

CSG Free Bass Coast



President: Jessica Harrison
Secretary: Peter Wonfor

Submission to the Inquiry into Unconventional Gas in Victoria

Introduction

Our group, CSG Free Bass Coast was founded in early 2013 in response to concerns raised by the local community. The concerns raised were the possibility of the exploration for, and extraction of UCG, and the lack of proper responses from the Victorian state government. CSG Free Bass Coast members are from all sectors of the community, including farmers, business community and small businesses, professionals, families, holiday house owners, and retirees etc. CSG Free Bass Coast represent the townships of Wonthaggi, Inverloch, Kilcunda/Dalyston and Harmers Haven. Bass Coast Shire Council are also officially a CSG Free council. In Oct 2013 we surveyed Harmers Haven and of 49 households, 96% preferred that the community stay CSG free. Our membership are currently surveying landholders in the rural areas between Wonthaggi-Inverloch-Tarwin Lower and from there to Walkerville and Venus Bay. We also provide information to urban residents.

Our members have attended and participated in 4 consultation rounds, in Wonthaggi in 2012 and Inverloch and Mirboo North and Korumburra in 2014. At all consultations we voiced unequivocally that we don't want CSG. Questions and concerns we raised were not adequately dealt with by the consultation staff and government representatives.

Throughout the process of surveying, our impression that local people opposed onshore unconventional gas mining (including coal seam gas, tight gas, shale gas & underground coal gasification) **was affirmed.**

There is thus no community mandate for this industry in our area. We will never support it, irrespective of any potential regulations put in place by governments of any type, in the future. The Victorian Government must ban all unconventional gas exploitation permanently. A total ban would give security to existing rural industries, as farmers don't want to invest in new equipment or diversify if they think they will be undermined. And finally, we point out that this industry does not have social license to operate, as shown by the 60+ community declarations that have already happened across southern Victoria.

We urge you to recommend that Victoria ban all unconventional gas drilling permanently.

Our comments regarding specific Terms of Reference sections follows.

(1) the prospectivity of Victoria's geology for commercial sources of onshore unconventional gas

With all of the uncertainty about the safety of UCG activities, consequential contamination of water, land and air the prospectivity of UCG appears to be irrelevant. Our energies and resources should be invested in future-looking sources of renewable energy rather than backward-looking fossil fuel sources that can only have negative consequences for future generations. Our comments about the following sections will make this clear.

(2) the environmental, land productivity and public health risks, risk mitigations and residual risks of onshore unconventional gas activities;

Food security

This is of vital importance to the whole population no matter where they live and is obvious to the farmers and agricultural support industries by virtue of their proximity to and reliance on the land. Food production and diversification is threatened by the UCG in Gippsland. The growth of organics in area is an important sign of the demand for locally produced food. There are numerous retail farmers markets throughout the region, and all specialize in locally grown/produced fresh produce.

Murray Goulburn processes **one-third** of the nation's milk supply and is controlled by over 2500 dairy farmer-shareholders. Murray Goulburn suppliers have a wealth of experience and knowledge of the nation's dairy industry. In 2012, the Murray Goulburn Co-op exported 740,000 tonnes of dairy product. This vital Victorian industry would be under threat if UCG was allowed in Gippsland, as the international perception of our area as a source of "clean and green" dairy products would be destroyed. In New Zealand, Fonterra will not accept milk from any farms which have UGC gas wells or allowed any water, mud or other waste from oil and gas drilling to be on their farm.

<http://www.abc.net.au/news/2013-06-21/fonterra-oil-drilling/4770874>

Potential UCG areas, from South Australia to Bairnsdale in East Gippsland, include much of our best grazing and dairy country, and a large part of our fruit and vegetable production. This must not be put at risk.

As detailed above, it is not possible for onshore unconventional gas activities to "co-exist" with existing land and water uses.

Onshore unconventional gas resources are promoted as contributing to the State's overall energy sources. We have an oversupply of electricity, and we should be promoting the use of renewable sources of electric power rather than gas. Instead of subsidizing and promoting dirty fossil-fuel resource companies and power generators based on 19th and 20th century technologies we should be investing in the deployment of already-existing 21st century technologies. And in the process creating expertise for which there will be a huge future demand.

Fugitive Emissions

Given the experience overseas and in NSW and Queensland, it is very likely that the people of Gippsland will be seriously impacted by pollution from UCG extraction, **IF** it were to take place here.

Air quality will decline, as will water quality, while increased chemical use, problems of waste disposal, land contamination and geotechnical instability will all be factors in the decline of our area.

Researchers at Southern Cross University have used a specialised measuring device and recorded elevated levels of methane in the air above the Tara gasfield in Queensland.

Methane is a far more potent greenhouse gas than carbon dioxide (at least 21 times more powerful than carbon dioxide) and it is thus imperative to prevent any additional leakages. Since they are impossible to contain or stop once started the only solution is to abandon extraction techniques that pose even a small potential risk of initiating or increasing fugitive emissions. Fugitive emissions on the scale foreshadowed in this study would dramatically increase the climate change impacts of CSG, potentially making it far more polluting than coal.

If properly measured and accounted, the carbon and pollution liabilities of UCG may make the CSG industry in Australia economically unviable.

<http://link.springer.com/article/10.1007/s11270-014-2216-2>

Responsible decision making where risk is involved and science is uncertain requires the application of the precautionary principle. It is obvious that many problems with the industry will take years and may in reality never be fully understood. It would be reckless to unleash this industry on our state and its valuable natural resources given all the evidence that is emerging about contamination events associated with UCG drilling

(3) the coexistence of onshore unconventional gas activities with existing land and water uses

Tourism is a vital and expanding part of the economy of our region. Many jobs and livelihoods depend on it. Tourists come to Gippsland to see pristine countryside and beaches, native animals etc. but will not drive to Gippsland to see and hear an industrialized landscape and smell gas and other consequential byproducts. There is a 5 star RACV resort at Inverloch, which attracts domestic and international tourists. RACV chose the Inverloch site because of the unique beauty of the local wildlife, the beach and the surrounding scenic countryside of Gippsland. Any development of UCG will make Gippsland an unattractive place for tourism investments, as well as threatening existing jobs, on which our economy depends.

Land values are known to **decrease** once UCG extraction or other mining takes place in an area.

The transformation of the Latrobe Valley from a centre for polluting carbon-emitting energy to renewables will be hindered by any development of UCG. Long term jobs in sustainable industries are a bright hope for the economic future of our region.

In Wonthaggi, on the Bass Coast, we experienced the environmental and social disaster of the desalination plant project. There was no consultation with the community and the disruption of local businesses and our social fabric caused long-term damage to our community. We do not want to see another risky project which has the potential to damage our area in these ways.

(4) the ability of potential onshore unconventional gas resources contributing to the State's overall energy sources

Because of the huge discrepancy between the low domestic and high export prices for gas, it is only a matter of time until the domestic price of gas floats up to the export price. Claims that more gas is needed to keep down prices are merely a smoke-screen to hide the profit aspirations of the (mainly multinational) companies involved.

(5) the resource knowledge requirements and policy and regulatory safeguards that would be necessary to enable exploration and development of onshore unconventional gas resources

The industry has proven to be unsafe, whether restricted by regulation or otherwise. It is simply not worth it.

Just one example out of thousands:

One of our members visited Gloucester, NSW in September 2014, when the CSG industry was in full swing in the area, with 110 CSG drilling sites planned and a further 330 at a later date. Local people were in despair at the impact on their farming, businesses, and local amenity.

On 28 January 2015, the Baird government suspended AGL's operations at its pilot coal seam gas field in Gloucester, pending the result of an investigation.

The Division of Resources and Energy also dispatched investigators to inspect the four CSG wells near Gloucester. They joined counterparts from the NSW Environment Protection Authority, which has begun its own probe into the energy giant's operations.

The joint probe came a day after AGL said it was voluntarily suspending work at the site after it had detected banned BTEX chemicals in flow-back water from two of the wells and in an above-ground water storage tank.

<http://www.smh.com.au/environment/water-issues/nsw-government-suspends-agls-csg-operations-in-gloucester-20150128-12zstb.html>

“**Rigorous monitoring**” is of no use if it occurs after the fact, **after** the pollution has destroyed lives and health. Therefore no amount of “performance standards” “impact mitigation”, “managing risks” will sufficiently deal with the impact of UCG extraction in our area.

Please take our views into consideration during the Inquiry. Our views expressed in this submission are representative of the people of Bass Coast, who want to remain CSG-Free.

- (6) relevant domestic and international reviews and inquiries covering the management of risks for similar industries including, but not limited to, the Victorian Auditor- General Office’s report Unconventional Gas: Managing Risks and Impacts (contingent upon this report being presented to Parliament) and other reports generated by the Victorian community and stakeholder engagement programs.**

While we await the Auditor-General Office's report the following list of outright bans is a powerful indication that others have performed investigations and come to the conclusion that UCG is not viable and should give us cause for thought. This list appears below.

We would like an opportunity to speak at the Public Hearings of the Inquiry.

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List of UGC Bans

USA

New York – December 2014 – this was implemented on the basis of health risks after expert investigation and the publication of a New York State Department of Health Report.

http://www.nytimes.com/2014/12/18/nyregion/cuomo-to-ban-fracking-in-new-york-state-citing-health-risks.html?_r=0

https://www.health.ny.gov/press/reports/docs/high_volume_hydraulic_fracturing.pdf

San Benito County, California – April 2014

http://www.mercurynews.com/science/ci_26866639/san-benito-countys-measure-j-voters-backing-anti

Mendocino County, California – 4th November 2014 – this ban on fracking was implemented as part of a community Bill of Rights to “natural and chemical free communities and ecosystems, a clean environment, and self-government by the people, without manipulation and overwhelming influence from corporations.”

It imposes considerable penalties for breaches.

http://ballotpedia.org/Mendocino_County_Community_Bill_of_Rights_Fracking_and_Water_Use_Initiative,_Measure_S_%28November_2014%29

Vermont – 17th May 2012 – Vermont was the first US state to ban fracking. The Governor stated that protection of drinking water is more important than increased access to natural gas.

http://www.huffingtonpost.com/2012/05/17/vermont-fracking-ban-first_n_1522098.html

***** More USA examples available upon request *****

UK

Wales - from February 2015 – “effectively making it impossible for shale gas developments to receive planning permits in Wales.”

<https://uk.finance.yahoo.com/news/wales-votes-against-shale-gas-190742367.html>

Northern Ireland – July 2014 – the environment minister promised that there will be no fracking in Northern Ireland unless it can be proved “safe beyond doubt”.

<http://www.belfasttelegraph.co.uk/business/news/fracking-drilling-will-not-be-allowed-in-northern-ireland-unless-its-proven-safe-warns-environment-minister-mark-h-durkan-30469238.html>

Europe

France -30th June 2011 - Ban on hydraulic fracturing was voted in by parliament. The International Energy Agency claims that France has more plentiful reserves of shale gas than most of Europe, but France’s Constitutional council threw out a 2013 challenge to the law by US based Schuepbach Energy

<http://www.dw.de/french-court-rejects-challenge-to-anti-fracking-legislation/a-17151744>

Current President François Hollande has promised the ban will be maintained for his five-year term.

<http://www.bbc.com/news/business-23311963>

Luxembourg – 13th November 2012 – the Luxembourg parliament voted against a motion to extract underground shale gas based on environmental concerns.

<http://www.wort.lu/en/luxembourg/no-fracking-of-shale-gas-in-luxembourg-50a37ff8e4b0e83edf95f923>

Bulgaria – 18th January 2012 - Bulgaria banned exploratory drilling for shale gas. On 14th June 2012 Bulgaria imposed an absolute ban on fracking and revoked Chevron’s shale gas permit.

<http://www.theguardian.com/world/2012/feb/14/bulgaria-bans-shale-gas-exploration>

Canton of Fribourg, **Switzerland** – April 2011. Decision not to renew exploration licence of Schuepbach Energy, and all other licences suspended “for an undetermined period.”

<http://coalseamgasnews.org/news/world/switzerland-joins-worldwide-ban-on-gas-fracking/>

Austria – March 2014 - a fracking ban was enshrined in the Vorarlberg State Constitution.

<http://www.vol.at/fracking-verbot-wird-in-vorarlberger-landesverfassung-verankert/3907751>

Italy – September 2014 – a ban introduced as part of the Law of Stability 2014 in order to protect groundwater and soil and promote “efficient use of national water resources.”

<http://www.ilfattoquotidiano.it/2014/09/04/fracking-commissione-ambiente-da-vietare-il-ministero-mai-autorizzato/1110626/>

***** More Europe examples available upon request *****

New Zealand

Christchurch/Aotearoa– April 2012 – A unanimous vote by Christchurch City Council to declare the city a frack free zone, citing impact on the local environment, water supply and earthquakes.

<http://archived.ccc.govt.nz/council/proceedings/2012/april/cnclcover12th/ConfirmedMinutesCouncil12April2012.pdf>

Kaikoura – April, 2012 - The Kaikoura District Council declared itself a frack-free zone.

If the committee does not feel it can recommend an outright permanent ban on UCG, it could look to the example of New Brunswick in Canada. Shale gas was a major issue in the New Brunswick election of September 2014 and the election effectively became a referendum on shale gas extraction.

As a result of the election, the New Brunswick parliament, on 18th December, 2014 introduced Bill 9, which placed a moratorium on the process of fracking. The moratorium will not be lifted unless the following five conditions are met:

1/ The industry gains a social license to operate.

This will be sought through extensive consultation and engagement exercises with New Brunswickers in order to identify whether the industry has been able to achieve social acceptance.

2/ Clear and credible information about the industry.

This will permit the government to compile clear and credible information about the impacts of hydraulic fracturing on public health, the environment and water in order to better inform a decision to allow the industry to proceed. This will allow the province to “develop a country leading regulatory regime with sufficient enforcement capabilities”.

3/ An infrastructure Plan;

“This analysis and planning will enable us to mitigate potential impacts on our public assets and address other related issues such as the disposal of waste water.”

4/ Proper consultations with First Nations;

“This exercise would have to ensure that we are fulfilling the crown’s obligations under the duty to consult”.

5/ Maximized benefits

There would need to be clear benefits for the people of New Brunswick for the industry be allowed to proceed.

Bill 9 can be found here: <http://www.gnb.ca/legis/bill/FILE/58/1/Bill-9-e.htm>

(See towards the end of the section titled "8 Section 59 of the Act is amended")