

TRANSCRIPT

STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

Inquiry into unconventional gas in Victoria

Torquay — 13 August 2015

Members

Mr David Davis — Chair

Ms Harriet Shing — Deputy Chair

Ms Melina Bath

Mr Richard Dalla-Riva

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Witnesses

Mrs Carol McGregor (affirmed), President,

Mr Peter McGregor (sworn),

Ms Joan Lindros (affirmed), Wurdale Landcare Group.

The CHAIR — Carol, are you speaking first? I will ask you to briefly outline the Landcare group's view. Then we will ask questions.

Mrs McGREGOR — Thank you for the opportunity for us to speak today. I am the president of the Wurdale Landcare Group, and with me I have Peter McGregor and Joan Lindros, who are members of our Wurdale Landcare Group. We also had Daryl Hoffman who wanted to speak, but unfortunately he needed to go a committee that he sits on in [inaudible], so I will actually be doing a bit of speaking on his behalf as well.

I have handouts that I will probably want to hand out as well. Along with environment and agriculture, the Wurdale Landcare Group sees water as the most important resource in our region. The water supply for the Surf Coast shire, the City of Greater Geelong, Golden Plains and Colac all rely on this water source. The handouts I am sending around to you are maps showing the Barwon Water pipeline with an overlay of PEP 163 and a groundwater map for the region as well, also showing an overlay with PEP 163.

The extensive water supply network that runs through our region has a number of assets with potential vulnerabilities to contamination or destruction from unconventional gas exploration, extraction, transmission, water use and waste product control. These assets include: all surface catchments within the Surf Coast and adjacent shires; extensive groundwater catchment and aquifer resources at Barwon Downs and Anglesea; extensive open channel transmission infrastructure, which is vulnerable to seepage or leakage contamination and disruption; very large areas of shallow water storage at Wurdee Boluc Reservoir, which receives groundwater inflow from an extensive area; and also water pipeline infrastructure.

In addition, unconventional gas exploration and extraction should be excluded from the proximity of all known geological fault lines, some of which are adjacent to the above access and indicated on another map that unfortunately I could not get printed. There appears to be no adequate insurance available against the consequences, both immediate and long term, of water contamination or water transmission disruption which could affect this large, vital urban and regional water resource and infrastructure.

Gas companies are working on a relatively short-term — say, 10 to 12-year — exploitation and quick returns for a short-term duration, and it is not likely to be a long-term contributor to our region, as water does for generations to come. There is absolutely no community confidence that unconventional gas exploration and extraction can safely coexist with our community's water assets. Until future scientific studies can provide an absolute guarantee that the region's water resource is protected from all potential risk of contamination, both immediate and long term, then unconventional gas activity should be excluded from this region.

They were notes that Daryl Hoffman provided, and he is well versed in water storage and the catchments of our area. He is also happy for the committee to follow up with him if needed. I will now hand over to Peter, who is going to speak more in reference to agriculture.

Mr McGREGOR — Thank you for the opportunity to speak today. I am here to speak on agriculture. I have had 15 years experience with beef cattle in the hinterland of the Surf Coast shire, and from time to time we hear that small-time farmers are going to just use cows and sheep to mow grass. We hear that quite a bit down here. I am here to say that that is profoundly untrue. Agriculture in our area is becoming increasingly more valuable.

Firstly, I would like to say that the value of primary production as a whole is led by high global demand and more so by the US markets, where the main drivers are in pasture-fed beef burgers — that is your hamburgers — and they refer to it as chilled grinding beef. Australia produces 4 per cent of the world's beef supply — you can look all this up, but I will just say it anyway — and we are the third largest beef exporter. Of that, Victoria produces almost 20 per cent of beef and veal, so the point I am coming at is that Victoria is predominantly very large in cattle — and sheep and goats also, but I will get to that. I can only speak on my expertise.

Experts in the beef industry are predicting live-weight prices of up to \$3.20 by the end of this year, and there is no chance of that weakening. To put that into perspective, that will equate to a price of \$1000 for a 320 or 350-kilo yearling steer, which is kind of what prices are based on. They call it the eastern young cattle index; you may already know that. Also, good breeding stock — good cattle like good Angus stock and Te Mania and stuff like that — can go for up to \$2000 a head. If you drive down Coombes Road and go up Hendy Main, you

will see a paddock of cows, and you would be looking at \$100 000 worth of stock just sitting there. That is quite common around this area; it is no exaggeration. So it is quite a valuable asset.

Just to say what we are firstly, we are registered primary producers — Carol and myself. We are members of the MLA and breed Limousin-Angus cross milk vealers, and we sell directly to the abattoirs. We run 40 breeding cows, we have calves for 10 months of the year and we are on 200 acres, so we are just one of your small, little plod-alongers that are around the area. We earn a modest taxable income, and we do actually make a profit. Again, people say, 'Oh, you can't make a profit out of 200 acres', but you actually can. Eighty per cent of my income is from farming, and the other 20 per cent I do back up with off-farm activities.

Breeding high-quality livestock does require a fine balance of genetics, pastures, water and land resources. We have a spring-fed dam, and in the dryer months we rely heavily on that not being disturbed by anything. The point I am making here is that we have concerns about the mining — we do not know anything about it — in our area due to the high levels of water required to operate these mines and possible contamination of aquifers due to flowbacks. I have a reference on that, if you want to ask. We believe all this will be a risk to our enterprise remaining successful and viable.

In summary, agriculture in our area is becoming increasingly more economically viable due to strong market indicators, and also we are in a high-rainfall area with good soils and good holding capacity which can keep up sustainable production of meat and livestock in each year. When at other times you see central parts of Queensland and northern New South Wales enduring months and years of drought, Victoria can keep this flow of production happening. Why would you want to risk it? I have references to back up what I have said.

The CHAIR — Did you want to say something, Carol?

Mrs McGREGOR — I know we have just given two snapshots there of the Wurdale Landcare Group's view, and of course there are other environmental concerns that the group has. What I just want to finish with is that in all I do not believe that a comparison has been made between the values that water, agriculture, the environment and tourism all provide to this area as compared to the value that unconventional gas exploration and extraction has. If we look at long-term sustainable value and outcomes for unconventional gas exploration and extraction in this region, I do not think it will add up. I do not think it can stack up against the value we have in tourism, agriculture and the environment. We can look at alternative energy sources, but we cannot look at alternatives to water and to food. Thank you.

The CHAIR — Thank you. I am appreciative. Did you want to say something, Joan?

Ms LINDROS — I would like to say a few words because I have been involved with the environment groups and environment issues and a lot of people over a long time. I can just say that — —

The CHAIR — I can vouch for that.

Ms LINDROS — That is right, especially in the Otways. I can vouch for the fact that there are many, many thousands of people who are really concerned about this proposal. It seems to me and others that there is no compensation that could be given to a landowner. I would not take any amount of money for my piece of land and bushland, because once it is gone and it is used once, then it is spoilt.

I think the damage to the local community will be that they will be fractured. The communities are really successful because they work together and help each other. I think to bring fracking into any of these areas will be a huge loss.

I would like to point out that this morning there was mention that Geelong gets most of its water from surface water. I do not know the figures — I could have looked them up — but that is not quite correct.

I would also like to say that there are big vegetable-producing projects in the line. One of them, between Geelong and Ballarat, is going to use the same amount of water as Geelong currently uses altogether. To think that we will have excess water without really knowing the capacity of the aquifers — because I know you could not ever know exactly what is there — it seems that any risk to both the quantity of water and particularly the quality — —

I do wonder, with the disposal of wastewater, if there are wastewater ponds to evaporate the water, if anybody has thought about the effect on the birdlife and the wildlife that would perhaps be using it and thinking that water was usable? Do we want our land to have big pools of poisoned water waiting to evaporate? I do not think so. I think that is an environmental problem that has not even been properly looked at.

I think a social problem is that we do not have the right to say no. I believe that if you have some land which you are caring for — adequately farming or using it for community education or school education, which some of the land in the Wurdale area in the Otways is for, and it is really important for schools from all around Victoria which come to this area for their outdoor education — —

I think that is a use that is perhaps — it is not hard to quantify, because it is there — not considered. I think the intrusion of the wells — the extra roads, the trucks, the dust and the air pollution which will come from the mines, all those things — are costs that have not been looked at. It is probably hard to say, ‘This is worth so many dollars’. I feel sorry that generations have looked after sometimes the same piece of land and cared for it and are expecting — as I expect with my piece of land — that the next generation will care for and use it. If it was fracked and mined, it really would not be useful for the next lot of use, and it is only very short term. I think environmental monitoring is talked about — if we have the mine, we will be monitored afterwards — but that is too late. I think the precautionary principle should be there — let us not have them, and let us make the most of the farming land.

There is international research at the moment about the amount of foods that will be needed in the next 20, 60 years. This research discovered, or has put out, that the quantity of food that comes from niche farmers and small farmers — this is on a worldwide basis — is going to be the source of food that feeds the huge populations we will eventually have.

I think that is perhaps about all I need to say. Carol and Peter have talked about the water, which is probably one of the most valuable resources we have, and next is the farming, of course. Maybe it is going to be another cost to the people who use gas as the prices rise and we export more and line the pockets of the mining people. I will not say any more, but environmentally I think it would be absolutely disastrous for a magnificent area like the Otways or any of the areas around here, the Bellarine Peninsula, to invite this industry to come to it. I think Victoria really should say no and look at other sources of energy, and there are plenty we could develop. I will not say any more.

The CHAIR — Thank you for the submission by the three of you. I have one question. It is a lateral question to which you may not know the answer, and that is fine. Does the Landcare group engage with the catchment management authority, and in doing so, does the catchment management authority have any views that you are aware of on these matters?

Mrs McGREGOR — The Wurdale Landcare Group is actually one of several Landcare groups that are under the umbrella of the Upper Barwon Landcare Network. That is funded through the CCMA. What was the second half of your question?

The CHAIR — And the views of the CMA and whether they have engaged with this matter?

Mrs McGREGOR — That I could not answer. I would not know.

The CHAIR — Okay, we will follow that up.

Mr LEANE — Thank you very much. Due to your submission being very similar to a lot of submissions we have had in the last two days, I think I have used up all my questions. But I thank you for not questioning the extent of the affection we have towards our immediate family due to our occupation. That was questioned by a previous submitter, so thank you.

Ms LINDROS — Actually I think you have probably answered that to us because they have obviously shown a lot of interest in the issues that we — not just us, this group, but others — have brought up. I personally thought that was very pleasing.

Ms DUNN — I am probably similar to Shaun. We have asked a lot of questions over these last couple of days. The question I do have for you is in terms of the Wurdale Landcare Group, just to get an idea of the local

context: how long have you been around, how many members do you have and what does your membership comprise of — farmers, others, mixed?

Mrs McGREGOR — The Wurdale Landcare Group has been in operation since about 1987. It was one of the first Landcare groups to start up in the area, along with the Barwon River Care Group. Our membership is, I think, currently around 20 families. It is a very active group that is involved in a lot of weed control and pasture improvement. Our property in particular has been showcased on several occasions for the quality of soil improvement and sustainable farming practices that we do.

In terms of engagement with community, we run regular forums that invite the community to be involved. We have one coming up on bees and the importance of bees in the world. It is a very active group. In terms of membership, it is a very broad variety group. Some people are very strongly environmental — as you know, Joan is — and some people are very strongly agricultural, like Peter is, but we all work very well together. It means that we all have a very good understanding of different perspectives.

Ms DUNN — That is great. Thank you, Carol, Peter and Joan for your submission.

Ms BATH — And Joan, just for the record, as a whole we care about water a lot as well. We acknowledge that on the driest continent in the world water is very important to agriculture and to human beings. With respect to yourself, Peter, being on the land, my understanding is that, if a mine was to go in, there is infrastructure that relates to that mine — road access and fences and the like. Have you contacted or sought to look at other people in other places — maybe in the northern parts of our country — for the impact on farmers? Have you had any conversations around that or done any reading around impact on their farms of this infrastructure?

Mr McGREGOR — I have not as such personally spoken to people; I go off what I see on the TV and through the media. I just know that a typical tight gas operation could involve 1000 wells, so what sort of infrastructure is that going to take to operate? It would be mind-blowing, I would imagine. I can only speak of what I get through the media, not from speaking to people personally. I hope that answers your question.

Ms BATH — Yes. It is a big topic, isn't it? The other question is: I have been speaking with people down at Longford in Gippsland, and there is a variety of views. There are a lot of views against this, as we have heard today as well. There was, prior to the moratorium, some drilling down there, and some excess water — some produced water — was delivered and then refined. One of the farmers used that water to grow potatoes, and they were, for want of a better word, produced well, healthy and the like. I am just putting it out there that I have spoken to a lot of people who were against it, but there was a farmer who said that he grew potatoes in that zone.

Mr McGREGOR — That may be, yes, but anyone can download stuff off the internet. It is all there with shale and tight gas: it uses large amounts of chemicals. What are those chemicals? What are they doing? What is the long-term effect they are going to have? That farmer may very well have grown some successful potatoes and vegetables and what have you, but what is coming up down the track? That is the big question, and that is pretty much where I am coming from.

Also, just to reinforce Joan's argument about the water and the competition with the water, in that instance that you mentioned he may be getting extra water, but I see it the other way. I see it as competition drawing on groundwater that is usable and in good condition at the moment. When you start disturbing that, what is going to happen? That is an issue for me.

Ms BATH — I appreciate your comments.

Mr McGREGOR — Because I know we have everything working now; we do not want to muck it up, if you know what I mean.

Mr DALLA-RIVA — Peter, this is probably more directed towards you. In respect of your concerns, do you understand whether the MLA has made any representations?

Mr McGREGOR — Possibly not, no. It is a good question, actually.

Mr DALLA-RIVA — In terms of engagement, have you, the Landcare group or anyone associated with the unconventional gas issue met with industry or Lakes Oil, or have you had representation to meet with them?

Mr McGREGOR — Have we? Not really.

Mrs McGREGOR — The only instance I have had was attending the Winchelsea forum, where Lakes Oil did speak on the panel. Not individually one on one, no.

Mr DALLA-RIVA — Have you received any communications or previous — —

Mrs McGREGOR — No communication.

Mr DALLA-RIVA — And is your land particularly covered in PEP 163?

Mrs McGREGOR — Our particular property is outside that space, but two points on that: one is that water does not see delineation and will go way, way beyond that space, and the other thing is that we are sitting here not just, in my eyes, representing Wurdale Landcare Group and our small catchment area, we are representing an example of how important water is and how farming can be successful in that region. We see ourselves as examples of broader things that would be people within that PEP 163 site.

Mr DALLA-RIVA — Joan particularly, have you had any engagement with industry?

Ms LINDROS — No, I have not, I have just read quite a lot of material from Lakes Oil and the companies, but that is what they put out. No, I have not, but I do think that the actual lease area — it is very hard to tell exactly where the boundary is — includes some of the Wurdale area. It also includes a lot of the Bellarine and Otway area. No, I have not personally spoken with any of the industry people.

Mr DALLA-RIVA — In respect of fracking, is it fracking you are opposed to or just coal seam gas in general?

Ms LINDROS — We have had interaction with industry looking to mine coal just south of our area. There is a lot of opposition to that, but that is the only company — I cannot think of their names now — but they left that area. They were actually wanting to mine coal near Deans Marsh. That is the only company I have personally talked with.

Mr RAMSAY — Thank you. It is refreshing to get a submission from a farmer and a Landcare group, and to do it jointly is good and acknowledges the perspective of another group of stakeholders. I just want a clarification: your submission does not actually close the door potentially in the future for unconventional gas exploration, yet it is quite clear in your paper that the risk unknown is too great for you to support. Can I just get clarification on your position on that? So it is not ‘ban onshore gas exploration’, but merely the risks are unknown and too great and could compromise all the things you talked about in relation to your farming and Landcare passions. In the future, where the risks are known and weighted and there is benefit on the triple bottom line, would you support unconventional gas exploration?

Mrs McGREGOR — For me the answer for that is absolutely not, because we should be looking at renewable resources and things that will not impact on watertables, agriculture, tourism, environment. I just think that we are looking in the wrong direction for our energy supply.

Mr McGREGOR — I just see it as competition for the farmer. That is how I see it. No matter how clean and good it is, I still see it as competition for land and water. Down in Victoria we have a very good system happening with livestock and agricultural production, and putting wells and mines and things, however good it is, it is always just going to be another nail in the coffin for agriculture. That is where I come from. Whether it is clean and green — or not so much green; that is the wrong word — whether it is squeaky clean, if you like, it is still competition.

The CHAIR — Thank you, Peter, thank you, Carol, and thank you, Joan, for your submission. We appreciate it very much.

Mrs McGREGOR — Thank you for the opportunity.

Witnesses withdrew.