

Billy Greenham


10 July 2015

Submission to The Victorian Parliamentary Inquiry into Unconventional Gas

Thank you for the chance to this valuable inquiry. It is heartening to see the Victorian Government take this issue seriously, and to allow these lines of inquiry before the processes have commenced, as is the case in some other Australian states.

I come from a farm in the far south-west of the State, producing beef in an area dependent on agriculture. I do not support any form of unconventional gas mining. This is based on the current science, risks, and threats the industry presents. Dartmoor is one of the many communities around Victoria to have overwhelmingly voiced its opposition to unconventional gas (96.9% of 223 people surveyed opposed the industry). Indeed, Dartmoor lies within the Glenelg Shire, which on 26 August 2014 motioned its opposition.

There are a number of critical problems with the process and outcomes of unconventional gas mining. Any one of these problems on their own right should be enough to determine that the industry not proceed.

My submission includes points which directly reflect the terms of reference of this inquiry, and some which expand beyond; this does not reduce their importance or relevance in considering whether this industry should be prevented from proceeding within Victoria. My key themes of concern are:

1. Impact on environment, specifically water and air (via ozone-altering emissions).
2. Impact on local economies (including agriculture, tourism, economic equality).
3. Impact on health.
4. Impact on gas supply, exports, and domestic prices of gas.

The above themes are specific problems tied to unconventional gas. I will not pursue the discussion around our moral obligations to arrest the use of fossil fuels or encourage renewable energy.

1. Impact on environment, specifically water and air (via ozone-altering emissions).

The nature of the hydraulic fracturing process - from bore drilling and casing, to pumping water and chemicals at high pressure, to literally shattering rock - has a high likelihood of failures or leakage. The impact on water is potentially poisonous, equating to a catastrophic risk. There is significant evidence of failed bore casings and other contaminations.

Similarly, tailing ponds are used to store highly contaminated wastewater. The ponds also have high likelihood of failing (leakage or flooding spill-over), with associated risks. The end use or storage of the chemicals used are very open to neglect or misuse; the risk to water and environment does not dissipate once a well has finished producing.

Proponents of unconventional gas often call it a 'transitional' energy source to renewable energy; unconventional gas is not 'clean'. Evidence of elevated methane (and other gas) emissions caused by unconventional gas extraction is mounting quickly. These greenhouse gases are extremely damaging, and completely disqualify the purported 'green and clean' industry message. Potentially, the damage to our ozone and climate are greater than other fossil fuel sources.

2. Impact on local economies (including agriculture, tourism, economic equality).

The alleged benefits of unconventional gas extraction to local economies is falsely marketed. On balance, there is far greater disbenefit to local economies than any reasonable expected benefit.

Agriculture is a critical component of our regional, State and national economies. At the hands of unconventional gas extraction agriculture suffers; via increased groundwater usage, groundwater contamination, and removal of agricultural land. There is also physical land-use conflict between truck traffic, well pads, gas flaring off and tailing ponds.

The life-span of gas wells is acknowledged to be short; the leftover infrastructure and contaminants remain, leaving further risks behind. I am the sixth generation of my family on our farm; the value of ongoing agricultural viability is far more critical to our region than a short boom of gas extraction.

The South-West area in particular is remote, with highly valued landscapes (for their beauty and purity). Tourism, particularly based on these landscapes, is another crucial industry in our region (and again, State). Unconventional gas development wreaks incredible havoc on existing nature and vegetation - through road, pad and pipe development - and leaves an industrialised landscape behind. The risk to our tourism industry is very high. Once again, the tourism industry will be relied upon for a far longer timeframe than the extraction life of unconventional gas.

While there may be some local employment in the construction phase, there is almost no ongoing local employment, with the limited ongoing jobs usually being fly-in-fly-out workers. Agriculture and tourism industries may also be reduced by lack of labour force. Those who are in hospitality or accommodation industries may benefit momentarily during construction phase, but in the long term will lose out given reduced agriculture and tourism industries (and therefore reduced local economies). There are other localised social costs, being; a squeeze on limited accommodation (particularly rental), driving prices up and some tenants out (particularly those in lower economic tiers), and a greater disparity between those earning inflated mining wages and those who are not. Many goods and services in isolated rural areas are driven up as a result, putting greater financial pressure on many local residents.

3. Impact on health.

There are high risks of both negative physical and mental health issues for those in areas of unconventional gas extraction.

There is a high risk of accidents causing groundwater contamination, which impacts the water supply for tens of thousands of rural residents relying on artesian water. There are also risks of construction accidents, explosions and a growing evidence of correlation to seismic activity.

The industry carries significant amenity impacts; light (from construction, wells, machinery and gas flare), noise (construction, wells, high truck traffic) and emissions (fugitive gas emissions, truck emissions). All have potential for severe physical and mental health impacts. Air pollution imposes a significant health burden on our population. The gas and exhaust emissions particularly affect those with respiratory issues, the young and the elderly.

There is a complete misjudgement in accepting that companies seeking unconventional gas will 'look out' for the local population and behave responsibly. Negotiation for payments to landowners is opaque, the

payments incommensurate to the destruction wreaked, and the rights to veto drilling on land almost non-existent.

To rely on regulation and the threat of compensation is farcical. There remain far too many unanswered questions around the risks unconventional gas extraction presents, many posed in this submission.

Regulation has a history of being poorly adhered to or enforced. There is a completely disproportionate financial and legal power between local individuals or communities and the companies involved. Furthermore, once the wells have been exhausted there remain significant risks, but no operator to persecute. There are numerous legal cases within Australia and the US of communities attempting to tackle the companies involved, which fail to right injustices because of this disproportionate power.

4. Impact on gas supply, exports, and domestic prices of gas.

The greatest peddling of the need for an unconventional gas industry is based on economic gain. Having already addressed the falsehoods of a belief in improved local economy, it is pertinent to point out the negative effects of unconventional gas on a domestic scale.

The Gas Market Taskforce Final Report chaired by Peter Reith and produced for the Victorian Government in 2013 notes that Victoria has 30 years of existing conventional gas supply. To argue it is critical to commence unconventional gas extraction immediately, to supply us with cheap gas prices and drive our local manufacturing (ala USA) is nonsense. The gas will not disappear in the short-term (meaning if a safer technology comes it will still be there to take), and extraction is not aimed at domestic supply or consumption; it is for export. That means our domestic prices will have to rise up to meet the significant disparity to international prices (and it is already happening with LNG exports coming online in Queensland). Many supporters of the industry claim unconventional gas has driven a resurgence of the US economy on the back of cheap gas; the US, unlike Australia, has set reserve thresholds on gas supply for domestic use, so it is a false comparison.

Finally, the profits of exporting gas are almost going to fully end up with the multi-national companies selling it. It will therefore provide very low benefit in taxes, and very little direct income to Australian companies. The negatives of squeezing out other productive, critical industries has already been well documented in this submission.

The burden of proof cannot wait until the industry has commenced and damage (known and unknown) has begun. How can an industry with doubts as severe as water contamination, seismic activity and high greenhouse gas emissions, yet no (independent) scientific proof to the contrary, be allowed?

Apart from the base necessities of air, water and food, many of the issues described above could probably be stomached if there was a greater good to unconventional gas extraction. At the end of the day, there is no greater good, or significant benefit to be had - not by our community, not by our region, and not by our State.

Sincerely

Billy Greenham