

Brigit Skilbeck

Legislative Council, Environment and Planning Committee
Via email: epc@parliament.vic.gov.au

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Dear Members of the Environment and Planning Committee,

I am writing to express my support of a permanent ban on the unconventional gas industry in Victoria. My name is Brigit Skilbeck and I work as an industrial relations representative. I live [REDACTED] in the Melbourne electorate. I grew up on the Bellarine Peninsula, and remain strongly involved in my family's farm, with my father Malcolm Skilbeck, who has also written you a submission. A gas licence does not affect our property, but we stand in solidarity with those Victorians who face the threat of the unconventional gas industry.

I do not support any form of unconventional gas mining, neither coal seam gas, nor tight sands gas, nor shale gas, nor underground coal gasification. I support a ban on the unconventional gas industry because I believe that Victoria is a beautiful, healthy, ecologically sound habitat for a wonderful abundance of humans, animals and plants, and I and many others want to keep it that way. When a company can buy the right to march on to your property and sink a well in your backyard without you having the right to refuse, there's something profoundly unfair in our system. When a government considers allowing an industry which its own publications admit has uncertain future impacts¹ into peoples' backyards, there's something fundamentally uncaring about the system.

The City of Greater Geelong has unanimously supported a ban to fracking², noting a strong community call for the ban. Along with dozens of communities and councils which have declared themselves opposed to unconventional gas, and the Victorian Farmers Federation recent call for a 5 year ban³, this demonstrates the lack of social licence for the industry to operate in Victoria.

I believe that a permanent ban on the industry will have numerous benefits for Victoria: giving certainty to existing industries and employers (notably agriculture and tourism), and investors in these industries, encouraging a rapid move towards renewable energy sources and energy efficiency, maintaining the commercial value of rural property, and conserving the natural beauty of our environment for generations to come.

¹ <http://www.parliament.vic.gov.au/publications/research-papers/8927-unconventional-gas-coal-seam-gas-shale-gas-and-tight-gas>: "There is considerable scientific uncertainty over the long-term impact of unconventional gas production on the environment."

² <http://www.geelongadvertiser.com.au/news/geelong/geelong-councillors-say-no-to-fracking/story-fnjuhovy-1227090476688>

³ <http://www.weeklytimesnow.com.au/news/national/vff-calls-for-ban-an-unconventional-gas-industry-for-at-least-five-years/story-fnkfnspv-1227426426742>

I address the Terms of reference of the inquiry:

1. The prospectivity of Victoria's geology for commercial sources of onshore unconventional gas

The Victorian area of land covered by unconventional gas exploration licences is large. Much of this land is in Gippsland and Western Victoria. These areas are already considerably populated, and are home to established long-term industries, specifically agriculture and tourism.

Various industry groups will undoubtedly tout the short-term commercial benefits of the unconventional gas industry. The industry may bring some profit to individual companies, shareholders and employees, however I am extremely distrustful of the prospective figures touted by industry since some mining companies have exaggerated their claims about economic and employment potential in the past (such as Adani admitting to QLD court its claims about employment were hugely inflated⁴), I agree that. However I feel that the profit from this industry will likely prove to be a false economy, and that the Victorian taxpayer is likely to bear the brunt of exorbitant costs potentially caused by this destructive industry. These potential public costs include:

- a) The extensive costs required by a rigorous regulatory system. Regulation would require at the very least: comprehensive baseline testing, establishment of guidelines and a regulatory body (with the usual comprehensive reporting duties), testing of the industrial chemicals used in fracking, frequent monitoring of gas wells scattered across the state on private land and any ponds containing produced water, frequent monitoring of water tables, water quality, seismic activity, and air quality. To ensure safety, the government will need to continue to monitor wells and pollution levels long after the wells have stopped producing gas and the produced water has evaporated. By far the cheapest and most appropriate form of government regulation would be to ban the industry altogether;
- b) Additional costs to the Victorian court systems in processing and hearing any claims and litigation relating to the deleterious effects of the industry such as health effects, damage to property caused by fire or seismic activity, VCAT land access determinations, VCAT assessments of the remuneration granted to land owners whose land is being drilled without their consent, and imposition of fines and other sanctions upon industry non-compliance with regulation;
- c) The costs incurred by extending the CFA to ensure that all fire risks are appropriately mitigated, especially while venting wells;
- d) Increased reliance on the healthcare system in order to support people affected by the industry. Mental health costs and subsequent loss of productivity are not to be underestimated; and

⁴ <http://www.brisbanetimes.com.au/queensland/adani-carmichael-mine-to-create-1464-jobs-not-10000-20150428-1mumbg.html>

- e) Increased costs of road maintenance as rural roads see increased use by heavy vehicles to: transport drilling apparatus and construction materials, transport water and industrial chemicals used in the fracking process (if required), transport produced water offsite, and transport drilling apparatus off site.

Other potential costs to citizens and businesses in Victoria may eventuate from the unconventional gas industry, including:

- a) An increase in the price of water as demand increases, and supply remains stable or drops;
- b) Economic damage to the agriculture industry (specifically the dairy industry in Gippsland) should gas wells fail, land or water become contaminated in a spill or other industrial failure;
- c) A considerable decrease in tourism in gasfield-mired areas;
- d) Devaluation of property of land that has been drilled for gas. Given that the area under exploration licence is vast, this is an unprecedented threat to the value of rural Victorian property.

The Australia Institute's analysis in *Fracking the Future*⁵ highlights that the number of jobs in the unconventional gas industry is small. Agriculture and renewable energy employ more Victorians than those potentially employed in the unconventional gas industry (which are also short term, being often highest in the brief construction phase). Given the environmental risks of unconventional gas, I do not believe that we should risk current successful industries for the sake of a relatively small number of jobs. I believe that the Victorian Farmer's Federation was of a similar view when it recently voted to support a further 5 year ban on the industry.⁶ I encourage the Committee to adopt a precautionary principle.

In a world where international politics are extremely concerning and in some parts of the world very volatile, it is important for Australia to ensure food security. I believe it is the duty of the government to ensure that our food sources are not adversely affected, especially by a short-termist industry competing among several forms of energy production (especially when the renewable energy industry is making leaps and bounds in both efficiency and storage). There are several alternatives to energy production, but there is nothing like a good plate of roast potatoes from Mirboo North, Victoria.

I call upon the Committee to produce a full and thorough report, in which it takes into account all costs, to the public purse, to individual citizens and landowners and to private industry, over at least a 50 year time frame, of the unconventional gas industry. I call upon the Committee to give a realistic appraisal of whether it wants to recommend subjecting Victoria to the considerable risks of the industry.

⁵ <http://www.tai.org.au/content/fracking-future>

⁶ <http://www.weeklytimesnow.com.au/news/national/vff-calls-for-ban-an-unconventional-gas-industry-for-at-least-five-years/story-fnkfnspy-1227426426742>

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

The environmental risks of this industry are considerable. Some, but certainly not all, examples include:

- a) Water aquifer contamination,⁷
- b) excessive water use leading to lowered land productivity from the agriculture industry,
- c) increase in seismic activity in areas where produced water is reinjected into the soil⁸
- d) potential subsidence of land,
- e) depletion of groundwater,

In June 2015 I travelled to Seaspray to attend the Victorian Lock the Gate Alliance meeting. I took the opportunity to see some of Victoria's only onshore gas wells. I was appalled by the state in which I saw the wells: large and rusty, one bordered by a large evaporation pond lined with ripped plastic. Had this pond contained produced water, it would have been at significant risk of contaminating the surrounding soil due to the poor state of the pond, and it could have been drunk by local wildlife since it was not fenced off. One gas well allegedly caused a fire when Lakes Oil allegedly vented the well during a fire ban day, caused a small bushfire, and failed to have the appropriate ball bearing to tow the necessary water truck. The fire brigade was reportedly called upon to put out the fire. Some citizens expressed concern that produced water pools may be located near flood-prone areas, risking widespread land contamination with industrial chemicals. Lakes Oil's allegedly poor track record maintaining Seaspray's gas wells does not bode well for the industry.

3. The coexistence of onshore unconventional gas activities with existing land and water uses, including —

(a) Agricultural production and domestic and export market requirements;

(b) The legal rights of property owners and the impact on property values; and

(c) Any implications for local and regional development, investment and jobs;

The unconventional gas industry proposes to start up shop in areas of Victoria already populated and of significant agricultural importance. I put primary importance on Victoria's agricultural industry because:

⁷ USA EPA study <http://cfpub.epa.gov/ncea/hfstudy/recordisplay.cfm?deid=244651>

⁸ USGS studies: <http://library.seg.org/doi/abs/10.1190/tle34060618.1>,
https://profile.usgs.gov/myscience/upload_folder/ci2015Jun1814143055600Weingarten_etal.pdf

- a) It is a long term employer of a large workforce,
- b) It is a long standing industry both for domestic and export markets,
- c) It is important to ensure local food security for national security, and
- d) Its produce is delicious!

Our agriculture industry requires large amounts of water. Given droughts and future potential increased demand from a larger population, it is important to secure Australia's water resources and to use these resources wisely. Wasting millions of litres of our water on a short-term industry is short sighted and unsustainable. It is uncontested that produced water from fracking is contaminated and unpotable.

The agriculture industry would be disturbed by the unconventional gas industry by the imposition of access roads, well pads, compression stations, pipelines, and evaporation ponds on agricultural properties. Roads will be under greater pressure as hundreds of trucks thunder around carrying water (which I desperately wish we could put to better use on our property), building materials, and industrial chemicals.

The Australia Institute has demonstrated that APPEA's claims regarding job production are deeply misleading: APPEA claims estimated production of 100,000 additional jobs by the natural gas industry in 2012 whereas the ABS records 5,400 additional jobs were produced in the oil and gas industry.⁹

In Western Victoria, the Surf Coast and Otways are major tourist attractions and places of great natural beauty. When I was recently in the town of Forrest I was impressed by the development of mountain bike trails, which were very popular (and fun to cycle). Other towns in the area are nurturing small agricultural businesses and tourism. To install commercial gas fields near this area may cause irreparable damage to the natural beauty of the landscape: the very reason people visit.

Finally, I strongly object to any proposed industry which may force landowners to have a gas well on their property without their consent. This is a violation of an individual's right to the enjoyment of their property.

4. The ability of potential onshore unconventional gas resources contributing to the State's overall energy sources including

(a) An ability to provide a competitive source of energy and non energy inputs for Victorian industries;

(b) An affordable energy source for domestic consumers; and

(c) Carbon dioxide emissions from these sources;

As the renewable industry continues to make advances in production efficiency and storage, unconventional gas will become an increasingly

⁹ <http://www.tai.org.au/content/submission-inquiry-unconventional-gas-fracking>, p3

uncompetitive source of energy. If the price of water increases due to the industry, the industry's costs (as well as everyone else's) will escalate.

The unconventional gas industry is reported to produce less carbon dioxide than coal per unit of electricity generated, however the committee should consider the other greenhouse gas produced by the industry: methane. As a gas the IPCC reports is 21 times more potent than carbon dioxide, fugitive emissions are a major issue with this industry. The Victorian Parliamentary Research Paper¹⁰ cites a NSW Parliamentary Inquiry: "it is impossible to reach a definitive conclusion...it likely that *at worst* the greenhouse gas emissions produced from coal seam gas would be equal to those produced by coal."¹¹ That is indeed a sobering finding. If we want to take serious action to prevent the risk of major climate change this century, we cannot open the door to a new industry which pumps yet more greenhouse gases into the atmosphere.

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

(a) further scientific work to inform the effective regulation of an onshore unconventional gas industry, including the role of industry and government, particularly in relation to rigorous monitoring and enforcement, and the effectiveness of impact mitigation responses; and

(b) performance standards for managing environmental and health risks, including water quality, air quality, chemical use, waste disposal, land contamination and geotechnical stability;

Despite regulation, countless disasters have mired the unconventional gas industry's relatively short history. Some examples include:

- a) Pilliga forest contamination by Santos operations¹²
- b) AGL dumped CSG water dumped in Newcastle sewerage system¹³
- c) Texas gas well explosion¹⁴

I believe that no level of regulation can ensure absolutely safety and protect Victoria from the threat this industry poses. I reiterate my above point that thorough regulation would unjustifiably cost the government an enormous amount of money.

¹⁰ <http://www.parliament.vic.gov.au/publications/research-papers/8927-unconventional-gas-coal-seam-gas-shale-gas-and-tight-gas>

¹¹ <http://www.parliament.vic.gov.au/publications/research-papers/8927-unconventional-gas-coal-seam-gas-shale-gas-and-tight-gas>

¹² <http://www.smh.com.au/nsw/santos-pilliga-project-coal-seam-gas-waste-water-spillage-causes-alarm-20140328-35ong.html>

¹³ <http://www.abc.net.au/news/2014-12-19/company-fined-for-dumping-csg-fracking-water-from-agl-site-in-n/5978776>

¹⁴ <http://insideclimatenews.org/news/21052015/well-explosion-douses-karnes-texas-neighborhood-already-weary-fracking>

Conclusion

A prudent, forward thinking government would not allow this industry to proceed in Victoria. It would recognize that this potentially explosively dangerous industry requires such high levels of regulation that it would place an enormous burden on the taxpayer, and that even with regulation, we have no guarantee of safety and no idea what impact these wells may have in years to come. To play an experiment with the Victorian agricultural landscape is a rash and foolish choice. A fair government would also recognize the incredible injustice of people being unable to veto a gas well on their very own property.

Thank you for considering my submission,

Brigit Skilbeck