

8/07/2015

To the Parliamentary Inquiry into Unconventional Gas Mining in Victoria

I'm Marg Thomas and I live in the South Gippsland town of Mirboo North. I look across the verdant, rolling hills and I am always amazed at the beauty and productivity of this district; it's not often that the two exist together. From the top of Dickies Hill a checker board of green and brown lies before me and I can almost see to Wilson's Promontory National Park, (on a clear day Mt. Oberon's visible).

Lush pastures, rich red soils, producing some of Australia's finest beef, dairy and vegetables flourish here. Small boutique food producers thrive and supply many tables throughout the state. Organic farms proliferate here, supplying domestic and overseas markets with their immaculate product. I have to wonder then why this little pocket of paradise is subject to unconventional gas mining development. It must a mistake... a bureaucratic bungle...a bizarre joke. How can we jeopardise all this for the sake of a short term, profit driven industry that only benefits large multinationals and mostly overseas investors. The potential industrialisation of our countryside to satisfy the mining sector is no less than a travesty.

Could it be jobs and increased prosperity for our region?

Well, let's take a serious look at this aspect:

The Australia Institute (TAI), in their document 'Fracking the Future', has disputed the job numbers that the Australian Petroleum Production & Exploration Association (APPEA) has put forward in terms of Unconventional Gas.

APPEA ... 'Let's Grow Victoria' 'Coal Seam Gas..... It's Cleaner. It's Safer. It's Jobs. It's the Future.'

TAI says ...'The gas industry likes to claim that it is a big job creator, and that CSG will lead to many more jobs. The gas industry is too small for the Australian Bureau of Statistics to publish separate figures for, so gas and oil employment numbers are combined.

In August 2013 the entire gas and oil industry employed 0.2% of workers – less than Bunnings.

The gas industry commissions its own economic modelling, and includes a high number of indirect jobs.

Santos has claimed that a CSG project in NSW that would employ 30 people would create 570 public sector jobs!

<http://www.tai.org.au/content/fracking-future>

Mark Ogge, from The Australia Institute, says "...talk of a jobs boom associated with the mining is a myth, with few jobs for locals in the gas fields and highly skilled staff taken from other industries, such as agriculture and manufacturing.

“Few jobs are likely to go to local unemployed youth. The gas industry needs highly skilled workers, and tends to use non-residential workers who don’t live in the community. They work long days when they’re rostered on and then go back home to spend their money,”
<https://envirojustice.org.au/media/australia's-new-rush>

So it appears that the Unconventional Gas industry puts forward unrealistic job expectations.

Once the construction phase of the industry is over, towns are left depleted and destabilised. This is apparent in the Western Downs, Queensland, where the CSG industry was given virtually unbridled access. Housing, employment and small business have been adversely affected – residents are disillusioned. The ‘fly in fly out’ workforce has largely flown back home, leaving behind only a small maintenance crew. Only handful of residents will benefit in the long term.

<http://www.abc.net.au/news/2015-06-27/coal-seam-gas-construction-boom-ends-in-qld/6575922>

Recently [REDACTED], approached me and told me that ‘Due Diligence’ on a sale requires that the buyer be advised by the agent to investigate, (among other things), the prospect of exploration and mining in terms of the proposed sale. The buyer is then aware of any potential exploration and mining and how this may impact the property they wish to buy. [REDACTED] advised that he has several potential sales that are now in jeopardy because of Coal Bed Methane (CSG) exploration licences in conjunction with newly granted coal exploration licences in the district. He went on to explain that he was at a loss of how to advise his clients when they asked what the future in terms of mining would mean for the district into which they hoped to buy. He also pointed out that several property owners had been fearful of potential future risks from mining asked for his advice as to whether they should sell up and leave the area. All parties believe that any exploration or mining activity would drastically reduce land values. The perception is that properties near mining activities will be virtually unsaleable. This is a much sought after area, with many ‘tree changers’ wanting to invest in property here; this lucrative market is now under threat. As we can see the prospect of an unconventional gas industry is causing an adverse impact on real estate industry and uncertainty devaluation in the property market.

In the UK in the document entitled [Shale Gas Rural Economy Impacts](#), the Department for Environment, Food & Rural Affairs (Defra), state that:

- *House prices near fracking wells were likely to fall, and there was a potential reduction of up to 7% in property values within a mile of wells.*
- *Properties within a one- to five-mile radius of fracking sites may incur additional insurance costs.*

<http://www.theguardian.com/environment/2015/jul/01/fracking-could-hurt-house-prices-health-and-environment-official-report-say>

And in NSW... Land values across the NSW north coast and elsewhere will be hit hard if the coal-seam gas (CSG) industry is allowed to develop, a new Productivity Commission report has warned.

‘An objective and direct measure of the economic cost of gas activities to the landholder, encompassing the different types of damage, is the decline in the market value of the landholder’s property (land and any improvements). This market value reflects the highest

value uses of the land with and without the gas activities.

<http://www.echo.net.au/2015/04/report-shows-hit-to-land-values-from-csg/>

Let's face it; no one wants to live near a gas well or coal mine.

Maybe it's cheaper energy prices?

Well, we know that an Unconventional Onshore Gas industry bringing cheaper energy prices is a furphy. Any Unconventional Onshore Gas produced here in Victoria will be for export and thus links us to the Asian price, minus the cost of processing and shipping. Prices could be as much as three times higher than current domestic prices; dramatically affecting industry and the home user.

<http://www.abc.net.au/radionational/programs/backgroundbriefing/coal-seam-gas-exports-drive-up-energy-bills/5638226>

We are informed that now the potential markets for onshore gas are drying up and it's not the gravy train that mining interests first thought. In fact according to **Carbon Tracker** in their recent report:

Carbon Supply Cost Curves: Evaluating Financial Risk to Gas Capital Expenditures -

It highlights that \$283 billion of possible liquefied natural gas (LNG) projects to 2025 are likely to be surplus to requirements in a low demand scenario.

<http://www.carbontracker.org/report/gascostcurve/>

A 400 million dollar floating Liquid Natural Gas plant lies idle off Indonesia due to reduced demand.

<http://www.hellenicshippingnews.com/as-indonesia-gas-demand-falters-floating-lng-plant-lies-idle/>

LNG Engineering Times reports that ... 'over a dozen liquefied natural gas tankers are parked, many idle, in and around Singapore - one of the world's biggest trading hubs for the fuel - in a sign that the slowdown engulfing world gas markets may be worsening into a crisis'.

www.lngengineeringtimes.com/news/lng-tankers-idled-as-gas-downturn-widens-117689

So, we see by this irrefutable evidence that there is little, if any, economic benefit for Victorian communities in allowing an onshore gas industry onto their prime farmland.

The push for a CSG industry to co-exist with farming is an unworkable proposition and certainly an unnecessary complication to the running of a farm. Not to mention the industrialisation of the landscape, damage to our environment and lifestyle.

I remind the committee that based on an extensive survey, 96% of the Mirboo North residents do not support this industry operating in any capacity in this district. On this basis the district was declared Coal and CSG Free on the 9th of February 2014.

It's plain to see that this industry has nothing to offer our community; in fact great damage is probable. Our agricultural industry in tandem with, tourism, many ancillary and service industries make this a most vibrant, prosperous region. The prospect of allowing an

industry that has been proven in other states and overseas to be so destructive is quite absurd.

I urge the committee to ban the onshore gas industry in Victoria so we can all get back to our usual lives and regain some certainty over our future and ensure the very best for our future generations.

I urge the committee to recommend to government that it put all possible resources into the renewable energy industry to ensure our energy security.

I would like to thank the committee for this opportunity to express my perspective on this important issue.

Regards,

Marg Thomas,

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<http://www.carbontracker.org/report/gascostcurve/>