) #	EFF031	mg/L CaCO ₃	<1
Alkalinity (Total)	EFF031	mg/L CaCO ₃	31
Sulphur (Total)	EWI02	mg/L	<0.1
Sulphur (as SO ₄)#	EWI02	mg/L	<0.3
Calcium (Filtered)	EWI01	mg/L	14.9
Magnesium (Filtered)	EWI01	mg/L	7.15
Sodium (Filtered)	EWI01	mg/L	70.3
Potassium (Filtered)	EWI01	mg/L	<0.2
Phosphorus (Total)	EWI02	mg/L	<0.02
Iron (Filtered)	EWI01	mg/L	<0.01
Aluminium (Filtered)	EWI01	mg/L	<0.01
Sum of Anions	EFF089	meq/L	0.6
Sum of Cations	EFF089	meq/L	4.4
Ion Balance	EFF089	-	75.24
Ammonia-Nitrogen	EFF003	mg/L	1.7
Nitrate-Nitrogen	EFF004	mg/L	<0.1
Nitrite-Nitrogen	EFF005	mg/L	0.01
Nitrogen (TKN)	EFF001	mg/L	2.1
Nitrogen (Total) #	EFF085	mg/L	2.1
Copper (Filtered)	EWM01	mg/L	0.0013
Zinc (Filtered)	EWM01	mg/L	0.0047
Arsenic (Filtered)	EWM01	mg/L	0.0016
Manganese (Filtered)	EWM01	mg/L	<0.0005

CERTIFICATE NO.: 149517
ISSUE DATE: 20/07/11

REVISION NO.: 02
This certificate supersedes any previous revisions

CLIENT DETAILS: Shane Rily
Eastern Star Gas
300 Yarrie Lake Road
Narrabri NSW 2390

CLIENT REF:
DATE RECEIVED: 7/07/2011
TEST DATE: Sample tested between date received and reported.

CONDITIONS OF SAMPLE: Receipt Temperature: Room Temperature
Storage Temperature: Refrigerated

RESULTS OF ANALYSIS:

Sample Description Test	Method Code	Unit	149517-6 BH Crk Discharge
pH	EFF006	-	8.16 @ 19°C
Electrical Conductivity	EFF007	mS/cm	0.33
Solids (Suspended)	EFF009	mg/L	<2
Solids (Dissolved)	EFF010	mg/L	157
Ortho-Phosphorus	EFF019	mg/L	<0.2
Phosphorus (Total)	EWI02	mg/L	<0.02
Iron (Filtered)	EWI01	mg/L	<0.01
Aluminium (Filtered)	EWI01	mg/L	<0.01
Sum of Anions	EFF089	meq/L	3.7
Sum of Cations	EFF089	meq/L	3.4
Ion Balance	EFF089	-	-4.78
Calcium (Filtered)	EWI01	mg/L	<0.1
Potassium (Filtered)	EWI01	mg/L	1.6
Magnesium (Filtered)	EWI01	mg/L	0.03
Sodium (Filtered)	EWI01	mg/L	75.1
Ammonia-Nitrogen	EFF003	mg/L	1.3
Alkalinity (Total)	EFF031	mg/L CaCO ₃	135
Alkalinity (HCO ₃)#	EFF031	mg/L CaCO ₃	135
Alkalinity (CO ₃)#	EFF031	mg/L CaCO ₃	<1
Alkalinity (OH) #	EFF031	mg/L CaCO ₃	<1
Sulphate	EFF016	mg/L	<5
Sulphur (Total)	EWI02	mg/L	<0.1
Chloride	EFF011	mg/L	37
Copper (Filtered)	EWM01	mg/L	0.0044
Zinc (Filtered)	EWM01	mg/L	0.0734
Arsenic (Filtered)	EWM01	mg/L	0.0118
Manganese (Filtered)	EWM01	mg/L	0.0024
Chromium (Filtered)	EWM01	mg/L	0.0021



CERTIFICATE NO.: 149517

Sample Description Test	Method Code	Unit	149517-6 BH Crk Discharge
Hexavalent Chromium	EFF030	mg/L	<0.05
Cadmium (Filtered)	EWM01	mg/L	<0.0001
Mercury (Filtered)	EWM01	mg/L	<0.0001
Lead (Filtered)	EWM01	mg/L	<0.0001
Nitrate-Nitrogen	EFF004	mg/L	<0.1
Nitrite-Nitrogen	EFF005	mg/L	<0.01
Nitrogen (TKN)	EFF001	mg/L	5.3
Nitrogen (Total) #	EFF085	mg/L	5.3
Total Organic Carbon	EFF059	mg/L	<1

DEFINITIONS: < = Less than, > = Greater than, - = Not Tested, DWB = Dry Weight Basis.

* This test is not covered by the scope of our NATA accreditation.

= The result is derived from calculation.

Results were reported on an "as received" basis unless otherwise indicated.

Sampling was carried out by the customer and results reported pertain only to the samples submitted, responsibility for representative sampling rests with the customer.



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Jason Roumimper, Chemist
For Bruce Chen CEO of Symbio Alliance



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■ NATA Corporate Accreditation No: 2455

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