

Submission to Inquiry into Coal Seam Gas.

Julie and David Boulton

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Please accept our submission outlining my opposition to the unconventional gas industry in Victoria.

My husband, myself and our children operate a dairy, beef and cropping enterprise in Seaspray, on Gippsland's, 90Mile Beach. **The Lakes Oil Wombat Field is our direct neighbour with a shared boundary fence and road access.** We are generational farmers in the area and have a strong desire that our children are able to maintain our connection to this area into the future.

We have a 2,000 acre agricultural enterprise cultivated to produce irrigated pasture for the purpose of grazing, dairy and growing fodder. Our operation depends on underground bore water and creek water for the irrigation of pasture and stock water. We milk approximately 500 head of dairy Friesian cows throughout the year producing 2,500million litres of milk per annum. We also export a large number of heifers to China each year, as well as supplying the domestic market with beef. Approximately 100acres of our farm is used for the production of seed potatoes. We currently employ a staff of four people for whom we provide housing, they send their children to the local school and are valued members of a small rural community.

We are a productive viable agriculture operation dependent upon sustainable irrigation water from the Boisdale aquifer in the Giffard management area.

Refer Southern Rural Water Atlas.

http://www.srw.com.au/page/page.asp?page_id=687

Our direct boundary neighbours are the unconventional gas mining company Lakes Oil and we are also in close proximity to the Ignite Energy development in our area. The Wombat field consists of 4 exploratory wells all have been fracked in the past and are in various stages of decay and neglect, fuelling our huge concern as to the state of these wells below the ground as well as above.

Lakes Oil CEO, Rob Annells has often referred to the Seaspray area as supporting little more than emus and kangaroos and under oath at the inquiry in Sale he declared “there are no dairy farms where we are” and “we have received no objections from the community”. To claim he was unaware of our objections (his direct over the fence neighbour, who just happens to be a dairy farm, on Owens Lane, to the point where an access road to a well pad had to be rebuilt, because we refused permission for them to use the existing one through our property) is just implausible.

I have had conversations with Mr Annells, whilst blocking his access to Wombat 1, (documented on ABC television who had a helicopter in attendance) voicing my vehement objection to their presence in our community. I have had a conversation whilst escorting a journalist from the Age around our property, where he (Rob Annells) assured me he “didn’t want to buy my farm as they would just drill underneath it anyway”. I have publicly voiced my objections via newspaper articles, radio interviews, television appearances and in the films Gippsland is Precious and Gippsland not Gasland. In fact a quick “google “ has highlighted 19 links featuring my name (Julie Boulton) in relation to my personal objections to the unconventional gas industry in general and Lakes Oil in particular. It is heartbreaking to hear him dismiss us and claim no knowledge of us, his lack of empathy and respect confirms our convictions that they are indeed untrustworthy and dangerous neighbours.

We recently travelled to the Queensland towns of Roma and Chinchilla and witnessed the same degree of disrespect and neglect towards existing communities in existence there as well.

In previous conversations with Tim OBrien from Lakes Oil we have been told the Wombat Field would need to put down 70 wells to become viable, at the Inquiry it was surprising to hear the number has decreased to 12. This lack of

accuracy and honesty on their part does nothing to make us have any faith in them to respect our community, our environment, our air quality, our waterways and our farmland. Before even going into production they have unequivocally proved to us that co-existence is an impossible “myth”.

I therefore intend to make clear to you the risks viable farming enterprises such as ours are faced with from the unconventional gas industry.

There have been no studies anywhere in the world that confirm there is not some degree of risk posed by this industry, in my opinion any risk is too great. We have no scientific capacity to “uncontaminate” an aquifer or to re-establish depleted water tables.

Comments on the terms of reference.

- (1) *The prospectivity of Victoria’s geology for commercial sources of onshore unconventional gas.*

Australia wide the agricultural industry employs three times as many people as the mining industry according to Australian Bureau of Statistics. The productivity of the dairy industry in Victoria is well documented and has the potential to supply a world market with fresh uncontaminated dairy products any risk perceived or otherwise to this industry is not justified.

- (2) *The environmental, land productivity and public health risks, risk mitigations and residual risks of onshore unconventional gas activities.*

Let me begin to address this issue by referring to the huge mental health impact the proposition of developing this industry in Gippsland has already had on me, my family, my neighbours and my community. We have been forced away from our family life, our recreational life, our businesses and our farms as we have been forced to educate and inform ourselves about an industry forced upon us.

We have been under unrelenting stress for the past three years and it has taken a toll. All members of my immediate family have found it difficult to reconcile our desire for our future in the area with the thought that if this industry proceeds we will be living in an industrialised wasteland.

We have been faced with the heart wrenching prospects of our young adult children making the unthinkable decision of setting up homes away from this area.

We are faced with the stress of not being able to make future financial plans for our farming enterprise and having to put on hold any agricultural development we had planned for.

We are faced with the prospect of our farm being de valued and discussions with local real estate agents have supported this.

(3)- The co-existence of onshore unconventional gas activities with existing land and water uses.

- agricultural production and domestic and export market requirements.*
- the legal rights of property owners and the impacts on property values.*
- any implications for local and regional development and jobs*

In addressing this term of reference I will focus on the agricultural aspects as I have considerable personal knowledge of this area.

- agricultural production and domestic and export market requirements.

On our farm we currently produce milk, beef and livestock for both domestic and export markets and as such we are required to meet guidelines such as the National Livestock Production Assurance.

The National Vendor Declaration underpins Australia's meat and livestock food safety reputation, and is strictly adhered to as it maintains our standing on domestic and world markets as suppliers of agricultural produce.

How can the Government ensure just compensation for possible contamination of livestock if and when farmers who follow best practise guidelines are impacted by gas mining.

Refer to Meat and Livestock Aust guidelines below;

www.mla.com.au/pa

www.cattlecouncil.com.au

There is no capacity as yet to deal with the huge amounts of salt brought to the surface in produce water as is in evidence in Queensland. To even consider the use of this by product as a diluted form of irrigation is incomprehensible. Salt in the Maffra irrigation district water table is already an issue due to lowering of existing water table levels as a result of agricultural and industrial enterprise, largely off shore oil and gas industry in Bass Strait water

Subsidence directly impacted by the water drawn out of the water table via the off shore mining in Bass Strait has already resulted in farmers in the Yarram district receiving Government compensation in 2008. It has also impacted in the Seaspray area, as we were forced to lower our bores, at huge cost, to adapt to a lowering water table.

There is currently a moratorium in place on water allocation from the Boisdale and Latrobe Aquifers and farmers, such as us, are unable to purchase any additional water rights to supply irrigation for crops, vegetables and livestock production. For us to increase our irrigation capacity I have to purchase water rights from existing allocation such as a downsizing farmer. The mining act currently in place does not require mining companies to adhere to these restrictions they have unlimited access to water. Ignite Energy coal seam gas production will draw an unsustainable amount of water from the Latrobe Aquifer and the development of Lakes Oil will see them drill through the aquifer to target tight gas that lies beneath the aquifer.

Refer Southern Rural Water Atlas see link below.

Having Lakes Oil as a direct neighbour has done nothing to enhance our faith in this company to negate all risks to the aquifer they must drill through. They have admitted on a promotional video that mistakes have been made in the past with oil coming to the surface on the outside of a well casing.

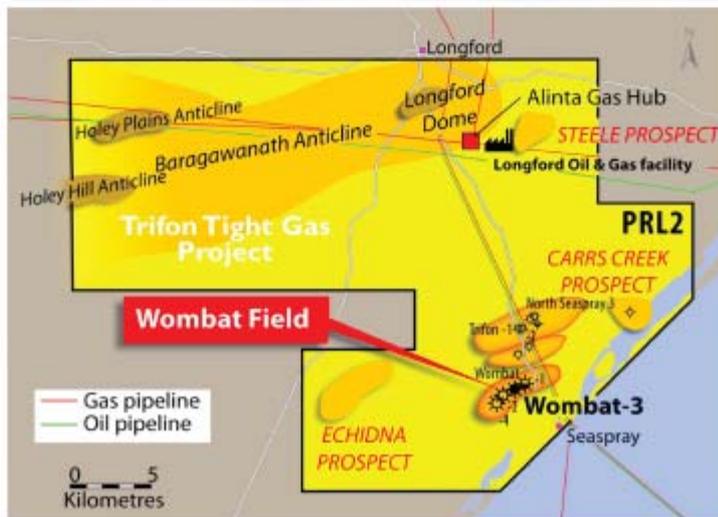
PRL 2 : WOMBAT 3

Lakes Oil believes the oil (~10 barrels recovered) encountered in Wombat 3 has migrated along natural fractures from oil bearing shale source rocks located significantly below the total depth of the well.

Lakes have never fully tested this oil occurrence.

We will now divert full attention to testing this oil occurrence.

For personal use only



We were subject to an earth tremor in 2013 followed in 2 days by an oil leak in the Cobia Well offshore, we often have tremors in our region and have yet to be provided with unequivocal proof that such tremors would not compromise

an onshore gas well leading to contamination in the aquifer through which it travels. See below.

It is also of great concern to us that if we are impacted the onus will be on us to prove this. Without proof, impacted water users are left literally high and dry. These factors, the onus of burden of proof, and the significant financial imbalance between mining companies and bore owner and the capacity of a bore owner to seek independent hydrological services are critical considerations for any future development. The lack of independent base line studies has always been of huge concern to us as it is beyond our financial capability to do these ourselves and we are of the opinion that this should be the responsibility of the Government.

In 2011 Queenslanders watched as a BTEX chemical scare in groundwater from Underground Coal Gasification (UCG) activities near Kingaroy forced a number of properties into quarantine. For a period of time landholders with cattle exposed to this water were unable to sell their stock.

<http://www.abc.net.au/pm/content/2010/s2956076.htm>

This leads to an important question; what safe guards are there in place for the current Government to pay compensation to farmers who may have their groundwater impacted by mining development in the future? It seems glaringly unfair to expect impacted farmers or taxpayers to foot the bill for the negative impacts of mining companies, as the mining industry continues to have unlimited access to our aquifer, with our Governments permission.

Refer Southern Rural Water Atlas.

http://www.srw.com.au/page/page.asp?page_id=687

The threats to our farming enterprise and those across the state of Victoria our environment, food safety and domestic and international trade are also very real. It is not just about well stimulation and fracking- it's about drilling muds, and opening up migration pathways from depressurising the underground system for gas and other compounds naturally found in the coal seams. Given the possibility that the chemicals used by the unconventional gas industry in drilling muds and well stimulation fluids could enter waterways and aquifers over time, it's not unrealistic to demand a permanent ban on the industry in Victoria.

Groundwater is the lifeblood of businesses and towns in rural and regional Vic and predicted climate change towards higher temperature and lower rainfall will exacerbate this reliance. Any industry that has the slightest risk of impacting our groundwater and therefore the very livelihood and existence of rural communities in the future for short term gain is a nothing more than ruthless exploitation at any cost.

In New Zealand the milk company Fonterra has refused to collect milk from farms subjected to fracking waste.

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

I also feel that the risk of impacting on an already active fault line in Gippsland has received little consideration. Seismologists are describing the region as an earthquake hotspot. There were only 50 earthquakes recorded up until 2009, but since then there have been 700. This is of huge concern as we are ill equipped as a community to deal with the impacts of potential increased earthquakes. It is also noted by local residents that the increase in activity followed the fracking of some 15 (at least) exploratory wells from 2006 and onwards.

<http://www.abc.net.au/news/2013-09-10/scientists-study-gippsland-earthquake-hotspot/4948878>

Our concerns were heightened in 2014 when a quake off the coast of Seaspray was followed by a Bass Strait oil well being compromised.

<http://www.abc.net.au/local/stories/2014/05/21/4008850.htm>

<http://www.smh.com.au/business/bass-strait-wells-under-scrutiny-after-crude-oil-spill-20140317-34y1m.html>

As has been proven in America, England and France there is a direct correlation between an increase in earthquakes and the unconventional gas industry.(As a consequence of concerns including earthquakes France has imposed a total ban on unconventional gas development.)

<http://www.theguardian.com/world/2015/apr/24/earthquakes-fracking-drilling-us-geological-survey>

<http://www.telegraph.co.uk/news/earth/energy/10174188/Fracking-may-leave-fault-lines-vulnerable-to-earthquakes.html>

<http://www.dailymail.co.uk/news/article-2454156/France-upholds-ban-fracking-fears-environmental-damage-shale-gas-reserves.html>

4 – the ability of potential onshore unconventional gas resources contributing to the States overall energy sources .

Esso /Exxon have sufficient gas resources in Bass Strait to provide energy to Victoria for many years to come enabling us the time needed to transition to renew able energy. This planned unconventional gas extraction is for the export market and will only lead to an increase in gas prices for domestic markets as a consequence.

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

I have become convinced that there is not the capacity, on behalf of Governments, or the capability and commitment on behalf of the industry in evidence anywhere in the world to enable this industry to develop without risk.

I thank the panel for reading and acknowledging my submission and confirm my commitment to do all in my power to ensure a total ban on unconventional mining in Victoria.

Julie and David Boulton

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