

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 5

INQUIRY INTO COAL SEAM GAS

CORRECTED PROOF

At Narrabri on Tuesday 15 November 2011

The Committee met at 3.30 p.m.

PRESENT

The Hon. R. L. Brown (Chair)

The Hon. J. Buckingham
The Hon. R. H. Colless
The Hon. G. J. Donnelly
The Hon. S. MacDonald
The Hon. Dr P. R. Phelps
The Hon. P. T. Primrose

OWEN LANE and **PETER GETT** appeared before the Committee:

CHAIR: Thank you very much for agreeing to see us, talking to us. The deal is that we are not going to swear you in, none of that mumbo jumbo. What I say will be recorded by *Hansard*, you will be given a copy or it and you can tell us what we can publish or cannot publish. The idea is for the Committee, because we are talking to a lot of people, we have not been able to talk to anybody who has any business with the coal seam gas companies or has wells on their land. We thought it would be a good idea to find some people such as that and the Committee might get a feel for the relationships, how you perceive the imposition, if any, on the ability to use your property, whether you think it is a good thing or bad thing or any problems that you may be able to put on the record that we can highlight that the Government should be made aware of or should consider in the future.

One of the things we have done, we had a similar private briefing with a lawyer who was an expert on property law and mining and he gave us a run down on what the law says, what the Real Property Act says, what the Mining Act says and what the Petroleum (Onshore) Act says and the differences between them. A lot of the submissions and a lot of the witness statements from people who object to coal seam gas have been based on the problem of what I call property rights, generally speaking, the right to deny access or the right to accept access under an agreement. None of the Committee will be asking you any questions about your private commercial arrangements with the gas companies; that is off the record. We wanted to have a general talk to you and get your ideas on how you have been treated and whether you have any suggestions for us in terms of what perhaps could be done to improve the situation. Would one or either of you like to lead off with a story about your involvement with the companies?

Mr GETT: What do you want to know first up? How we started with these companies?

The Hon. Dr PETER PHELPS: What happened, did someone knock on your door one day and say: We have three trucks out here, we are drilling in 20 minutes. Was there a consultation process? How did you find out they wanted to get on to your land?

Mr GETT: It started many years ago when the survey teams first come through and we knew something was underneath the land because they kept coming back doing more and more surveys.

The Hon. RICK COLLESS: What sort of surveys?

Mr GETT: They were doing seismic surveys, two or three different types over the years and as the years went by they were more modern types, they have updated. We let them go. We never had any problems with that. There were a couple of little issues with the subcontractors to those companies—men that were not closing gates—and all we had to do was say something. That was not Eastern Star Gas. About three or four years ago they came and wanted to put three wells down on one of my properties and I had a bit of home work to do. I wanted to know what depths they were going to where they were trying to find the gas, what was in between, and how it was going to affect my water supplies. It was close to a house that I used to rent out because it was on a property we did not live on and the noise pollution—all that sort of thing. I found them extremely good. We had a little issue which I think you people would know about it: We had a little bit of a spill in a creek.

The Hon. RICK COLLESS: Spill of water?

Mr GETT: Drilling mud. It was not Eastern Star's fault, it was a contractor again, and I rang up and immediately was told they could not talk to me, they had to talk to the DPI and EPA immediately; they had to report it, which is protocol. Within 48 hours you could not tell, it was completely cleaned up; soil and water tests came back. I thought that was a pretty good response. As far as roads they have maintained my roads better than I had before, which has improved my asset.

The Hon. RICK COLLESS: Where is your property?

Mr GETT: Tinniesfield, there is three gas wells there, 200 metres apart.

The Hon. RICK COLLESS: Off the Newell Highway?

Mr GETT: No, towards Yarrie Lake, due west of Narrabri, I would say. That is running the power station at the moment. The gas is coming out of that. I wanted to know—my water table is my main thing—where I am there is, in the first 200 metres is most of the water supply; the gas is around 850 and 900-metre mark. In that gas there is a lot of rock shelf and hard shale which buffers my water supply for what they are doing.

The Hon. SCOT MacDONALD: Have you noticed any change in bore pressure?

Mr GETT: Nothing. They have put two wells down to monitor the water table in my area so if there is a problem—

The Hon. SCOT MacDONALD: No drop?

Mr GETT: Nothing.

The Hon. Dr PETER PHELPS: Is there any saline cross contamination?

Mr GETT: All we can work on is the water supply to stock and domestic and there has been no change in colour and no drop off. At the house there is my wife and I and there has been no change there at all. Probably one of the biggest problems with this is it is easy to see the mistake on the top of the ground, but none of us can see what is going on down there, you cannot stick your head down and have a look around. You have to go on what they tell you there. These people have been very good explaining to me what they are doing all the way down and how they go about it. It was explained to me prior to them starting the first well. I can understand there are a lot of problems with this for other people. On my property it is a stable area for what they are doing. In the Darling Downs where gas and water aquifers are interlocked I could understand people are upset about that.

The Hon. ROBERT BROWN: What enterprise do you have on your property?

Mr GETT: Wheat, sheep and cattle.

CHAIR: On that block?

Mr GETT: Yes.

CHAIR: How long did it take them to do the three wells on your place?

Mr GETT: They started in November 2009 and then it started to rain and it rained and rained and there was trucks bogged and loaders bogged; it was a quagmire. They never got finished digging the wells until March of last year. They cleaned up all the mess. It is probably better than it was before they went there.

CHAIR: The interconnecting pipeline and the pipeline that takes the gas out of the property that is buried?

Mr GETT: That is buried. There has been some subsidence and I have never had to report it, before I could say anything they were back and fixed it up.

CHAIR: You have not had any problems about interference with your normal farming operations because of the roads or pipeline routes?

Mr GETT: No, they just did not put it in. They asked: Would this interfere? Where would you like it? I said: Close to a fence, 3 metres off a fence and they have done that. To be completely honest we have had problems with some of the contractors leaving gates open and Eastern Star put signs on the gates, "Must be closed 24-hours a day no matter what". That was the only problem I had with that.

The Hon. JEREMY BUCKINGHAM: I am not asking you to go in to the commercial elements of it but how did you feel in terms of negotiating with the company about the agreement? Where did you go for information and did you feel empowered in that process—without going in to the dollars and cents of it.

Mr GETT: I was probably one of the first people that were approached for private land to do this. I could not go to a neighbour and say: How did they approach you? What sort of reimbursement are you getting? So I went to Roma in Queensland and contacted a few land holders, plus a contractor was working on my property for Eastern Star and he gave me a bit of information. It varied from \$2,000 per well compensation to \$10,000 compensation per well. It is how hard you are dealing with them was your compensation. It did not mean if it was a million dollars well or \$10 million well it was how hard you negotiated with them. You do not know where to stand your dig or what to ask. I am not getting \$2,000 and I am not getting \$10 000, it is somewhere in between.

The Hon. SCOT MacDONALD: That is per annum?

Mr GETT: Per annum. I have a contract. They pay me so much for the use of my roads. When you develop a property you put roadwork in for carting grain and stock off the place, they were using my road networks and it was not a problem at first but then it started to cut up the roads. The next thing you know they spent tens of thousands of dollars graveling my roads. Now if we get wet weather we can move any time because of what they have done for me.

The Hon. Dr PETER PHELPS: How far apart are your wells?

Mr GETT: They are 200 metres apart in a straight line.

The Hon. RICK COLLESS: How many of them are there?

Mr GETT: Three of them.

The Hon. SCOT MacDONALD: They are not in the middle of cultivation?

Mr GETT: Yes, they are. They moved them to one side a bit so they would not interfere with farming. They can drill vertically and they can go horizontal, so if there is a point there they want to reach and you have a shed or black soil paddock you want to farm they can go at an angle to reach the target—you just have to talk to them about it.

The Hon. Dr PETER PHELPS: What is the carve-out? What is the footprint of each of these wells, 100 metres by 100 metres or have they made it more compact?

Mr GETT: They fenced off roughly 2-hectares on each well. They have them so I can still run my stock. When it was developed they pulled those fences down. They are probably only half a hectare now and in time they will decrease that again. I did have a bit of problem with the exploration when they dig the sumps for the drilling rigs they mixed all the dirt up and I did ask for the top soil to be pushed aside. They quickly admitted that they did not tell the contractor that. When they come back to do the three main wells all the topsoil was put aside and it was put back, then they cultivated it and sowed pasture on it: That is going quite well.

CHAIR: What sort of things are covered in the contract, apart from the money, do they specify what they will do and will not do and what rights you have in terms of your continued access? Does it state they will not interfere with your access?

Mr GETT: It is hard other than to read the contract out to you. I had my solicitor do it for me because I am a farmer, I am not that switched on to legal things.

CHAIR: Did they present you with a contract?

Mr GETT: No, they gave me a contract and I took it to my solicitor. He was pretty happy with it. He said: There is a few things that need to be changed and they changed it and there is no problem with it. I find it a good working agreement. I am not trying to patronise, but I have not had a lot of problem with this. I know my area because of the structure underneath me it is not a problem with my water aquifer, but I can understand in other areas it would be.

CHAIR: How much water do you use for agriculture?

Mr GETT: We have one irrigation bore that is on standby, but it is not used at the moment. I have six bores. I put down a new one recently. The water bores are what they were 30 years ago.

CHAIR: You have a pivot or travelling irrigator?

Mr GETT: No, just water for stock.

CHAIR: The Committee members may ask further questions of Mr Gett later. Mr Lane, would you like to tell us your story?

Mr LANE: It is pretty much the same as Peter's. They just approached me about doing the seismic work through the place and I agreed. They done that and there were no issues, no problems. They came and they went. Then they approached me about putting a core hole on the property and I agreed to that. They spoke to me about the access to be able to come onto the place. They said to me, "We have heard that your water bore at the house is not working", because it had caved in. It was all rusted off the casing fell in. They said, "We will drill you a new bore for letting us do it." I said, "That sounds good to me." So they put the new bore down and came in, done their hole, then they went away. Then they contacted me again to do another six of them.

CHAIR: Core holes?

Mr LANE: Actually they all ended up being production wells at the end of the day.

The Hon. Dr PETER PHELPS: How many do you have on your property?

Mr LANE: Seven. There was to be a water treatment plant to go in there too but they have not gone ahead with that at this stage.

The Hon. Dr PETER PHELPS: Is it the same sort of thing every 200 metres?

Mr LANE: Yes, they are about 250 metres apart. There are three of them in a row and then there are another three further up about 800 metres, a kilometre away at the other end of the place.

The Hon. Dr PETER PHELPS: That does not interfere with your use of the property?

Mr LANE: [EVIDENCE OMITTED BY RESOLUTION OF THE COMMITTEE] In actual fact, I spent a lot of my time in Queensland working up there with my machinery trying to make a living. When Eastern Star approached me they said, "If you have got machinery we will give you work if you want it". So I ended up doing a lot of work for them. All the Wilga Park ponds over there—I know you have seen them today—I actually built all those. It has been the best thing that has happened in my life, to date anyway.

The Hon. RICK COLLESS: When you say it is the best thing to have happened, do you mean the fact that the work is available to you?

Mr LANE: I have had good work with them. That has ended now because Santos is taking over. Them even coming into the place has been good.

EVIDENCE OMITTED BY RESOLUTION OF THE COMMITTEE.

The Hon. Dr PETER PHELPS: Can I stop you there? Assume the native vegetation Act allowed you to do the clearing [EVIDENCE OMITTED BY RESOLUTION OF THE COMMITTEE], would you be as happy about having the wells on there as you are now?

Mr LANE: Definitely.

The Hon. Dr PETER PHELPS: Why?

Mr LANE: Because it has brought so many good things into my life—money, work, new bore.

The Hon. Dr PETER PHELPS: Basically a guaranteed non-seasonal income?

Mr LANE: That is right and I do not have to do anything for it. It is just there.

EVIDENCE OMITTED BY RESOLUTION OF THE COMMITTEE

The Hon. RICK COLLESS: You are saying that the native vegetation Act had a much bigger impact on your capacity to manage the land than coal seam gas has?

Mr LANE: One hundred per cent. That property has been owned for two generations.

EVIDENCE OMITTED BY RESOLUTION OF THE COMMITTEE

The Hon. SCOT MacDONALD: You obviously talk to your neighbours about your experience?

Mr LANE: I do not think so.

The Hon. SCOT MacDONALD: We hear there is a lot of angst and a lot of people cranking up the angst. Are there communities that think this is not such a bad thing? Obviously individuals do.

Mr LANE: Quite a lot of my neighbours in the local area are waiting in the vain hope that they get gas wells on their own property. They are wanting them, crying out for them, for the same reasons I am. [EVIDENCE OMITTED BY RESOLUTION OF THE COMMITTEE]. To be honest, the single and only objector I know, and you know of him, is Mr Pickard. He is a neighbour on one side and I have a heap on the other side.

CHAIR: Because you are not using the property for production purposes you obviously do not have any irrigation infrastructure?

Mr LANE: No.

CHAIR: You only have the house bore?

Mr LANE: Yes.

CHAIR: Are they monitoring any water bores on your property, the same as they are on Peter's?

Mr LANE: Eastern Star have taken water samples but they do not have any monitoring bores as such on the place. They have come back and they have taken samples out of the bore at the house. I have noticed no difference in the taste of the water or the depth of the water. Everything is still pumping fine.

CHAIR: Have any of your neighbours complained about a drop in their bores or anything like that?

Mr LANE: To be honest, Tony Pickard has complained about everything to do with the bore, including its failure, but none of that I believe has to do with Eastern Star Gas.

The Hon. PETER PRIMROSE: I ask this question of both of you, again stressing that we do not want to ask about anything to do with the details of the contract. The one clause I would be interested in: Is there a confidentiality agreement? Can you share the details with your neighbours or anything to do with the cost?

Mr LANE: There is nothing in my contract to say that I am not allowed to speak to anybody about it.

Mr GETT: Nothing. I do not talk to my neighbours about it but there is nothing in my contract to say that I cannot.

The Hon. RICK COLLESS: But you could if you wanted to?

Mr GETT: Yes. If they come to me and say, "Peter, I want to know because they have approached me", I would say that business is business and it is something I do not talk about. I have probably spoken more to you people here today than I have spoken to my neighbours in three or four years.

The Hon. RICK COLLESS: Do you have irrigation on your property?

Mr GETT: We have an irrigation licence. It is a stand-by bore which we do pump out sometimes just for stock water. It is just a flood thing. We do not have broad-acre irrigation, no.

The Hon. GREG DONNELLY: Thank you for coming today to provide evidence to this inquiry. Once again I preface my question by saying I do not want you to go into the specific nature of your particular agreements. In terms of striking a dollar figure, do you think that the company played hard ball to try to ensure that the figure that was ultimately struck was the lowest from their point of view? In other words, the figure of X dollars is a dollar figure. It could be twice that, it could be half that. What were the factors that led you to finally settling? Did you think that it was a fair and reasonable rate and that you could accept that as a figure you would receive on an annual basis into the future?

Mr GETT: Correct because I had no-one to mediate with because no-one else really was doing it. At this stage I did not know Owen. I am sort of a test case for my area and I have people leaning over the fence because they are going to be approached in the future. I know what the expansion is for Santos so we will all be approached. It is something the Government probably should set some sort of figure on—like for a test bore it should be this much, for a production well it should be this much. Whereas, like I said, I rang a person in Roma and they said it is just how hard you are to deal with. Some blokes are taking \$2,000 and some blokes are getting \$10,000 because they jumped up and down and would not let them on their place till they got that. So it is a little bit of business, how hard you are. What do you do in those situations? There is no law on it, is there?

The Hon. GREG DONNELLY: I am not meant to ask you hypothetical questions but I will. Imagine if you played hard ball with them in this negotiation. Did you get any sense that they were prepared to go further in their offer to you or did they ultimately get to the point where they said that was it?

Mr GETT: I think there was a bit more left in them but I was happy with what I got.

The Hon. GREG DONNELLY: So it was your decision?

Mr GETT: Maybe I am not a hard enough businessman.

The Hon. Dr PETER PHELPS: Would you have more bores on your property?

Mr GETT: Definitely. Please.

The Hon. Dr PETER PHELPS: Are you saying you could have more bores without it being a significant intrusion on the agricultural side of your property?

Mr GETT: Definitely. Like I said before, I have no reason to patronise this company. Everything has been done. Like I said, we have had some problems. I do care, but it happens in any business. If you build blocks of flats, whatever, you are going to have a few little problems that you are going to have to sort out. They have been very good. They have approached me in the right way. They have never tried to stand over me. Have you ever found that, Owen?

Mr LANE: No. I just wanted to add a bit to Mr Donnelly's question about the compensation agreements. I actually let them make me the offer. They set down the price and by a couple of things that Peter has just said about what he has got—between \$2,000 and \$10,000—I think I am getting pretty much the same and I did not fight or argue or say, "I want this, I want that". I let them make the offer. The reason I did that and I accepted it is because I think they have been more than fair with me with everything they have done—a water bore for the house and different things, the work they have provided me. So I just let them set the rate and I think by the sound of it they have given me a fairly fair rate too. I can honestly say that I am more than happy.

The Hon. SCOT MacDONALD: I ask you both this question. Your properties are a little bit further apart, one is on the west side of Narrabri. In other places we kept hearing about the impact on property values. We know that lots of things impact on property values, such as, water and crop prices. Can you point your finger at any impact from coal seam gas on property values or saleability?

Mr LANE: Yes, I can. In 5 or 10 or 15 years' time when this all becomes accepted just as oil wells and coalmines and things are, I think it will increase the value of my property. When people see that they do not

blow up and do silly things, they will see a property that actually makes money and you do not have to go to work to get it. So it will increase the value of the land. That is my belief.

Mr GETT: I totally agree with what Owen is saying. I would say that if you have a property for sale and it is making X amount per year, then someone could say, "That is going to cover my interest".

The Hon. SCOT MacDONALD: It has an income component to it?

Mr GETT: Yes, this is going to cover the interest. It will add value to the place, not devalue it. There is a lot of media hype and people campaigning. I am not going to get into any argument with anybody over that. That is their business. For me, it is all good. I would welcome it if they want to negotiate more wells. I have heard there is a grid pattern, I know what they want to do and it will come down the track. It is going to be slow for a while now till people come round to the fact that we need energy. The same that Owen was saying about the land. We have six properties in the area. I am a fifth-generation Gett farmer. Over the years we had most of our infrastructure improved. We still have more to go and the native vegetation Act has stopped that. Some of this area under the native vegetation Act will probably have gas wells on it. That will make something out of it. At the moment it is dead money to me.

The Hon. JEREMY BUCKINGHAM: Water management is a big part of this industry. Mr Gett, you are on the land. Mr Lane, you are away a bit and not managing the land. Mr Lane, did you say you have seven wells?

Mr LANE: Yes.

The Hon. JEREMY BUCKINGHAM: Have you seen anything in terms of how the water is managed or mismanaged that has caused you any concern?

Mr LANE: From Eastern Star, no. They do everything you would expect them to do.

The Hon. JEREMY BUCKINGHAM: How were they managing that water from the production—the fracking water, the produced water and all the rest of it? Are they coming back in getting that water now?

Mr LANE: The thing is they have not finished the pilot project on my property yet. They are only just starting it up now. There is no fracking water because they are not fracking. They found it does not work in these coal seams. The water they have got out of the wells, they have got it in lined ponds. They take it away and it goes back to Biblewindi to the treatment plant there and it gets treated.

The Hon. RICK COLLESS: What is the salinity of it?

Mr LANE: I do not know the exact figures. I could not tell you that. I could find it out but I am not privy to it at the moment. I have not had any spills on the property. I have got no concerns at all about anything they have spilled or dropped or done. It is all being done good as far as I am concerned.

CHAIR: Mr Gett, how do they handle the water on your property?

Mr GETT: Some of the gas that comes out of the well runs a generator and there are three electric pumps which are pumped. At the same time they put the channels in to run the gas pipe to the power station. They put water pipes in so the water is then pumped off my property to the pond that Owen has built near the gas station and there is an evaporation pond there.

The Hon. PETER PRIMROSE: I referred previously to the issue of confidentiality agreements. That is why I was interested whether it appears in your contracts. The Farmers Federation has draft contracts that they have proposed. Are there any places you could recommend that we might be able to go and have a look so that we can get an idea about good clauses that should be contained in these contracts? I do not want to ask you to give us your contracts. Have you seen any other documentation that you could point to?

Mr LANE: No.

Mr GETT: No, only what they have offered to me and was put to my solicitor and changed to suit what my solicitor thought was the better deal, not moneywise but to make sure that it covered me for legalities in the future.

The Hon. RICK COLLESS: Has your solicitor had any previous experience with mineral or mining operations?

Mr GETT: He has been doing things not for Eastern Star Gas but for other parties, mainly just contractors and things like that, yes. He is a local solicitor here. He knows them pretty well and he has drawn up other contracts on completely different matters for them. He told me that when he looked at my contract.

The Hon. SCOT MacDONALD: Did Eastern Star Gas pay your legal fees?

CHAIR: Order!

Mr GETT: It did.

The Hon. JEREMY BUCKINGHAM: Without knowing your operations, how well could an expanded industry integrate into more intensive, say, cropping-type agriculture where you have machinery and a higher value commodity? Can you see this industry spreading from here down through the Namoi Valley and into the Hunter and integrating in agriculture that way? One suggestion is that the industry starts here and spreads up to Moree and down through the Liverpool Plains. Do you think that can work?

Mr LANE: I think it can because people want it to.

Mr GETT: Yes.

Mr LANE: Like Peter said earlier, you just have to be approached by the people and work out where they are going to put wells to give everybody the best result for them and the land owner. I think a lot of people are scared. They see the big clearing on the pictures and they think, "This is going to destroy my place" but at the end of the day, once it turns back into a production well and the pipelines are in, it is a little square not much bigger than this room. That is all it is; just a gas well in the middle with a little cage fence around it. It would not be twice the size of this room, and that is it; that is your gas well.

Mr GETT: I believe a grid pattern has one every square kilometre. I cannot see how that can hurt anything. I honestly cannot. As long as what they say: you can see the problem on top of the ground but you cannot see the problem under the ground.

CHAIR: You mentioned that you had seen some grid references around your property?

Mr GETT: Yes.

CHAIR: Is a square kilometre about the size?

Mr GETT: That is the talk, yes. I know from talking to some of the people I have met coming and going over the years, that is the future plan. In five or 10 years time, I do not know.

The Hon. RICK COLLESS: In your mixed farming operation what would happen with broadacre cropping where there are no fences because there is less opportunity to sight those wells in areas that are not usable land, if I can use that expression?

Mr GETT: True.

The Hon. RICK COLLESS: Obviously, having gravel roads between the wells and the pump stations and so on, is going to be more of an impost to those people than it might be to you and your mixed farming, is it not?

Mr GETT: Yes. Like I say, they negotiate where they want to put a well. If it is in the middle of a beautiful paddock, a field, or whatever you want to call it, they can do it at angles, whatever. They need road infrastructure, they do not drive across the paddock. They have to go around. It still leaves your field to work.

They compensate me also for that road. I cannot make per year off that bit of land they take off me in crop, no way in the world. So I am quite happy to have a gravel road there.

CHAIR: Have you any wells on your properties that are adjacent to an external boundary, a neighbour's boundary?

Mr GETT: Yes.

Mr LANE: Yes, they are not far from the boundary.

CHAIR: Are they run by gas turbines or engines?

Mr GETT: It is a gas engine in a container.

CHAIR: Is it noisy?

Mr GETT: If you were within 300 or 400 metres on a real quiet night, you might hear. They have that covered well.

CHAIR: Have any of your neighbours complained specifically about noise?

Mr GETT: The house I used to rent was probably 750-800 metres away. I actually subdivided that and sold it off now. There was no problem when I sold it to those people.

CHAIR: So people are living in it?

Mr GETT: Yes, and you cannot hear it. When they did all the drilling, I do not know what it cost Eastern Star Gas but they brought in baffolding and put up this monstrous fence that baffles sound. When they were drilling, banging, hammering and that you could not virtually hear anything. They made sure that any houses in the district were covered from noise.

Mr LANE: The nearest well to my house on my place would be 300 to 400 metres in a straight line, at the very most, maybe even less than that. When they drilled it, when they had the big drilling rig there the only time I woke up at night, and my bedroom window faces the well, was when the boys would be talking on the loud hailer telling one of the drillers or somebody to get a spanner or something. They turned the volume of that down and it never woke me up again. They had a generator running on that well when they got it all up and running. They had that going for months and not once in the time it was going did it disturb my sleep.

The Hon. RICK COLLESS: What do you think is a fair distance from a residential building to have these facilities?

Mr LANE: It is hard to say. A lot of it depends on whether you have timber in between or whether it is in open country or whether you are in a gully and it is up a hill or something. There is a lot to do with the lay of the land.

The Hon. RICK COLLESS: The Committee will be considering putting recommendations into its report and one might be that there not be any coal seam gas infrastructure within so many metres of a residential building.

Mr LANE: I would think, just for the added security of not having people get upset, somewhere around 500 metres would be fine. You have to understand too, I have worked with machinery all my life and had it running in my ears and all the rest of it. I can sleep straight through it because it does not worry me. There are other people it would upset. While they were drilling well 13 the main reason they put all that baffolding around at Peter's place was that they had an ambulance supply of complaints from my neighbour whose house is two kilometres away.

Mr GETT: It is the same bloke we are talking about all the time.

Mr LANE: I have no idea how it kept him awake at night but he made numerous complaints.

The Hon. RICK COLLESS: He might have sat up waiting for the noise to start.

Mr GETT: Definitely.

Mr LANE: Maybe he must have.

The Hon. JEREMY BUCKINGHAM: Has the company given you any indication about how long these wells will run and whether they are going to be run in stages beginning as a pilot production or whatever running into Wilga Park and whether down the track they have plans for more?

Mr LANE: On my place they have said they will run the pilot for six months to see what quantity of methane comes out and then they will know whether they are going to continue the project in that area. They have told me that if they go into production using them for the purpose of getting the gas out, they could go for up to 40 years.

Mr GETT: Forty years is the figure they told me too.

The Hon. GREG DONNELLY: You have told us how the company has been quite engaging in dealing with you and working through issues systematically and resolving matters as they arise. Has the company also sought to engage the community here about addressing some of the popular issues with coal seam gas?

Mr LANE: I believe so because they have had numerous meetings at the Crossing Theatre for public people to go to. Anybody was welcome.

CHAIR: Did you attend?

Mr LANE: No I did not bother going. I had no need.

The Hon. GREG DONNELLY: Would you elaborate on that? Obviously in some communities this can become a divisive issue?

Mr GETT: Yes.

The Hon. GREG DONNELLY: People wanting versus people who have concerns. How the company has behaved in dealing with matters, consulting and dealing with the public is quite important.

Mr GETT: I did go to the last one they had at the Crossing Theatre. They had drilling stuff and cases just to show people what they were doing. They had great diagrams showing what is going on underneath the earth so people could understand. I was very disappointed with the amount of people who turned up to see it.

The Hon. RICK COLLESS: How many turned up?

Mr GETT: When I was in there I think there was four. It opened late one afternoon and was open till lunch time the next day. Friday afternoon after work when I thought anyone who was really interested could have been there, I think there was four. There was a lot of Eastern Star Gas staff there, but there was only four people in there at that time really asking questions. I would have thought there could have been quite a few.

The Hon. RICK COLLESS: Has there been an anti coal seam gas rally in Narrabri?

Mr GETT: Not that I know of, no. Not in Narrabri, but in Moree.

Mr LANE: I do not think there actually has been.

Mr GETT: There has been down around Mullaley and that area. People can go crook, but it they want to know they should show up. I think Eastern Star Gas went right out of its way to do that. I was disappointed with the people who were there.

CHAIR: Have either of you been contacted by Santos?

Mr LANE: No.

Mr GETT: No.

CHAIR: I assume that at some future stage it will. When does the deal go through?

Mr LANE: This week.

The Hon. Dr PETER PHELPS: Thursday lunchtime.

CHAIR: Santos will be a new business partner, so to speak?

Mr GETT: Yes.

CHAIR: We met representatives this morning and they seem to be pretty professional people.

Mr GETT: Mr MacDonald started to ask something about my solicitor and the contract.

The Hon. SCOT MacDONALD: Did they pay your legal fees?

Mr GETT: Yes they did. But in all fairness to them, I asked could I take my contract to my solicitor. They said, "Yes, you can and if you like, get him to send us the bill" after I said I was going to go to the solicitor. They did not say, "Take it to your solicitor and we'll pay the bill." That is the way it came out.

The Hon. Dr PETER PHELPS: At the conclusion of this inquiry this Committee will make recommendations. Do you think we should recommend that there be a standard contract for the industry?

Mr GETT: Definitely.

The Hon. Dr PETER PHELPS: Do you think we should also set if not a standard price, a standard range of prices for an exploratory well, a production well et cetera?

Mr GETT: Yes.

Mr LANE: Yes, I would agree with that.

Mr GETT: Definitely, but you will always get the hardball bloke who is going to ask for more. There should be a standardisation of what an exploratory well should bring a landholder and what a permanent production well should bring.

The Hon. Dr PETER PHELPS: What if we did not mandate it but gave general guidelines that this is the expected price range?

Mr GETT: Yes.

The Hon. SCOT MacDONALD: Someone else could make another accommodation because of his domestic situation or a road or some sort of infrastructure that you have to factor in?

Mr GETT: That is right.

The Hon. JEREMY BUCKINGHAM: What about the remuneration being linked to the actual resource that is being extracted, that is, more like the United States where a royalty is received? Would that be a more fair way to do it?

Mr LANE: I do not know because if you get a royalty for something that is wonderful, it is good; but if you get a royalty for an empty well, that is not so good.

The Hon. JEREMY BUCKINGHAM: We have all learned that it is not a long way between exploration and pilot production, and production?

Mr LANE: No.

The Hon. JEREMY BUCKINGHAM: What is your view on that? My understanding is that many people are reluctant to sign up for exploration because they are aware that exploration is a lot like production?

Mr GETT: There is not a lot of difference.

The Hon. JEREMY BUCKINGHAM: The road is in, the well is in, the pipe is in and the compressor is in?

Mr GETT: Yes.

The Hon. JEREMY BUCKINGHAM: How close is exploration to production?

Mr LANE: It is all very similar. The day they bring in the seismic trucks to do the seismic test you know you are getting a drilling rig. Once they bring in the rig to do a core well, it is an ongoing step up from one to the next until you have production wells.

Mr GETT: The core hole rig is a small rig compared to the production one, but it is still a hole in the ground. It could be a six inch hole or an 18 inch hole, it is still a hole in the ground.

The Hon. RICK COLLESS: Further on the royalty issue, you both have said that the company looks after your roads on the farm. What about from the community perspective? Do you think there should be some payment back to, say, local government to look after the shire roads and that sort of thing?

Mr GETT: Definitely should.

The Hon. RICK COLLESS: Maybe that should be looked at from a royalty perspective?

Mr GETT: It already has been looked at in the Narrabri shire. Councillor Kelly has twice come to me and asked how much road use is happening in our area. I said, "A fair bit." They have already been to Roma also and talked with Roma council about how the oil and gas people are rating up there so they can start doing the same here, which is fair. They use our roads, they must pay their share. That is already happening in Narrabri. I do not think there has been any problem with Eastern Star Gas in paying that either. As for the community, Eastern Star Gas has pumped a lot into this town with sporting events and in the park down there they put light towers. There is talk about the new swimming pool or something that they are going to heat it.

CHAIR: I notice this club is sponsored by them.

Mr GETT: Yes, that is true.

Mr LANE: If you add it all up, at the end of the day I believe that they have definitely brought more good to Narrabri than bad by a long shot.

Mr GETT: I feel sorry for them because I know they are trying hard. They just do not want anything to go wrong. Sometimes I get a bit annoyed with the phone calls I get saying, "Peter, we're going to do this today. There's a team of people coming in. We're just going to see the wells." I said, "That's all right. You paid the lease. Come and go as you like." But they will still ring me and tell me that people like yourselves are coming.

They pay the lease, they are happy to come and go as they like.

CHAIR: They are big on OHS.

Mr GETT: Definitely.

CHAIR: They know if they got caught out—

Mr LANE: I have worked for them and they are right on to it.

The Hon. GREG DONNELLY: Looking at your case studies individually, subject to your being satisfied with what was offered, your general disposition has been supportive of the proposition of going along and having the wells placed on your property. My question goes to landholders or farmers who may have a different position and they do not want to have coal seam gas mining taking place on their property. Do you think that the issue of their rights as property owners to be able to say no in terms of whether it is exploratory, pilot or production, that there needs to be some enhancement of the rights, or the clarification of rights for property owners, to have a stronger position to say no? In other words, I am asking you to flip it over; if you were a farmer, for whatever reason, who did not want to proceed with this resource development on your property?

Mr GETT: That is a person's prerogative. If they do not want it on their place they should not have to have it on their property. I do not know the answer if there are resources underneath, but they can drill from a kilometre away and they can drill underneath you and get what they want. Perhaps the neighbour will allow them on their land. Concerning noise, Eastern Star said to the people that are in the house on my property if you would like a three or four week holiday on the Gold Coast at our expense, go and we will pay.

The Hon. RICK COLLESS: They declined?

Mr GETT: They were too busy in their own business and could not get away. About 1,000 metres from my house, in the next 12 months, they are putting down another well and I have no worries about that at all.

The Hon. RICK COLLESS: That is on your land?

Mr GETT: No, it is a neighbour's property and right on the boundary and my house faces the back. I know they will do the right thing; they will put up this guard that baffles the noise if I say one word. They will fix it.

CHAIR: Did the neighbour let you know they were going to put the well in?

Mr GETT: No, Eastern Star.

Mr LANE: When I came back from Queensland they were going to start that well and the fellow from Eastern Star that I was dealing with at the time, Tim Donnellan, asked me where I was staying and I said: In my house. He said: You cannot stay there with the drilling rig being set up. I said: Where else am I going stay? Are you going to put me up in a motel? He said: Yes and I said I do not want to live in a motel I want to stay in my house. They were happy to put air-conditioners in to the house to dull the noise but I declined.

CHAIR: The water goes off the property and goes to the pond?

Mr LANE: Not with mine, only with Peter's, mine stays on the property.

CHAIR: When they use their desalination plants they get two thirds of the water they can use and the rest is hyper-saline and they want to reinject it down 700 or 1,000 metres or so. Do you think it is any advantage—probably no advantage to you until the Government changes the Native Vegetation Act—but would it be any advantage to you to have water available for your land or not?

Mr GETT: It would be an advantage but you mean recycled water? Recycled water, once it has been purified and the salt is out of it is like artesian water: If you go to the Pilliga, Burren Junction, Birds River, nothing grows there. Once it is treated they tell me it is quite useable, drinkable, and can be used for irrigation.

Mr LANE: That was one of the things I was waiting for, was to get the water filtered on my property. I built one dam and I am repairing another one. I have a small piece of land cleared on my property.

CHAIR: Fresh water?

Mr LANE: They were going to give it to me and I was going to irrigate something with it.

CHAIR: How big is your property?

Mr LANE: 2,000 acres. There is probably a couple of hundred acres I may be able to use and the rest of it is personal national park.

The Hon. RICK COLLESS: And you pay rates on it?

Mr LANE: Yes, got to pay the bills.

Mr GETT: Do we want to talk about the Native Vegetation Act?

CHAIR: That is next year. That is another inquiry.

The Hon. Dr PETER PHELPS: Shall we pencil you in for that?

Mr LANE: We can help you out with that one too.

Mr GETT: I will say one point on that: When they will not let me clear my land and I cannot claim carbon credits on those trees and I cannot push those trees down to plant trees to get carbon credits then I think we should get carbon credits on those trees.

The Hon. Dr PETER PHELPS: You should be able to claim carbon credits.

The Hon. RICK COLLESS: Ask Jeremy.

The Hon. JEREMY BUCKINGHAM: I do not think you should be able to clear the land.

Mr LANE: To an extent.

Mr GETT: The properties that are done properly, they are an asset, but what is a block of scrub, you may as well let the Government take it back.

CHAIR: Do not give them any ideas.

The Hon. JEREMY BUCKINGHAM: I think you should be paid the carbon credits for it.

Mr GETT: Why not, we cannot clear it.

The Hon. GREG DONNELLY: Can you envisage the possibility of farmers really wanting to maximise the possibility of having as many wells on their properties as possible to derive at the largest possible income available. If a company was prepared to offer you the right money such that you could earn a reasonable annual income—obviously it would be higher than what the rates are at the moment—do you think there could be development of this thinking let us turn this over to gas production land and maximise the capacity to extract the gas and there may well be some pulling back or drawing back of land that is used for agricultural purposes?

Mr GETT: No, I would not let that happen. I think they have to work together. We have got to have it both ways: We need the energy and we need agriculture. There has to be a happy medium. It is a hard one but you are going to have to find it so we can have sheep, cattle, wheat and gas. Like Owen said, the well is only as big as this room; everything is underground, it is over a metre deep so we are not going to dig it up. They are welcome to more wells on my place. I am 55-years of age and if there were another 10 or 15 wells then I would take it a bit easier. Originally my neighbours were dead set against us and they are starting to look over the fence. I just had 10 weeks in Western Australia and I could do that again.

CHAIR: what sorts of soils are on your property, what range of soils do you have?

Mr GETT: I have Brigalow and Balah soils similar to southern Queensland. We did have some Wilga pine country but most of it is black soil.

CHAIR: Yours is similar?

Mr LANE: Mine is sandy loam—it is a poorer quality where I am.

The Hon. JEREMY BUCKINGHAM: You said that you had not noticed any change in the bore colour or taste; did the company do any third party independent base line data assessment? Did they hand you a water test of your water bores before drilling?

Mr GETT: Not before but I have had it done since. I have had a new monitoring bore done and I have test results since they have done that so I can compare it later on. If something starts to get away I can take an independent test on that.

The Hon. JEREMY BUCKINGHAM: What about you, Mr Lane?

Mr LANE: My water bore was totally unusable and could not be used when they came along. They have taken samples out of my bore since they drilled it and done salinity tests and the results are available to me if I want them.

The Hon. Dr PETER PHELPS: Did any of the chemical tests show readings outside an acceptable range?

Mr GETT: I will have to say that it was Eastern Star Gas who told me they were in the acceptable range. No one has given me a piece of paper and said this is what it should be but Eastern Gas said it was in an acceptable range. Maybe I am gullible in accepting their word but I do not think they are trying to tell me a fib.

Mr LANE: When they are going down through the water aquifers and that is what a lot of farmers are concerned about. If you look at the sheet of the chemicals they use during the drilling process—and they are predominantly used during the drilling process, after they have drilled the well they do not need to use the stuff—cotton farms use far more dangerous chemicals than what they are putting down them wells. There is about 10 or 12 chemicals and all of them are used in the production of food and there are far worse chemicals on cotton properties and places like that. I do not believe that the chemical side of it is an issue. I have seen no sign of any dead bird life or animal life. I was out at one of the sumps the other day at my property and we went to pump it out to go back to Bibblewindi and we had to chase the ducks off it before we started pumping it out. There is no dead ducks, I have not seen a dead frog or lizard or anything on the site: Anybody is quite welcome to have a look at any time.

CHAIR: Mr Gett, you mentioned that you had a spill of drilling mud on your property.

Mr GETT: Yes.

CHAIR: Were there any signs of any ongoing problems since?

Mr GETT: None at all. There was a problem at the time of the spill.

CHAIR: It got into a creek, did it?

Mr GETT: Yes. It was a contractor. It is all noted. I have done statements for the DPI about it.

CHAIR: Was it a permanent creek?

Mr GETT: A permanent creek, a cattle watering hole.

CHAIR: You were using that for the stock?

Mr GETT: Yes. Within 48-hours it was pumped out, they had raked it, taken away the soil that the water had contact with, picked it all up and took it all away, and they said: We are going to bring in a semi-trailer and fill the water hole from the fresh water from the town reservoir. I said: Do not bother. It is a creek, it runs twice a year, it will fill up.

CHAIR: When it did refill you did not have any problems?

Mr GETT: I have had cattle water there that I have sent to abattoir where they are all tested and if they were contaminated I would get feedback.

CHAIR: Further questions anybody? Once again thank you for taking the time to talk to us and the information you have given us has been invaluable because we have not been able to get this information from anywhere else yet.

Mr LANE: You are getting a lot of negative feedback from those that are not involved in the industry.

Mr GETT: At the Crossing Theatre they will want to bang the drum. It is like Sydney airport, no one wanted that and when they tried to buy the land people refused to sell. They needed the airport but no one wanted it in their area.

(The witnesses withdrew)

(The Committee adjourned at 4.30 p.m.)