

**STANDING COMMITTEE ON  
ENVIRONMENT AND PUBLIC AFFAIRS**

**INQUIRY INTO THE IMPLICATIONS FOR WESTERN AUSTRALIA OF  
HYDRAULIC FRACTURING FOR UNCONVENTIONAL GAS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT DONGARA  
MONDAY, 27 OCTOBER 2014**

**SESSION TWO**

**Members**

**Hon Simon O'Brien (Chairman)  
Hon Stephen Dawson (Deputy Chairman)  
Hon Brian Ellis  
Hon Paul Brown  
Hon Samantha Rowe**

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**Hearing commenced at 11.09 am****Councillor DAMIEN RACKEMANN****President, Shire of Coorow, sworn and examined:****Mr DARREN FRIEND****Chief Executive Officer, Shire of Coorow, sworn and examined:**

**The CHAIRMAN:** On behalf of the committee, I would like to welcome witnesses to our hearing today. Before we begin, I must ask our committee clerk to administer the oath or affirmation.

[Witnesses took the oath or affirmation.]

**The CHAIRMAN:** Gentlemen, you will have signed a document entitled “Information for Witnesses”. Have you both read and understood that document?

**The Witnesses:** I have.

**The CHAIRMAN:** These proceedings are being recorded by Hansard and a transcript of your evidence will be provided to you. To assist the committee and Hansard, could you please quote the full title of any document that you might refer to during the course of this hearing for the record. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that publication or disclosure of the uncorrected transcript of evidence may constitute a contempt and may mean that the material published or disclosed is not covered by parliamentary privilege.

Can I ask now if you would like to make an opening statement to the committee?

**Councillor Rackemann:** Yes, I will, if I can. I will try not to take too long, and obviously I will read it just so I do not miss anything, if that is okay.

**The CHAIRMAN:** Please go ahead.

**Councillor Rackemann:** Good morning, Mr Chair and the committee members. Thank you for the invitation and opportunity to make this presentation today. My name is Damien Rackemann and it is my privilege to be the shire president of the Shire of Coorow. Just a little bit on the shire demographics for us and for the people in the room, the Shire of Coorow is the southernmost of the midwest shires, with its southern boundary approximately 240 kilometres north of Perth. It covers an area of 4 137 square kilometres and has a population of approximately 1 100 people, with its main population centres being Leeman and Green Head on the coast and the town of Coorow located 120 kilometres inland. The shire’s major industries could be viewed as traditional rural pursuits, including grain, livestock, rock lobster and wet-line fishing along the coast, wildflowers and tourism.

On the issue of fracking in the Shire of Coorow, resource exploration is not new in the midwest. It has been in operation for some 50 years or more that I am aware of. Activities concerning the operations of the Drover-1 site located east of Green Head and adjacent to Lesueur National Park were brought to council’s attention by the proponents, AWE, in a presentation to council at its September 2013 meeting. AWE requested council’s advice in engaging with the local community on its proposed operations, which resulted in an open invitation to a forum held at the Leeman recreation centre on 21 November 2013, which I attended along with fellow councillor

Darren McTaggart and a number of interested local community members, several of whom are present in the gallery today, I believe. To the best of my knowledge and recollection, AWE has also distributed several newsletters within the local community advising of its activities at the Drover-1 well site. Council staff were involved in regular discussions and interaction with AWE earlier in 2014 concerning the drilling operations at Drover-1 and, more specifically, the issue of on-site accommodation attached to the drilling operations. These discussions were not always amicable, as council officers conveyed the requirements of the Shire of Coorow's town planning scheme relating to the setting up and operations of temporary accommodation. AWE was of the opinion that its licence issued by DMP allowed for the setting up of any ancillary facilities attached to the drilling operations. This was clearly not the case as interpreted by council officers in relation to the Shire of Coorow's town planning scheme, and subsequent legal advice confirmed this. Upon receipt of the legal advice from McLeods Barristers and Solicitors, a copy was provided to AWE for its information. Subsequent discussions involving AWE and council officers have been more amicable as a result. This has also been the case with council itself.

AWE undertook core drilling at its Drover-1 site in the middle of 2014 having made alternative arrangements concerning on-site accommodation. The Conservation Council of WA—CCWA—conducted two forums in Green Head and Leeman in late July 2014. Unfortunately, the forums were not well advertised, which resulted in neither elected members nor senior officers attending these forums. Piers Verstegen was subsequently invited to make a presentation to the August 2014 ordinary meeting of council held in Leeman so that elected members could hear the opinion of CCWA relating to fracking and the operations of the Drover-1 exploration well. The council meeting was well attended by approximately 60 interested community members, and a vigorous public forum resulted when a number of questions were asked of the council in relation to the issue of fracking and, more specifically, the operations of Drover-1.

Then we had the subsequent resolutions of the council, which has resulted in the following resolution —

That Council:—

1. publicly supports the request from Green Head and Leeman residents for the fracking at Drover-1 to be put on hold pending a thorough independent investigation of the risks to the Mount Peron aquifer and bore field
2. does not support any further gas fracking within the Shire of Coorow (including exploration fracking) without full environmental impact assessment by the EPA, including assessment of impacts to surface and groundwater resources
3. does not support any further gas fracking within the Shire of Coorow (including exploration fracking) without;
  - a. Health impact assessment (as called for by the Department of Health); and
  - b. Assessment of cumulative impacts on agricultural land (as called for by the WA Farmers Federation (WAFF))
4. Writes to all members of the Western Australian parliament advising of its position in relation to the Drover-1 well project and seeks their support in ensuring “due diligence” in all fracking operations within the Shire of Coorow.
5. Requests the CEO to draft a policy to be presented to the September 2014 Council meeting which clearly states Council's position in relation to the mining of Unconventional Gas via Hydraulic Fracture Stimulation in the Shire of Coorow.

The motion was carried unanimously 6–0. Then from the September meeting, there was a resolution also put forward —

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That Council adopts Policy 9.7.1—Petroleum, Mining and Extractive Industries as shown as an attachment to this report.

I am not going to read all that because it is fairly long, but it is in there.

Subsequent discussions involving both elected members and council officers have been enlightening to say the least. The meeting with John Cotter, the Commissioner with the Queensland GasFields Commission, in Eneabba, facilitated via Shane Love, MLA, was particularly beneficial. The meeting was also attended by Richard and Eric Holmes, on whose land AWE has drilled the Drover-1 exploration well. Mr Cotter spoke of the requirement for mining companies to be more open and up-front in their dealings with private landowners rather than exerting some form of standover tactics, and negotiated from that opening position. The meeting with the officers from the Department of Mines and Petroleum and the Department of Water was also beneficial for council to learn of the licensing requirements, as well as the consultation and condition requirements prior to any licence being issued for the exploration well.

In conclusion, the Shire of Coorow is neither pro nor anti-fracking. It is pro-water and very much pro-community. It is there to represent the interests of its community as its principal focus. This should be the principal focus of all local governments in Western Australia.

My thanks are extended to the committee for the opportunity to provide this presentation this morning, and I am happy to take any questions that you may have. Thank you.

[11.20 am]

**The CHAIRMAN:** Thank you for that. I notice that was drawn from a prepared statement with a number of attachments. Did you want to table that document for us to take away so we can peruse the attachments as well?

**Mr Friend:** I am happy to table those if you would like, Mr Chair.

**Councillor Rackemann:** Absolutely, yes.

**The CHAIRMAN:** We will receive that document and consider it tabled. One question that arises up-front relates, Mr Rackemann, to your concluding remark that the council is neither for nor against industry with hydraulic fracture simulation and yet that seems to be at variance with the resolutions that you previously described. Could you perhaps try to pin down where council is coming from at this stage?

**Councillor Rackemann:** The resolutions obviously have—we were asking for further testing. Before these licences are granted, we are asking that everything be assessed appropriately and to a greater level than what we believe has happened in the past, and to give our community assurances that if there is going to be this type of mining or extraction done, that it is not going to affect our water system and who is going to be, basically, accountable if something does happen to our water system.

**The CHAIRMAN:** That is one of the benefits of having this type of hearing is for us to clarify those sorts of points face to face.

**Hon BRIAN ELLIS:** I just want to get the process right about this resolution. So you did the resolution after you got a presentation from the Conservation Council; is that correct? That is what it sounded like.

**Councillor Rackemann:** No, we had a resolution before we had the presentation from the Conservation Council. The Conservation Council did a presentation to council on the same day that we had prepared a recommendation from our concerns from the community.

**Hon BRIAN ELLIS:** Did you offer any other opportunities to other bodies that are involved in the industry to present to the council?

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**Councillor Rackemann:** AWE has been given an opportunity to present to the council as well. We have also had —

**The CHAIRMAN:** Did they take that opportunity?

**Mr Friend:** They declined as yet, Mr Chair, because of a timing issue and also in relation to the community's concerns, AWE acknowledged that they are not exactly going to be on everybody's Christmas card list this year when it comes to the communities of Leeman and Greenhead. They are perhaps waiting for a little bit of steam to be taken out of the argument before they present to council. They still intend to do so.

**Hon BRIAN ELLIS:** What about DMP and perhaps CSIRO?

**Councillor Rackemann:** The DMP obviously we have met with. I was not at the meeting, unfortunately, but they have met with some councillors and —

**Hon PAUL BROWN:** That was just recently, was it not?

**Councillor Rackemann:** Just recently, yes. Obviously from the recommendations we have written those letters to the DMP and also the Department of Water.

**Hon PAUL BROWN:** Did Department of Water come when DMP came?

**Councillor Rackemann:** The Department of Water did come the other day and the talks, from what I believe, were quite reassuring and also they stated that they would be more than happy to do a presentation at our council meeting as well. Obviously, that has not happened yet because that meeting was only probably a fortnight ago.

**The CHAIRMAN:** Hopefully, all of that will happen and that will help guide you as civic leaders in your search for the truth.

**Councillor Rackemann:** Yes.

**The CHAIRMAN:** Just arising from that last answer then, there have been concerns raised by council, and I think reflected in matters raised by your community, about protecting the Mt Peron aquifer. I just ask you what actions is the shire taking to protect the Mt Peron aquifer and manage any risks associated with mining or other activity in the region as per the "Mount Peron Water Reserve and Leeman (Midway) Water Reserve Drinking Water Source Protection Plan" document, which I understand has been produced by the Department of Water?

**Mr Friend:** Thanks for that advice, Mr Chair. It is a document I am not aware exists, neither is my council. We have not been provided with that document as of yet. I certainly met with officers from the Department of Mines and Petroleum and the Department of Water. They subsequently met with council, but they wanted to meet with council outside of the council meeting environment, so that has taken place. As I said, I have not seen that document, so that is news to me. From a council perspective, we are obviously very keen to lobby state government MPs and also those agencies who we believe have some form of control in governance with regards to the resources that we are referring to.

**The CHAIRMAN:** Okay. If you are not the appropriate people to ask, please just say so and we will move on, but I was wondering if you can tell me what is the perceived concern about the Mt Peron aquifer?

**Mr Friend:** "Location, location, location" would be it in a nutshell. Drover-1 is located within the recharge area for a groundwater drinking aquifer. That is the subject of discussion, I suppose, depending upon which agency or company that you speak to, because the word "bias" comes into any discussion. Everybody has their own slant and their own opinion in relation to this topic. Department of Water certainly have done their homework in relation to this. They do not see it as a significant issue. The Conservation Council have different figures. From my council's perspective and me as the chief executive officer, the truth is out there somewhere. I do not think they are my

words. That was a TV program, was it not? The truth is out there somewhere. We are trying to find the truth.

**The CHAIRMAN:** We are looking for it too, so thanks for your assistance. In case there is anyone else around that is interested in these things, I am referring to report No 83, dated February 2008, “Mount Peron Water Reserve and Leeman (Midway) Water Reserve Drinking Water Source Protection Plan”. That is in relation to the Leeman and the Greenhead town water supplies, which is not a document that has been created just in the last month or so, though. Obviously it would very much be something that would be referred to as you work through some of the issues that you are seeking to work through with Department of Water and others, and we certainly will be as well. If, though, the Department of Water—and I think this is your term, Mr Friend—if they are “happy” about what is happening, why would council accept their advice?

**Mr Friend:** Are you asking that of me or of council? From my perspective, Mr Chair, the dealings I have had and the information I have had on a personal and professional level, I am more than happy with the work that has been undertaken. They then subsequently wanted to speak with council directly, which they did.

**The CHAIRMAN:** Who is “they”?

[11.30 am]

**Mr Friend:** The respective officers from the Department of Mines and Department of Water.

That took place during the school holiday period. I was away on leave, so I believe that information may have been conveyed to my council. From my perspective, when I heard that information from the officers concerned, I actually wanted that information conveyed in a public forum. The officers concerned were, I do not know whether the word is “reluctant”, in relation to potentially facing not an angry mob, but certainly a concerned community; and we are dealing with public servants when it is all said and done. Their next step was the fact that they wanted to speak to the elected members that I represent before they then worked out where they were going to from there. It is my understanding that they were quite keen, after speaking with council, to conduct public forums in Leeman and Green Head.

**The CHAIRMAN:** So there is the prospect of that happening?

**Mr Friend:** That seems to be quite positive.

**The CHAIRMAN:** It looks like we have caught right up to date as far as we can on that point for now, and obviously that is a matter that you, as community representatives, and the Department of Water are working through as we speak. So one thing that we wanted to ascertain is that there is progress, because we are aware that this is a vexed issue, and, yes, there is a lot of heat, no doubt, in the local community, and so we all want to find out what is going on. Does anyone have any comments about that particular point?

**Hon PAUL BROWN:** Just from me, Chair, to Mr President. Given that DMP and DOW now have made a presentation to the elected councillors, was there a package of information in that presentation to you that has changed your opinion, or has it solidified your opinion, that your motion with council was the correct avenue?

**Councillor Rackemann:** Obviously, I was not at the meeting, unfortunately, but I have spoken to the other elected members, and they are a lot better placed with it, and also the thing is it is not whether we are better placed with it; it is whether our community is better placed with it. So it has been great that they have come to the table and had the conversation with us, but, like you said, there will be further work needed to be done to be able to give our community the assurances that our water is not going to be harmed, and who is going to fix the problem if it happens? It might be miniscule, but the thing is, if it happens, we need to know who is going to be able to help us out. I think that is where the concern lies for the community as well. After speaking with the Department

of Water, it seems like it is fairly remote. For the elected members that spoke to it, it seems like it is fairly difficult for it to happen. But there is a risk there—they ascertain that—and for our community —

**The CHAIRMAN:** What sort of risk would there be?

**Councillor Rackemann:** If we contaminate the water.

**The CHAIRMAN:** I know. But how would that occur?

**Councillor Rackemann:** Basically, if any of those casings fail and there is a gas that leaks through the casings, obviously it contaminates the water. So the likelihood of the casings failing, as they said, it is very high that it will virtually never fail. But we are all new at the fracking caper, especially myself, and probably the community are not the full book on the science behind it, and people can say to us that it is never being to happen, but the reality is it can happen; and, if it does, basically our community wants to know what backup plan have we got in there to fix the water. I have read reports that the people that are doing it will be responsible. But they are researching at the moment and sort of exploring. We know how it works a little bit. They explore, and they sell it to somebody else, and we do not know what sort of corporate citizen they are, so —

**The CHAIRMAN:** Different companies can buy them out and you have successors and all of that.

**Councillor Rackemann:** That is right.

**The CHAIRMAN:** We understand that. So thanks for that.

**Hon BRIAN ELLIS:** Just on that, if I can, Mr Chair, have you got any examples of contamination or damage to landowners as a result of fracking in your shire at the moment? Have you got any examples; and, if you have, do you know whether the companies have solved the problem or cleaned the contamination up?

**Councillor Rackemann:** Not in our shire, obviously, no.

**Hon BRIAN ELLIS:** There are no examples at all?

**Councillor Rackemann:** No.

**The CHAIRMAN:** Mr President, in your opening remarks you referred to a history of various resource extraction processes in the shire over the last 50 or more years. We have been discussing hydraulic fracturing as part of an unconventional gas industry. What about other resources? What is your council's attitude to other mining or oil projects? Is it generally pro development or have you got the same concerns about them?

**Councillor Rackemann:** We are obviously not anti anything. We are pro for development and all that sort of thing. But with the fracking, because of the proximity to the water, that is where the concern is. If they were mining mineral sands through the watertable, we would be concerned as well; especially if our community is concerned about it, we would be concerned about it as well. But if it is going to be of benefit to the community, we are definitely behind it as well.

**The CHAIRMAN:** I am glad we have clarified that, because I had the idea, from some of the things I have seen, that Coorow is sort of an anti-development shire. So I am glad you have clarified that for me.

**Councillor Rackemann:** No, no.

**Hon PAUL BROWN:** Can I just ask one question to expand on that to Mr President, or to Mr Friend. In relation to the motion around the Mt Peron–Lesueur drill site in that area, being that you are pro water and not pro anti-fracking, if a site was developed elsewhere away from the water recharge area for that water resource, would that be an issue?

**Councillor Rackemann:** I would not think it would be an issue, no.

**Mr Friend:** No. It is about location.

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**Hon PAUL BROWN:** It is very much site specific with that location. I have had a bit to do with this issue elsewhere. I am aware that there is some extra monitoring being provided on-site, or just off-site at the drill site towards the water flow. That has been made public to you?

**Mr Friend:** We have very good liaison with AWE, which has been very positive. It is certainly one of the great positives that has come out of this issue. We are not specifically aware of exactly what has been put in place. Council was invited to actually view the drilling operations back in July. Unfortunately, the timing was not really great so we were not able to actually have a look at the drilling operations at Drover-1. Council was able to take up an invitation to visit the Senecio site at Arrowsmith in August. One of the major concerns, obviously, with the Drover-1 site seemed to be the lack of EPA assessment that was undertaken. One of the great concerns that council had in relation to the recharge area for the groundwater drinking supply was that the proximity issue certainly should have been the trigger for more rigorous analysis. The fact is that 230 or 240 submissions were made in relation to this, and the EPA basically, from everything I have seen, heard or read, did not undertake this assessment to actually provide that reassurance.

[11.40 am]

**Hon PAUL BROWN:** Do you think that was on the back of the Department of Water's advice that the water flow in that recharge area from the drill site to the water resource site is in the vicinity of tens of centuries?

**Mr Friend:** Perhaps, yes. CCWA have a different opinion, and I have seen their submissions. There are at least two submissions that they made, or one presentation and one submission. Based on those concerns that were raised, I would have thought that an agency that is set up to be the arbitrator—to be the umpire—should have stepped in and actually done its job.

**Councillor Rackemann:** The Department of Water one that I was privileged to read off the net, obviously, it sort of seemed like they did their—or even the EPA, they sort of basically pushed it all—it looked like a bit of a handball over to the DMP. Whether the DMP regulations are tougher and stronger than what the Department of Water or what the EPA are, it would seem to be—this was from my reading of it—that they have sort of moved it all over into the hands of the DMP to look after that. They did not think there was any risk associated. They were more than happy that the DMP would be able to maintain all those sorts of concerns under their banner rather than have to do a full EPA assessment on it.

**The CHAIRMAN:** With some of these responses that you are providing to the committee, they are about identifying questions rather than providing the answers, and that is valuable for us, because, together with others that have made many, many submissions, that helps us identify the things that need to be answered in the community's mind. So from our point of view as an impartial committee, that is of assistance. So thanks for identifying that. While we are on the subject of water—because this all seems to be about water and the integrity of water, or a large part of the debate is—I am not familiar with this part of the world, although my colleagues both are, but I am not, so please bear with me, but I understand that the Leeman Midway water reserve is just to the northeast of Greenhead, out on the Coorow–Greenhead Road, and further east is the smaller Mt Peron water reserve. Do those areas include the recharge areas or are they just the water protection areas?

**Mr Friend:** To my understanding, it would have to include the recharge area. The issue with Drover-1 is Drover-1 is located to the east of Mt Peron and within the recharge area. Even then, Mr Chair, there are different opinions as to what areas constitute the recharge area. You see a particular map or an overlay, and one department or one agency has a particular area blanked out, saying this is the recharge area, and another one will have a different shape and different dimensions. So, again, it is about trying to find out what exactly are these areas that we are referring to.

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**The CHAIRMAN:** Our understanding from previous evidence is that the Department of Water has public drinking water supply areas, and when it is asked by other agencies if certain activities can go on in an area, it has very definite criteria as to what can and cannot be allowed in public drinking water supply areas. Drilling for gas is one thing that is incompatible—finish. I notice that some of the things we have been discussing are about this recharge area. So that was the reason for my last question. I do not know if that might help inform you a bit better. But if we are talking about a recharge area, then we are talking about an area which is outside the reserve area, I would have thought, and that would be something that the Department of Water, which is very concerned about protecting its sources, would be well aware of.

**Mr Friend:** Yes. From the schematics that I have seen—obviously, I suppose, no different to a dam or a reservoir—you have got an area in which the water is held, and then you have got those run-off areas, and obviously these run-off areas are underground, so the recharge areas as opposed to the actual water supply itself.

**The CHAIRMAN:** Okay. So in a recharge area, if my understanding is the same as yours, that means the area where you get water present at the surface from rain, or whatever—creeks, rivers, drains—which then leaches into the water, ultimately making its way to the watertable, being the particular water aquifer that we draw our public water from.

**Mr Friend:** That is my understanding.

**The CHAIRMAN:** Right. Okay. What are the sorts of land use activities that go on around those water reserves, again because I am not familiar with your shire?

**Mr Friend:** Most of it is a national park, Mr Chair, Mt Lesueur.

**The CHAIRMAN:** And that is both areas?

**Mr Friend:** Yes, it would be.

**Councillor Rackemann:** National park, crown land, yes. It might touch on a bit of farming—rural area, but other than that, not much else.

**Hon PAUL BROWN:** Given that we have had a public statement by the EPA that they are not going to do any assessment at the moment because this is a “proof concept”, is the words that they use, for the proposals in both the Dongara area and Coorow area, you have asked for an independent investigation of the industry. Given that the EPA has said they are not going to do it because they do not believe they need to until such time as it becomes a commercial reality, my question to you is: who then would do it? Have you furthered your opinion in regard to that?

**Mr Friend:** Yes. The EPA needs to do its job. The EPA, I believe, have actually kicked off this whole issue with Drover-1, by not undertaking the assessment and by not listening to their concerns. I do not know whether the EPA is adequately resourced. I am not sure what their reasoning is behind it. My understanding is water is the most precious resource on this planet. So to actually put quality drinking water in danger, perhaps, is certainly a concern. I think the actions, or inactions, of the EPA have actually kicked off a whole lot of distrust within the community. There is information that is out there. It has certainly created some distrust between the community and its council, within the elected members as well as the officers. It has certainly created some distrust with other government agencies, and that was part of the reasoning behind speaking to the Department of Water, because it is important for these concerned people to actually hear directly from these types of agencies, not in written format, not in email format, not even a radio broadcast or anything like that; they need to hear direct from these agencies what has been done, what has not been done, what are the risks, and to what extent those risks exist. As I say, from my perspective and as part of my job and my role in representing the council, I have been able to gain that in a face-to-face manner. My council has elected members who met with the DMP and DOW representatives, and they have been able to gauge that. But it is important for the community itself to see the whites

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of somebody's eyes and to hear it straight from their own mouths as to what are these risks, if any, that exist.

[11.50 am]

**Hon PAUL BROWN:** So that would be, as I said earlier, your position in relation to the whole of the shire or just to the Mt Peron recharge area?

**Mr Friend:** It would only relate to Mt Peron at present. But if any type of mining or exploration activity is undertaken, you want to ensure that any assessment of that undertaking is rigorous. So you want to ensure that these government agencies have their checks and balances in place and that they are actually undertaken—not just, “Nah, it doesn't really matter.” There would have to be an opinion within the community that—it is almost like, “It's only Coorow. It doesn't matter. It's only some little backwater 240 kays from Perth.” That is not the case.

**Hon PAUL BROWN:** I certainly would not have that opinion.

**Mr Friend:** I would hope not as one of our local upper house members!

**Hon BRIAN ELLIS:** You keep talking about plenty of information. What information are you talking about that you have formed this view that it is too great a risk—the contamination of water? Where has that come from? What information?

**Mr Friend:** Are you talking about the community concern?

**Hon BRIAN ELLIS:** Yes, to lead you to move that resolution. I am just wondering where you are getting your information from.

**Mr Friend:** I get my information from a lot of sources. One of the principal drivers of the community concern seems to come from CCWA—from their presentations at the end of July.

**Hon BRIAN ELLIS:** Yes; I notice that you are mentioning them quite often, so you obviously use their information.

**Mr Friend:** Conservation Council—and that was the idea of inviting Piers Vestegen, who is a director of CCWA, to address council, to actually hear the information that he provided at these forums, and given that CCWA obviously has made a submission and a presentation concerning the Drover-1 activities. So it is about gathering information from various sources, because CCWA has different sets of figures in relation to the recharge area, the recharge period, and even the direction of flow is different according to CCWA. So, as I said previously, the information is out there. It is trying to sort the wheat from the chaff.

**The CHAIRMAN:** Different from whom?

**Councillor Rackemann:** That is why we are taking a line down the middle. You know, we are not pro or against; we are basically about looking after the water. We have all seen the scare videos in the US and Queensland about how this is coal-seam gas and the other one is not coal seam gas. I can appreciate that every application is unique and different, whichever hole is going to be drilled or whichever one is going to be fracked. The thing is there is a risk there, and obviously we are always going to have the Conservation Council put the story on, AWE will have another spin on it, and the government will have another spin on it. But if everything is done to a process, and even with the EPA, because if the EPA has decided not to do a full report on it or undertake an assessment of it, people in the community will say, “It seems like a pretty major process is going on here, and it's in the community, they're drilling two kilometres down into the ground, and the EPA just thinks, ‘Oh, well, she should be right.’” That is the opinion you get from the report. So people in the community are going to see the same thing. We are just saying in ours that it would be a lot easier if the EPA did an assessment on what it costs, or whatever it is, but it will ease the community's mind that everything has been done to protect the water where we live.

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**The CHAIRMAN:** You make that point very well, and we have noted it. Can I just clarify that matter that Mr Friend just raised where he was pointing out that CCWA's figures or data on the recharge area —

**Mr Friend:** Differs from DOW's, yes.

**The CHAIRMAN:** That was what I wanted; it varies from the DOW figures, you say?

**Mr Friend:** Yes.

**The CHAIRMAN:** Okay.

**Hon PAUL BROWN:** When you formed your opinion about asking for a moratorium on hydraulic fracturing within the Shire of Coorow, when you looked at the process and looked at the risks associated with the industry—perceived correctly or incorrectly—where did you view that the high risk was? Was it from surface contamination onsite or was it from well integrity failure or anywhere else?

**Councillor Rackemann:** Both.

**Mr Friend:** Certainly all the above.

**Councillor Rackemann:** Yes.

**Mr Friend:** One of the major issues that we as a council understand with Mt Peron and Drover-1 is the natural fracturing of the geotechnical plates or whatever terminology—you can tell I come from an accounting background—there is natural fracturing that occurs within the various layers of rock in areas as we understand it. So to be able to drill down some 2 500, 2 600, 2 700 metres that the exploration well has been drilled to goes through those various levels and whatever gaps that exist within those levels. When it is all said and done, this is done by humans, and humans are prone to failure. It is not done by robots—even robots fail—but anything that is done by humans can fail. Therefore, there is a risk that exists, and that risk needs to be analysed, and those agencies that need to be aware of that need to ensure, as I said previously, that those checks and balances are undertaken.

**Hon PAUL BROWN:** Was a seismic survey done in relation to the Drover-1 site?

**Mr Friend:** I do not know the answer to that.

**Councillor Rackemann:** I asked AWE the question, “Why did it actually have to be there; why did it actually have to be done in that particular spot?”, and the answer was that the seismic thing showed that as the best location for it to happen.

**Hon PAUL BROWN:** A seismic survey indicated that was the best site to avoid faults?

**Councillor Rackemann:** No; for gas.

**Hon PAUL BROWN:** Not for the faults that were identified through the 3D seismic survey process?

**Councillor Rackemann:** No. Basically I asked the question of them, “Why does it have to be within that exact location of where it has gone down now?” Obviously, I knew that would be the response, but from the seismic information they had, this was the best place for them to do their test hole.

**Hon PAUL BROWN:** Have they indicated whether or not they are going to do horizontal drilling at Drover or is it only vertical drilling?

**Councillor Rackemann:** Obviously, with this exploration well, I was under the impression they were only going to do vertical. They have alluded to the fact that should it go into a production type thing, then horizontal-type work could be done as well.

[12 noon]

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**The CHAIRMAN:** As I draw this hearing to a close, we have been speaking mostly about water quality issues, and that seems to be a big concern. Are there any other matters of concern that you wanted to highlight with us, for example, concerns about land access or damage to property from landholders? Does that feature in your consideration?

**Mr Friend:** I am happy to speak to that, Mr Chair. Yes, both. There certainly needs to be, if you like, better, more platonic relationships between mining companies and landowners. The mining companies need to take and accept responsibility for their actions. I keep using the term more recently, “cause and effect”. I think they need to have a very solid understanding of cause and effect. As Councillor Rackemann said earlier, we have seen the horror videos, we have seen the black sludge, we have seen your ability to light up the faucet in the kitchen, and we have seen pockmarks on the landscape et cetera. We have probably seen how not to do it. Therefore, we probably need to make sure that if this sort of industry is going to expand within WA, it is properly managed, properly monitored and properly controlled, and that this is done from the start, not done down the track after these types of poorly managed operations are picked up. It is important. I am a new Australian. I am very privileged that I live in this part of the world. You can tell from my accent that I am a new Australian too, Mr Chair; it has only been 40 years!

**The CHAIRMAN:** I had not picked it, I must admit.

**Mr Friend:** It is a great part of the world, so let us not stuff it up.

**The CHAIRMAN:** That is a suitable point where we can finish now.

**Mr Friend:** Thank you.

**The CHAIRMAN:** Can I thank you, Councillor Rackemann and Mr Friend, very much indeed for providing us with the benefit of your experience and advice; for providing us with the document you have for our further reading; and for helping us form a relationship between our committee so if there are further inquiries, we know where we can go to get them. So I bid you good morning, and thanks very much for your attendance today, and compliments to yourself and all your ratepayers.

**Hearing concluded at 12.02 pm**

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