

TRANSCRIPT

STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

Inquiry into unconventional gas in Victoria

Sale — 30 June 2015

Members

Mr David Davis — Chair

Ms Samantha Dunn

Ms Harriet Shing — Deputy Chair

Mr Shaun Leane

Ms Melina Bath

Ms Gayle Tierney

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Witnesses

Ms Chloe Aldenhoven (affirmed), community campaigner, Friends of the Earth; and

Ms Ursula Alquier (affirmed), Victorian coordinator, Lock the Gate Alliance.

**Necessary corrections to be notified to
executive officer of committee**

Ms ALDENHOVEN — My name is Chloe Aldenhoven. I am a community campaigner at Friends of the Earth, [REDACTED].

Ms ALQUIER — My name is Ursula Alquier. I am the Lock the Gate Victorian coordinator, of [REDACTED]

The CHAIR — If you want to make a short presentation, we will ask some questions.

Ms ALQUIER — I first heard about coal seam gas four years ago when some locals in the small South Gippsland town of Poowong, where my mum lives, heard that there was a licence to explore over their community. Before it became my job I worked as a volunteer to learn and raise awareness about the massive area of Gippsland that sits under an approved exploration licence for some form of unconventional gas or coal mining. This area covers more than 350 000 hectares of Gippsland's fertile soil, rural townships and pristine coastlines.

Back in late 2012 the Poowong community decided to conduct a door-to-door survey of Poowong, asking one question: do you want to declare Poowong coal and gas field free — yes, no or unsure? Of over 550 people surveyed, an overwhelming 95 per cent people said yes, and that is how Poowong became the first community in Victoria to declare itself gas field free. Since then another 60 communities from Gippsland and western Victoria have also been declared gas field free, with many more still in the process of surveying. Whilst we understand this has no legal bearing, it sends a strong message that these diverse, strong and healthy rural communities are removing the social licence for the unconventional gas industry to operate here. These surveys also represent the community movement against unconventional gas — one of the biggest social movements Victoria, or indeed Australia, has ever seen.

So why are people standing up? Why are farmers, teachers, gas industry workers, tradies, blue-collar workers, white-collar workers, students and retirees running themselves into the ground to conduct door-to-door surveys of their communities; making contact with health, engineering, geology and economic experts to hold public meetings and get information out to their communities; creating huge signs out of people, utes and tractors to spell their message out; writing thousands of letters to people in local, state and federal governments; creating community events that are bringing in hundreds of people each year; or threatening to take non-violent direct action if drilling goes ahead, even if this means risking arrest? Because the risks are far too great.

If allowed to go ahead, these proposed onshore gas projects will cripple our rural communities whilst putting at risk our most valuable commodity: water. Unconventional gas extraction involves highly invasive processes like dewatering, horizontal drilling and hydraulic fracturing or fracking. Concerns include lowering of the watertable, contamination of groundwater and surface water, and vast amounts of wastewater with no means of safe disposal. Coal seam gas, shale gas and tight gas require huge amounts of water during the fracking process. This water would likely be sourced from town water and underground water supplies. Water for irrigators has already been fully allocated in the Gippsland region, with groundwater being used at a rate in which it is depleting faster than it is being replenished. The Australian gas industry provides a figure of 11 million litres per shale or tight gas frack. However, a range of other sources suggest that water use is often higher. According to one UN report, a single track operation on a shale gas well will use between 11 and 34 million litres of water.

So where would this massive need for extra water allocation for unconventional gas mining come from? Without clean, uncompromised water, farmers cannot farm. Are producers expected to take on this risk here in Victoria? Once an aquifer is compromised there is no going back.

We have an incredibly strong clean and green image here in Gippsland for producing some of the country's best and safest food products. Why would we risk this and all the long-term sustainable employment farming brings for an industry that has such an extensive track record of impacting farming operations and communities? Is it fair to subject communities in Gippsland living in already seismically active areas to a greater risk of earthquakes?

In April this year the US Geological Survey confirmed that in the last seven years parts of the US have seen earthquakes like they have not seen for millions of years, and they were triggered by the drilling processes used for oil and gas extraction and the injection wells used for disposal of wastewater. Another peer-reviewed study released in July 2014 by a geologist at Cornell University found that swarms of small earthquakes that have surged in Oklahoma since 2008 can be blamed on wastewater from fracking being injected into the earth.

There are over a million hectares in Victoria covered in approved exploration licences. This covers diverse communities, world-renowned tourist destinations and fertile soil that produces food for all Victorians. Mirboo North in South Gippsland produces 80 per cent of Victoria's potatoes, while in Gippsland alone we produce over 23 per cent of Australia's milk.

We have seen vibrant towns in Queensland turned into industrial landscapes covered by gas pipelines, compression stations, toxic evaporation ponds, access roads and gas wells as far as the eye can see. Already if you fly across the Darling Downs, you can see hundreds of wells, roads and pipelines forming grid patterns across the landscape. Many Gippslanders have visited these areas and do not want this future for their region. Every one of those wells represents an amplification of risk. There are inherent and well-recognised risks with every gas drilling operation, conventional or unconventional, but with unconventional gas these companies are asking us to drill hundreds to thousands of wells across our rural communities. This means any inherent risk in one drilling operation, whether it is risk of well failure, surface contamination, accident, flaring creating a fire or toxic air pollutants affecting people or animals, it is multiplied by hundreds or thousands of times.

Is it fair to risk our state's food and water security just to line the pockets of a handful of mining companies that have no obligation to clean up their mess and that have no intention of listening to what communities across our state are saying? Our agriculture industry is worth \$48 billion annually. This industry is growing every year. It has sustained us for 100 years and will do so for another 100 years, but only if we actively protect our farmland, our water and our producers. Any form of unconventional gas industry would pose a huge risk to farming. We deem this risk to be totally unacceptable. Is it fair for the thousands of people employed in the agricultural and tourism sectors to have their jobs put at risk?

The gas mining industry claim that they will bring a huge number of jobs to local areas. But despite claiming that the unconventional gas boom in Queensland created 100 000 jobs, the entire oil and gas industry in Australia, both unconventional and conventional, only employed 20 000 people in 2013 according to the ABS. And these jobs are short-lived. A boost in employment may last two or three years during the construction phase of a gas project, but many communities are beginning to find that after the boom there is a bust. At the moment the industry is foreseeing a reduction in the workforce of up to 75 per cent in Queensland gas fields as they move from construction to the maintenance phase. Even during the construction boom an increase in the number of gas industry-related jobs does not paint the whole picture. Increases in rent, in the price of labour and in the demand for contractors can drive up prices for agriculture, manufacturing, tourism and other parts of the economy that could be devastating for farmers and small business.

Is it fair to expose rural communities to further risk of bushfires? We have already seen a local mining company here in Gippsland heighten this risk. In January 2010 a grassfire was started by Lakes Oil during a gas flaring operation at one of their Wombat well sites in Seaspray. The company did not have the right equipment to be able to fight the fire, and it got away from them. Local CFA volunteers put it out after it jumped into nearby bush. It burnt about 10 hectares and could have been a disaster for the local community if locals had not got on top of it so quickly.

We understand the risks and our message is clear: gas fields are not welcome in Victoria. Unlike the executives of these large mining companies who sit behind their polished desks far away from the mess they create, we understand the importance of caring for our land and waterways and that everything here and everyone here is connected.

Unconventional gas mining is destructive. It is invasive above and below the ground, and there are documented cases of the industry's processes causing water contamination right here in Australia. In February last year mining company Santos was fined by the EPA for contaminating a water aquifer with uranium at levels 20 times higher than safe drinking water guidelines. The EPA chief environmental regulator confirmed the contamination was caused by water leaking from a water storage pond and that lead, aluminium, arsenic, nickel and uranium had been detected in an aquifer at levels elevated when compared to livestock, irrigation and health guidelines. And in January this year the New South Wales government suspended AGL's operations at its pilot coal seam gas field in northern New South Wales after it had detected banned BTEX chemicals in flow-back water from two of the wells and in an above-ground water storage tank.

Why would we risk all of this to support an export-driven industry that will benefit only a few gas mining corporations? We need all parties to commit to securing a safe and clean future for all Victorians to protect jobs in manufacturing, agriculture and tourism and to allow our rural communities to be protected from invasive gas

fields. We are here to say that the things we seek to protect from unconventional gas developments are worth fighting for and we will not back down. What we are asking from this committee and this government is a total ban on all unconventional gas mining.

A ban may seem like a huge step, but overnight New York state banned fracking after concluding that it was too dangerous to proceed. We ask that you remember that other industries have been considered too risky and too dangerous and have been banned outright. Asbestos, for example, was a substance that for decades many suggested was risky to human health. The industry claimed that it was safe, but it was not. Let us not make the same mistake again. Let us keep Victoria gas field free.

The CHAIR — Thank you. I have a couple of questions. I want to understand the Lock the Gate Alliance. I have been a shadow environment minister in the past, and I have a lot of interest in understanding how we can protect the future of our state on a number of levels. When I look at Lock the Gate, it seems to me — and I am asking some innocent questions here, which you may want to respond to — that there is a direct and absolute opposition to any mining. Is that the case, or is it perhaps like some others? We heard another submission just a moment ago where there is a question of opposition, but balancing that with controls and finding a happy point.

Ms ALQUIER — Lock the Gate was started by a group of farmers in Queensland who were fighting an open-cut coalmine. That is how it first was formed. Since that, it has become a symbol of the social movement. Lock the Gate represents the concerns of the local community. I work as the Gippsland representative. Chloe works in western Victoria. We are driven by what the communities we are working with need us and want us to do to help them keep whatever industry it is that they have concerns about out of their community. Lock the Gate is not a top-down organisation. We are grassroots. We assist communities in making decisions for themselves, and each and every community makes a decision about what they want to accept and what they do not want to accept. Lock the Gate has become a symbol of farmers locking their gates, and that is why it has gone essentially viral across the country. But we do not dictate to farmers or communities what they should or should not choose.

The CHAIR — You said a few moments ago that gas fields are not welcome in Victoria. Is that absolute?

Ms ALQUIER — Correct, yes. I work with many communities, from Koo Wee Rup all the way through to Paynesville. It is a big area, and all the communities I work with that we help with achieving what they want for their communities do not welcome gas fields in their communities. So, yes, I represent those communities, and they do not welcome gas fields; correct.

Ms SHING — Thanks very much for your presentation and outlining the position of Lock the Gate. In terms of international experience, I am presupposing that you have a higher level of general knowledge about this issue, given your technical involvement in it across Gippsland, so tell me if I am leaping ahead. In terms of other areas around the world where unconventional gas has actually been explored and extracted, are there any areas where you would say there has been a capacity to properly manage risk, and if not, why not?

Ms ALDENHOVEN — This unconventional gas industry exists in a lot of places in the world. They have done exploration in Europe. They obviously have the industry at a high production level in the United States. In every place that this industry goes to they claim that they are bringing forward best practice, but we do not really believe that best practice in any case means an industry without fault or an industry without risk. So increasingly we are seeing contamination incidents, we are seeing surface contamination incidents and we are seeing problems that farmers are having with their property rights and problems they are having with the industry at that level as well. I do not know if there is any kind of unconventional gas industry utopia anywhere around the world, from what I have seen, and increasingly we are seeing these problems.

The industry has not existed for very long, and from the expert advice we have had the risks actually increase exponentially throughout the lifetime of the industry. There is a lot of evidence to do with well integrity, for instance. It says that wells have an initial failure rate that is pretty significant — of about 5 per cent, for instance, on well casings — and that that well failure actually increases throughout the lifetime of a well. I think there are industry statistics that say that at the 40-year point they expect about 50 per cent of well casings to fail on gas wells, and they are conventional and unconventional gas wells. What we are expecting from the expert advice we have is that these problems are actually going to increase throughout the life span of the industry, and even where the industry is most advanced, in the United States, we have only seen it existing for this 15-year period.

Ms SHING — Where does the 40-year figure come from, then, in terms of the anticipated 50 per cent failure rate?

Ms ALDENHOVEN — It comes from conventional gas wells. So these are wells, onshore or offshore, that have been tapping into conventional sources rather than unconventional sources. Most of those wells have not had this high-pressure liquid fracturing or fracking happen on them, so they have not actually had that added pressure, I guess, applied to those gas wells. We are already seeing those kinds of well casing failure rates with those wells.

We are concerned at this stage that we do not actually have any idea of what the increase in risk could be over a long-term period, and we do not even have that kind of analysis coming from the United States yet, which is another reason we think in Victoria our population is too dense and our agricultural industry is just too important. From Friends of the Earth's perspective, given that we are expecting climate change to reduce the amount of arable land where we can actually grow food in Australia, we think it is really important that we put that protection in place for our most prime agricultural land in Victoria now because we just do not know what the effects of this industry could be on our agricultural environment in the future.

Ms BATH — I know you mentioned before that there is some documented evidence about Santos breaching practice with respect to uranium, and I guess in terms of across Australia — maybe New South Wales and Queensland — do you have some evidence around unconventional gas affecting waterways or our aquifers? Is there any evidence you have seen in the last four years?

Ms ALDENHOVEN — Sorry, can you repeat the question, other than the Santos contamination incident?

Ms BATH — That was one example of where there has been a breach, but in terms of unconventional gas, have there been examples in Australia where there has been a direct effect on waterways and aquifers? Have you seen this happening, or have you evidence of it?

Ms ALDENHOVEN — Yes. There are incidents where farmers, for example, have had problems with their water systems in Queensland. A lot of farmers have found that methane has been brought up in their bores, and these kinds of incidents have been proved — that their water does have methane in it, for example — but one of the problems we have had in Queensland, which they have also had in the United States, is that there were not baseline studies done of all of the bores and water sources in these affected areas before the industry came in, so you cannot legally prove that it has been as a result of the gas industry.

That is a big concern the communities have here, and there are a lot of communities that are spending a lot of money on their own baseline studies at the moment because they have this huge concern that if the moratorium gets lifted and the gas industry comes in and they have a contamination incident, they will not even have legal recourse to get compensation or to be able to be moved out of that area if that is the case. So I say that we are seeing these things in Australia at the moment but that landholders have not been prepared to have to prove legally that this was a result of the gas industry, and they are trying to do that retrospectively. It is a bit of a problem.

Ms ALQUIER — There are many anecdotal instances of where, like we were saying, because there is no baseline data they could not prove it. The Condamine River is a perfect example of this. It is bubbling with methane gas, and it did not do this prior to the industry operating in the area. There are farmers there in their 90s who have lived there their whole lives who have never seen the river bubble gas; however, they cannot prove 100 per cent, because of the lack of those studies, that it was caused by the gas industry.

When we talk about farmers the other thing we have to keep in mind is that they have very good local knowledge. They understand the land. They understand what is normal and what is not normal and what is to be expected and what is not to be expected, and that local knowledge is very important but often not listened to as it should be.

Mr YOUNG — Thanks for your presentation. I was just wondering if you could outline some more details about the expert advice you have received — who was that from, what format it was in and a bit of a summary of some content.

Ms ALDENHOVEN — One of the main people working on well integrity has been Professor Tony Ingraffea, and I believe he is at Cornell University, from memory. We have managed to have him do video link presentations, and he also has a lot of presentations available just on the internet. I am pretty sure you can just YouTube ‘Tony Ingraffea well integrity’ and there is a good hour-long lecture that he gives on that subject. He is someone who has worked extensively in the industry before, and he is an expert on cement casing as well. That is where we have been getting a lot of the information from. The well casing statistics he cites are actually freely available industry statistics as well. These are recognised risks from the gas industry.

A really important point is that the gas industry has inherent risks that the industry recognises, and the offshore gas industry understands that there are these risks of contamination and so on, but with conventional gas you have a gas field that has from one to five wells on it that tap into a significant gas resource that can last for a long time. The difference with unconventional gas is that they need hundreds or thousands of wells to make an unconventional gas field, and that means that any risk you have with any one gas well has to be times by hundreds of thousands because of the added number of wells you have. They say there is a 5 per cent risk of immediate well casing failure with a well. If you times that by 100, suddenly you have 20 wells that have failed initially.

I guess the big concern we have is that this industry is asking to expand over a huge area of our rural land. It is not just five gas wells; we are talking about hundreds of thousands of gas wells. If something goes wrong, even if there is a 1-in-100 chance of something going wrong, suddenly that becomes a big risk to our state and to a lot of people over Gippsland and western Victoria.

Ms HARTLAND — Could I ask you about community consultation? What form has it taken? Has it been adequate? Do you feel the industry is consulting with you or just telling you? What mode has it been?

Ms ALQUIER — Community consultation in terms of the mining companies themselves has been nearly non-existent. Quite some time ago there were some very half-hearted attempts to have conversations, but I would call them what you referred to as ‘telling us’. They make assumptions and are very vocal in saying that we are misinformed, the community is just misinformed. Thousands of people across our region, who are from really diverse areas of our community, are all misinformed and they are here to inform us correctly. That is what they refer to as community consultation, which it is not; it is a one-way conversation. They come with their glossy brochures and they put forward figures that are totally false, like the ones I mentioned in my talk, about creating 100 000 jobs in Queensland when the Australian Bureau of Statistics has shown us quite clearly that that is totally false.

I think there is distrust, but that has been made worse by the fact that when we have invited mining companies to meet with communities — we have invited mining company representatives to nearly all of the public meetings we have held over the last few years, and we have held hundreds — I think of all those meetings I have had one representative show up to one meeting, which was Ignite in Yarram maybe two years ago.

There has been limited communication between Lakes Oil and the community of Seaspray. The last time that Lakes Oil did a flaring off of one of their wells they delivered letters under cover of darkness the night before to inform the community — when was that? Last year?

Ms ALDENHOVEN — It was probably May last year.

Ms ALQUIER — No, it was probably earlier than that, 2013. I would have to confirm that for you. In 2013 they were flaring off one of their Wombat wells, and letters were delivered not by post but to neighbouring landowners’ mailboxes the night before to inform them that they would be commencing the watering and flaring off the following morning. You can imagine that the community does not find that form of communication acceptable at all. It is not good enough in terms of giving the community notice. This particular well is less than 1 kilometre from the local primary school, and when flaring off occurs it sounds like a fighter jet coming down on top of you. The primary school children were very frightened by the noises that were going on. What preceded that was that all the parents of the school wrote a letter at the time to the acting health minister asking why their children would be subjected to this. Yes, community consultation has been very light on the ground.

Ms HARTLAND — So the ability for the community to trust the industry is not there because they have not actually engaged with the community?

Ms ALQUIER — Correct.

Mr BOURMAN — I have a quick question. Amongst other things, you said that not having coal seam gas will protect manufacturing in the state. How?

Ms ALQUIER — I will give you a report from the Australia Institute. I will also say that Mark Ogge from the Australia Institute will hopefully be presenting to the committee at the Melbourne hearings.

The reason I mentioned manufacturing is because we know that extracting more gas and linking ourselves to a global gas market is actually going to drive the price of gas up, which is not good for local manufacturing. When we are extracting gas to feed an export market that is what occurs. I am not an expert in this area, but the Australia Institute is, and I think you will find the report quite useful, and it will probably answer your question in more detail.

Ms ALDENHOVEN — Often it appears as if the mining industry can come into town and there will be added jobs relating to the mining industry, which will mean there is a big net increase in the economy of the local area. But there is alternative analysis that shows that if a gas industry comes into the area, it will start taking up existing labour and offering higher prices for labourers in an area, for instance, and that will drive up labour prices for agriculture, for existing manufacturing, for trades and for small businesses. In Queensland they found in places where the gas industry has existed and in other places where mining industries have come into town that it has created a lot of cost pressures for existing industries in those areas, and that can put on a lot of pressure and force the closure of existing manufacturers, small businesses, trade-related industries and so on.

We would really encourage that any kind of economic analysis takes those kinds of dynamics into consideration. A boom in the mining industry can cause the suppression of other existing industries once wages are brought up and those kinds of things. There are a lot of complex dynamics at play, which obviously we do not understand so well, not as economists. But if you get in someone from the Australia Institute and do economic analysis into potential benefits, we ask that those kinds of things are thought about.

Mr DALLA-RIVA — Thank you for your presentation. If you were here before, you may have heard that I am still trying to get an understanding of the whole issue. I grew up in the bush and I now live in the city. I get the feeling that no matter what questions we put to you the answer will still be no, no matter what it is. You have presented something that talks about gas industry spin, and I feel as if I have just been given spin. There is no consideration whatsoever to any thought of the industry dipping its toe into this place. There is no thought as to the industry, be it coal or gas mining. I fail to see how you are adding to my understanding of the issue.

Ms ALQUIER — Is that a question?

Mr DALLA-RIVA — It is a statement, and I will leave it there.

Ms ALQUIER — Okay. Can I respond to that?

The CHAIR — Sure.

Mr DALLA-RIVA — You may.

Ms ALQUIER — I work with communities that have a huge amount invested in these regions already, actually their whole lives. I work with some farmers who are fifth or sixth generation farmers. This is not even just an economic investment for them; it is a very strong connection to this area and this land and to their communities. I am not here to represent mining company interests, and I am not here to try to understand how it might benefit mining industries, because they are interested in the economic advantages for themselves and for their shareholders. We are not just coming at it from an economic point of view. We are looking at it from a health perspective — about food and water security, and about securing a future for future generations so that in 100 years from now we can still produce clean food using clean water from a region that has supplied us for a very long time.

I can assure you that none of what I said was spin; every bit of what I said was truth. I have stood side by side with rural communities for the past three years, and yes, you are correct: there will never be a social licence for this industry here. But that is not spin; that is truth. It is truth because we value the things that mining companies

do not value, and we are willing to fight for it because we have something they do not have. We have something worth fighting for, and we are pretty committed. That is my response.

Mr RAMSAY — Thank you for the presentation. Chloe, I see you are pretty quick off the mark. You have tweeted already my comments, less than an hour ago, to your Friends of the Earth friends.

Ms SHING — How did you do that? You are sitting at the table — you are tweeting by stealth.

Mr RAMSAY — Certainly I was happy to see you reported what I actually said. That aside, my question goes a little bit to Richard's because my view is that your organisation — perhaps more Friends of the Earth than Lock the Gate, because Lock the Gate represents communities generally, where Friends of the Earth is much more central in relation to your constituency — does not support mining full stop. Regardless of any argument that might be put from us or anyone else, your philosophical position is no mining. We are here to see if there can be coexistence between mining and agriculture — —

Mr DALLA-RIVA — If at all.

Ms HARTLAND — I was not aware of that.

The CHAIR — I think the terms of reference are — yes.

Mr RAMSAY — Alex Arbuthnot indicated that there has been a history of coexistence. Mineral sands up in the Western District is a good point, where all members of the community have benefited from that coexistence. My understanding is that currently there are 24 licences throughout Gippsland for exploration and there are about 350 000 hectares that those licences cover. But they are all just for exploration to see where the gas is. I also understand that — you are from the western districts as well — at the Otway Basin there is probably more of an opportunity for mining companies to use coal seam gas extraction than Gippsland.

Ms ALDENHOVEN — Shale gas and tight gas.

Mr RAMSAY — Yes, most likely. I come from that area myself, so I have those concerns that are expressed by others in the community. When you were talking about having a strong philosophical view about no mining — I go back to coal-fired generation or gas-fired generation and the issues that Alex talked about and the importance of regional development in rural Victoria and of gas being able to be connected to those towns that want to create economic wealth — we cannot dismiss opportunities that might come forward if the science and if the regulatory frameworks are appropriate for those industries. I guess my position is somewhat different to yours in that it is: don't close the gate and lock it up totally but allow at least some discussion. Today we have heard briefly that there needs to be more community engagement with the companies and a greater understanding within the communities about the impacts of potential onshore gas exploration, whatever it might be, as against no exploration at all.

Ms ALDENHOVEN — First of all I would like to say that I do not think Friends of the Earth have ideological opposition to all mining. I think we try to talk about inappropriate mining. I definitely understand that — especially the mineral sands in the western districts, for example — there have been examples where there have been arrangements where the local community has benefited. But again, as Ursula has expressed, we work with communities who are trying to decide for themselves whether they want the industry there. Those communities have a great interest in the prosperity of their regions, and I think they are definitely taking into account those issues when they are making this decision. I would just like to make the point that I think the gas industry has really done one over the potential for industries in rural areas by creating this export market overseas. For instance, dairying especially relies really heavily on gas use. As a result of this new export industry we are possibly going to see the price of gas triple in Australia.

On the eastern seaboard we had one of the lowest gas prices in the world — about \$3.40 a gigajoule — and at the moment on the Asian market they are paying about \$14 a gigajoule for gas. We are expecting the eastern seaboard market price to go up to about \$12 a gigajoule, which is a 300 to 400 per cent increase in the price of gas potentially. I think that will put a huge load of pressure on Murray Goulburn, for instance. I think there is going to be — dairy processing, hot food processing — a whole heap of industries that are really important to agriculture in Victoria that this unconventional gas industry is actually directly putting a huge amount of pressure on. And that is not taking into account the environmental risks to farming.

Having cheap and readily available energy is incredibly important to the vitality of rural communities. But I think the reality is unconventional gas is not going to give us that. Yet this is the entire Asian gas market we are talking about. No gas field in western Victoria — no gas field over at Portland or over in Warrnambool — is going to do anything to reduce the price, that international gas price. It is not going to drag it from \$12 a gigajoule back to 3.4. I think if we are going to start injecting vitality into those rural communities, if we are going to try and provide cheap energy to rural communities to be able to develop new industries, we have to be looking at other kinds of energy which we know can bring down prices — like renewable energy, which I know is a really important part of the economy in western Victoria, especially of wind parts manufacturing in Portland.

So I do not think that communities locking the gate to the unconventional gas industry is actually going to impair the future prosperity of rural Victoria. I think that it is actually a really important thing that these communities are taking into account. They are really trying to take into account the long-term future of their regions. It is not about their backyards; it is about what is going to be best for their regions in the long term. As far as they see, that is stopping the unconventional gas industry and looking at these kinds of alternatives that will mean that we can actually promote growth in rural Victoria.

The CHAIR — Thank you, Chloe and Ursula; we appreciate your evidence. The secretariat may be in contact with you as we proceed forward. Thank you.

Witnesses withdrew.