

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE
Inquiry into greenfields mineral exploration and project development in Victoria

Melbourne — 7 November 2011

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Mr P. Piper, President, Mardan/Mirboo North Landcare Group.

The DEPUTY CHAIR — This is a meeting of the Parliament of Victoria’s Economic Development and Infrastructure Committee. I should begin by noting that Mr Neale Burgess, the Chair, is an unfortunate apology for today, so he sends his regret that he can’t be along. We are expecting Mrs Peulich imminently. We might get under way with these public hearings at the moment.

Can I welcome Mr Phil Piper, president of the Mardan/Mirboo North Landcare Group. Thank you for taking the trouble of both your submission and coming in here today. As you are no doubt well aware, Phil, this is an all-party parliamentary committee and it is hearing evidence today on the Inquiry into greenfields mineral exploration and project development in Victoria, so can I formally welcome you to the hearings of the Committee. I just point out that all the evidence taken at the hearing today is protected by parliamentary privilege, but comments that you may choose to make outside of the hearing are not afforded that privilege. In a minute, we will get you to state your full name and address and state the organisation or the private capacity you are here on behalf of. In due course, after the evidence, you will get a copy of the draft of the evidence that you have given. Whilst it is able to be tidied up, the substance obviously can’t be changed.

So we might get under way, Phil, and perhaps ask you to state for the record your full name and address.

Mr PIPER — It’s Phil Piper, 165 St Ellens Road, Mirboo North.

The DEPUTY CHAIR — Phil, could you tell us if you are attending here in a private capacity or representing an organisation and what that organisation might be?

Mr PIPER — I’m representing the Mardan/Mirboo North Landcare Group.

The DEPUTY CHAIR — What is your position in that organisation, Phil?

Mr PIPER — President.

The DEPUTY CHAIR — Subject to the evidence being taken down in due course being public, what we might do is perhaps ask you to speak to your submission, which you were kind enough to forward to us and which we have had a good look at, and then we’ll take a bit of a discussion after that. In theory, we have until 10:15, so if you could speak to your submission and then we will ask you a few questions about the terms of reference and see how we go. How does that sound?

Mr PIPER — Good. So do I sort of read it out?

The DEPUTY CHAIR — No, we’ve had a good read of it. Maybe just tell us what you think are the key points, so we then have them on the record.

Mr PIPER — I guess the key point is the lack of information about new mining exploration leases. I had sort of a personal experience there where I got a phone call from, I think Royce Millar from The Age, who rang me up one day and sort of said he wanted my comments about the granting of the mining lease over my property in Mirboo North, and I had no idea what he was talking about. So that’s sort of how it all started.

I live in Mirboo North, which is a long way from Warragul and it’s a long way from Morwell. The mining company in question was Mantle Mining and they put ads in the Warragul & Drouin Gazette and the Latrobe Valley something or other — it was a Morwell-based paper which is over in the Latrobe Valley, which is sort of half an hour’s drive from where I live — and the other ad was in The Age. I might add that I actually eventually got copies of the ads through a guy at the EDO, who did a bit of research, and I’ve got copies of them and the ads are pretty obscure. In The Age — I don’t know what page it is, but it’s some little ad stuck right up in the corner. In the other papers, it was some little ad somewhere which, to my way of thinking, it’s pretty silly really because for a start, I read The Age occasionally but not every day and I certainly don’t read papers outside my area and even if it was in the local paper, you don’t always get the local paper either.

I think I have used in my submission the analogy that if the power is going to go out for a number of hours, the power company will sort of write you a personal letter and let you know what is happening. Something like that, with the potential to actually basically destroy my property, I don’t get personally notified, it’s just an obscure ad in a paper that is totally outside the area that I live in. So that was mine and our landcare group’s main care, the lack of notice when these ads go in the papers.

The DEPUTY CHAIR — How has the actual process gone from there from Mantle Mining? So The Age has alerted you to it, and what has subsequently happened?

Mr PIPER — Basically, if I hadn't have had a phone call from the guy at The Age, that exploration lease would have gone through without anybody knowing, basically, in the area. It seems to me — seeing I'm allowed to say anything I want to — that this is deliberately done so that these exploration leases can be put in without basically anyone knowing. It's sort of pretty underhanded and pretty sneaky, really. I guess basically that is my main concern.

The second concern is that in our landcare group, we have a number of farmers and I have a small property myself and basically the area around where I live is prime agricultural land, which to me is pretty important. It just seems that when I actually did some research, practically the whole area around South Gippsland is under mining exploration leases at this stage and the particular lease over my property is for coal seam gas and brown and black coal extraction. But the coal seam gas thing was the first thing I noticed on the application.

Say if they did discover brown coal, I know right through that area there is brown coal and I would imagine where my property is, it would be fairly deep. So if there is coal seam gas there, they wouldn't open-cut that because of the fact that brown coal has a high water content and it can't be mined normally, it can only be open-cut. So if you open-cut something on an agricultural area of land, obviously you are going to lose that land and then there are also the other problems with dust, et cetera, and a lot other things that go into the atmosphere when that sort of mining is done.

Failing that, because the seam is quite deep, they could use fracking for the coal seam gas. Then again, I'm not really very happy about that either because you're drilling down for anything up to a kilometre and pumping water and sand and a few chemicals underground and then they have to take out an enormous amount of groundwater before they can actually get to the gas. So that is obviously going to do things with the groundwater that is about and because different gases and that are released when the seams are fractured, that can seep out and who knows, if it's a kilometre underground, where that is going to go.

I guess what I'm trying to say is if that sort of pollution gets into the groundwater, ultimately at the end of the day it's going to affect the agricultural land. I think I was reading somewhere where they said that if you are on agricultural land, they would do an analysis about — I think it's worked on the dollar value, the value of the land that the agricultural produce is on and the value of whatever they extract. I really can't understand that either because what value do you put on land that grows food for our survival? Do you put a value on it for over the next 10 years, 20, 100 years, 300 years, whatever, I don't know? Once the mineral is extracted, that's the end of it. So I don't quite know how that works.

I guess our main concern in that area is that this is prime agricultural land. The potatoes and the dairy products that are grown in our area eventually get down and they feed a lot of people down here, I guess, in Melbourne. It just seems to me to be pretty silly, really, that they can go and take this good land and basically destroy it for a short-term gain.

I guess then the other thing, too, is that we are talking about brown coal which, as far as using it for the production of electricity, is one of the most polluting and environmentally unfriendly things that we can probably do, I would imagine. I did actually do a bit of research last night about coal for electricity generation and there are some very interesting figures here. There was a report put by the Australian Academy of Technological Sciences and Engineering in March 2009 called *The Hidden Cost of Electricity* and it's just basically saying that when we are looking at the cost of producing electricity using brown coal, they're not really looking at the full cost. These people are combining the greenhouse and the health damage cost and they basically say that for every megawatt hour of electricity produced by brown coal, the cost is \$52. So that works out, on an annual basis, at \$2.6 billion.

Similar tests have been done in America. The American Economic Review, the Environmental Accounting For Pollution in the USA Economy, and the same thing there: using brown coal to produce electricity costs America roughly \$53 billion per annum. So with all this information and these figures, it just seems to me that the best thing we could do would be to just leave the coal in the ground. And at the end of the day, as far as the agricultural land goes, you can't eat coal, can you. So I guess that is the basis of our concerns.

The DEPUTY CHAIR — Fair enough. That's great, Phil. Can I introduce Mrs Peulich, who has joined us.

Mrs PEULICH — My apologies.

The DEPUTY CHAIR — What we might do is launch into the questions and drag out a few themes of what you said.

If I was right in both reading the submission and listening there, the key themes of concern seem to be around the consultation, or the lack of it, regarding the minerals exploration licence process, the issues around agricultural land use and food security as competing issues for mineral exploration, and the broader issue of where does brown coal and the whole issue of energy security and climate change in Australia fit with regard to [inaudible]. They fit nicely within the broad terms of reference the Committee has, but I might just lead off and say: how would you see a better consultation process applying so that communities were more involved rather than having to get a phone call from The Age?

Mr PIPER — A letter would be nice.

The DEPUTY CHAIR — How would you see that working, what would a model be? If there were to be a better model, what would it look like?

Mr PIPER — To me, why can't the mining companies do what the power companies do, just send you a letter and point out their intentions and maybe the benefits or the non-benefits to the landholders.

The DEPUTY CHAIR — Have you actually seen Mantle Mining or has there been any consultation with Mantle Mining in the process since then? Have they shown up anywhere in the region under their mining exploration area?

Mr PIPER — No, I haven't heard anything from them.

The DEPUTY CHAIR — We might throw it open to a few others.

Mr SHAW — Geoff Shaw is my name, Phil. Are there areas around Mirboo that are — I know it's quite an agricultural area — are there areas around Mirboo that you would think, 'Okay, that's not part of the agricultural area, that will be okay for a mine', if the miners decide, 'Yes, we want that', or do you think Mirboo is off limits altogether?

Mr PIPER — I think the whole of South Gippsland is off limits because they've got all the open cuts and things over in the Valley. In an earlier life, I used to drive a garbage truck over in Morwell — this was back in the days where they had what they call lumpers, that you would have a guy on each side of the truck that throws the rubbish in — and I remember going up some streets and the guys were saying, 'Do you realise that there are no men in this street?' They were miners that had worked in the mine and in the open cut. I had actually forgotten about that, but you sort of wonder about the health — not the health benefits — what happens to people's health when they're living around an open cut area. Obviously these figures that I just quoted about these couple of organisations that have actually factored in all the costs, including the health cost, I think there are a lot there that people aren't talking about.

Mr SHAW — So you would like to see no mining around the Mirboo-South Gippsland area?

Mr PIPER — Definitely, yes.

Mr SHAW — Just a question on your submission, that you want to restore native vegetation.

Mr PIPER — Yes, we do a lot of revegetation.

Mr SHAW — How does that work? When a lot of it is farming land, how does that work?

Mr PIPER — A lot of the farmers in our group put quite a bit of the area of their farm aside for revegetation; you're talking about gullies and steep hillsides and stuff like that. They might lose a little bit of land, but they reap all the benefits.

Mr SHAW — It's probably not used for farming anyway, those areas.

Mr PIPER — No. But there again, you couldn't mine those because then you're losing the benefits of those areas. We revegetate for a reason. That whole area through there used to be light temperate rainforest, and in Victoria I think we've got about 1 per cent of our native forest left. So we're just trying to even up the balance a bit there.

Mr NOONAN — Thanks Phil, for your submission and for coming along today. I was interested in the part of your submission where you talked about your concerns regarding the fracking process and indeed the impacts. You've spoken of those today and you suggest in your written submission that this would surely contravene the Environment Protection Act and State Environment Protection Policy. I just wondered whether you have sought any advice in relation to that or has anyone from your group or have you contacted the EPA to get some advice about that, because clearly you have referenced the Act so you have probably gone to some effort to try and understand that?

Mr PIPER — I did have a discussion with the local EPA person for the area and they basically said that if there was going to be any water pollution like that, they wouldn't allow it. The strange thing is, then I start thinking: hang on, the EPA said they wouldn't allow these activities and yet the Government, this government, has approved an exploration permit which clearly states coal seam methane. To me, it sounds like the Government can overrule the EPA, if they want to. Otherwise, why would they grant that exploration lease?

Mr NOONAN — Did you put that as a proposition to the EPA officer you spoke to?

Mr PIPER — No, I talked to her about fracking and she said there's no way known that they would allow that.

Mr NOONAN — That's interesting, we might follow that through. Just in relation to Mr Shaw's question, and one that is presented to us on a reasonably regular basis, this almost contest for the use of land between essentially a farmer for agricultural purposes and a mining company.

In doing some reading in advance of today, we will hear from a miner who is looking at a very big mine out in the other side of the State, out at Douglas — it's a mineral sands mine and they talk about the economic effects of that over agricultural production for land and talk about essentially how such an operation will generate 75 direct jobs, 238 indirect jobs, will essentially generate \$1.8 million per annum in royalties for government, how it will diversify the local economy and reduce dependence essentially on the use of the land for a local community. Then they also go to the extent of talking about how the production over 25 years against the losses to the agricultural area in terms of cropping and grazing are predicted to ensure that mining activities for the 25 years over and above the wealth generated from agricultural activities will be really substantial. This is the case that is put by miners. It is a very strong and clear economic case. How do you respond to that, because mineral sands mining might be viewed very differently by the Committee than mining associated with coal seam gas?

Mr PIPER — Is that area prime agricultural land?

Mr NOONAN — What is prime agricultural area?

The DEPUTY CHAIR — The locals would say it is. It's district around Dunkeld and surrounds out that way, so dry land farming, lots of prime value beef and lamb, a lot of cropping as well.

Mr PIPER — I don't know. You were just saying that they have done the values up to 25 years. I mean, if it's going to be good producing land, that is what I was saying, it's going to produce for more than 25 years, isn't it?

Mr NOONAN — The suggestion here is that, given the type of mining, the area can be rehabilitated, and indeed this committee has had the opportunity to travel out to regional Victoria and see firsthand the activities of the mineral sands mine as opposed to the sort of mining you're referring to. I suppose in reference to your response to Mr Shaw, in terms of your view that all mining is perhaps not appropriate, given the prime agricultural land that you refer to — —

Mr PIPER — No, actually I'm talking specifically about coal mining, because that is the type of mining that affects our area.

Mr NOONAN — Perhaps I misheard your answer to Mr Shaw. I thought you had referred to all mining.

Mr PIPER — Sorry, all coal mining.

Mr NOONAN — So you can conceivably see that there may be other opportunities within the region for other types of mining, for example, mineral sands mining?

Mr PIPER — Yes, maybe.

The DEPUTY CHAIR — Fracking in particular, do you draw a distinction between brown coal and fracking?

Mr PIPER — I think it's six of one and half a dozen of the other, really, they're both just as destructive in their own way. Of course, the other thing is that as far as the extraction of brown coal or even the methane gas for the generation of electricity, to me all that is pretty stupid because I thought we were trying to reduce greenhouse gases and even the coal seam gas, it's still a lot better than the brown coal or black coal, I think it's 70 per cent less polluting than brown coal and 50 per cent less polluting than black coal, but it still does pollute. Whereas if you go to alternatives — like solar, wind, wave, thermal, whatever — there is hardly any pollution that comes from them at all in each respect. To me, the Government is pouring billions of dollars into this clean coal technology and to date very little has been done about it but a lot of money has been spent. If all that money had been spent on clean, renewable types of energies, we would probably be 50 per cent dependent on that rather than dependent on coal for our electricity needs.

The DEPUTY CHAIR — Phil, if you had the opportunity to speak to Mantle Mining, what issues would you put to them?

Mr PIPER — I think I'd tell them to go away.

The DEPUTY CHAIR — After you said that. Because they have now, as I understand it from the evidence, a broad exploration licence and we have had evidence that suggests that perhaps 1 in 300 or 1 in 400 exploration licences actually come to a project, so there are issues there. There is a lot to go between an exploration licence being granted on a tenement through to a project being delivered and there are all the issues you spoke about, competing land use, competing views as to where highest value of different land is, what constitutes value — all sorts of really significant issues there. One of the key themes that seems to be emerging is lots of communities feeling disempowered by the process. So if one of the issues that we can address is how the process works, understanding the relationship between the communities where the tenements are being granted and the applicants, how that might work, is an issue of some significance to the Committee. So if the boss for Mantle Mining were here, what concern would you raise?

Mr PIPER — If the boss from Mantle Mining were here, to me that's a bit irrelevant because it is the process, isn't it? He would say to me, 'We're following the rules and regulations', which they are, and I'm saying to you that the rules and regulations are totally inadequate because the way that they advertise it is totally covert. I can't see that any other industry, apart from mining, would be allowed to do that sort of thing. I know that there is an awful lot of coal under the ground and there's an awful lot of money involved and that seems to override anything else, really, it's that bottom line all the time.

Mr NOONAN — Just returning to the theme that I was pursuing before: how would you define prime agricultural land?

Mr PIPER — Land that is highly productive in the production of food.

Mr NOONAN — Specifically food as opposed to grazing, for example?

Mr PIPER — Well, isn't that food?

The DEPUTY CHAIR — At the end of the day, it ends up on your plate.

Mr PIPER — It does, yes. The thing is that we all need food to eat in one way or the other.

Mrs PEULICH — Preferably cooked.

Mr PIPER — Preferably cooked.

Mr NOONAN — This is like an early version of MasterChef here on a Monday morning.

Mr PIPER — I suppose it's a worldwide thing where we've gone a bit crazy over money, we're putting money sort of ahead of a lot of other things and one of them is our own survival.

Mr NOONAN — In the case that Mr Foley referred to, where an exploration licence were to lead to an application for a full licence, then you have a situation where compensation arrangements can be negotiated for landholders, including the sale of land or leasing of land, those that you network with through your group, how many of those within your group would be interested in essentially negotiating compensation agreements, or do you think they are steadfastly resolute to stay?

Mr PIPER — Yes, they would definitely stay. I mean, a lot of them have been on that land for generations, it's their income and it's their life. If someone was going to give them a heap of money, they would rather stay than sell up, definitely.

The other thing — you do seem to know a bit about that — there's a handbook that they put out for landholders and they sort of say, as you said, arrangements can be made through compensation and that. So if they come to me and say, 'We have discovered coal and gas or whatever on your property and we want to make an arrangement', and I say no, where does it go from there?

The DEPUTY CHAIR — There is a process and it can end up in VCAT.

Mr PIPER — It goes to VCAT, yes. Can VCAT overturn the fact that I'm saying, 'No, you can't come on to my land'?

The DEPUTY CHAIR — This is an area that is yet to actually be tested. No-one has gone that far, Phil, so you might be ground-breaking if you push it that far.

Mr PIPER — I'm just wondering what rights you do have.

The DEPUTY CHAIR — Can I ask a different line of questioning. You indicated that you had some dealings with the Department of Primary Industries and they provided you with material. As the regulator of this area, how have you found your dealings with the Department of Primary Industries?

Mr PIPER — Obtuse.

The DEPUTY CHAIR — Would you like to expand a bit?

Mr PIPER — Have you tried navigating around the DPI website?

The DEPUTY CHAIR — Yes, and it wasn't the easiest thing, I'll grant you.

Mr PIPER — It was?

The DEPUTY CHAIR — No, it wasn't.

Mr PIPER — Yes, exactly. I was quoting things here about their landholder information on fracking and that. I went to sort of have another look at it last night and it was totally changed. So it keeps changing as well.

Mrs PEULICH — It's called the Internet.

Mr PIPER — But there are things in that that I've quoted here and I thought, 'I'll print them out and bring them just in case I need them', but it wasn't there.

Mrs PEULICH — It's always a good idea to print things when you see them.

Mr PIPER — Yes.

Mrs PEULICH — At the same time, I peruse all government websites on a regular basis, both from government and opposition, and they are all equally as obtuse and unhelpful, let me tell you.

Mr PIPER — I'm just a person, just an ordinary person. Why do they make it so difficult for the general public to find out what they're doing and what's going on?

Mrs PEULICH — I'm not sure that it is often deliberate. When people draw things to their attention, I would imagine the onus is upon them to remedy something that is not user-friendly as much as they possibly can.

The DEPUTY CHAIR — It would depend on who they see as their audience, too, that seems to be an issue. Have you contacted the DPI through this process, other than on the web, and spoken to any of their officers about the process?

Mr PIPER — Yes, I was corresponding with an officer for a while and he was quite helpful. Basically they just kept referring me back to the different handbooks, and that's about it. I wrote to the DPI wanting to know what their stance was basically on fracking and after a number of emails and probably about six months of time going by, I sort of got some answers and they basically said — actually, it's funny because they said to me that they couldn't answer it and to refer it to the Premier's Department. Then the Premier's Department put me back somewhere else and I eventually got an answer just recently, and they also said I could go to the feds as well, which I did. They basically said, 'Federally, we don't have policies, it's just up to the states, basically'. Then they pointed out what a great job the Queensland Government were doing with their sort of fracking and what is happening up there. I must be hearing other information on what they reckon, because it sounds like there are quite a few problems and there're a lot of people getting very upset, but the Federal Government doesn't think so.

Mr NOONAN — When was that correspondence to the Government made, was it sort of in the last six months or a couple of years ago?

Mr PIPER — No, it was only about five or six months ago when it happened, because I totally wasn't interested until I got that call from The Age.

Mr NOONAN — So you're not clear about what the Government's position on fracking is, from the correspondence you have received?

Mr PIPER — I am now, yes. I'm assuming that their position is what they put in the handbook and, interestingly, it says there that if you don't want them to come onto your property, you have the right to say no. That's why I was asking you about what happens if it goes to VCAT or something and gets overturned. To me, basically that is not exactly true when they say that you've got the right to say no.

The DEPUTY CHAIR — We have heard evidence from people who have told them no, and no has been no sort of thing.

Mr PIPER — Okay, that's comforting.

The DEPUTY CHAIR — Have you seen any evidence of Mantle Mining seeking to take up their rights anywhere in the tenement locally?

Mr PIPER — Not locally, but I have seen what is happening at Bacchus Marsh.

The DEPUTY CHAIR — Any other questions?

Mr SHAW — Not from me.

Mr NOONAN — All good.

The DEPUTY CHAIR — Phil, can we thank you very much for taking the time and trouble of coming in from Mirboo North. You'll receive a copy of the transcript of your evidence in about a fortnight's time. Feel free to make any obvious corrections or edits around issues of style rather than substance. In due course, once

you have done that, it will become public evidence on the record and at some stage in 2012, I'm sure we will get a final copy of the report out to you.

Mr PIPER — Actually, I just might add something.

The DEPUTY CHAIR — Please do.

Mr PIPER — I read where Mantle Mining had some exploration leases down near the Otways somewhere.

The DEPUTY CHAIR — Yes.

Mr PIPER — The public actually must have found out, so obviously someone was on the ball down there, and they had like a bit of a huge public meeting.

The DEPUTY CHAIR — In Colac.

Mr PIPER — Yes. It's interesting that if people know about it, they'll do something about it; but obviously if people don't know about, they can just do what they want. My final comment, thank you.

The DEPUTY CHAIR — Thanks for your time, Phil.

Witness withdrew.