



## ***Teresa Cummings – Hearing Transcript***

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**8 March 2017**

***Knotts Crossing Restaurant, Katherine***

***Speaker: Teresa Cummings***

Teresa Cummings: Indigenous development. NARMCO has been very active in developing and supporting KMSA, because we believe that mining and the gas industry offer many economic and social benefits to indigenous people. There are academic papers that show that indigenous people who are in employment are participating in cultural activities at a greater rate than those in poverty. Providing employment, helping people become financially independent, is one of the best ways that we can support indigenous people in the territory.

One aspect of the moratorium and the prospect of a permanent ban on fracking, as land holders, indigenous people are being disempowered, cut off from the opportunity to decide for themselves, whether they want to take advantage of the many benefits an onshore gas industry will bring. And that's perhaps not a point that's being widely discussed in the community, but certainly for people that we're engaged with, the fact that they've been taken outside of that equation, has been an issue for them.

We work with an indigenous company based in Elliott, which is right next door to the main base, and part of this discussion is for onshore. About 4 or 5 years ago, a young couple were participating in TO consultations with gas exploring companies for their land. They recognised there was going to be a very good opportunity for locals, and they wanted to be a part of that. So they started their company in 2013, 14, to capture these opportunities. They've developed a company that now employs up to 14 people at peak times. They've done this on their own. Often you'll see indigenous people start a business, but they'll leverage off a non-indigenous business. They really haven't done this; it's been off their own back.

But having proved they're reliable, capable, and willing to improve their operational practices to meet the gas industries high standards, they recently began work for Origin, down on site, and are in the process of securing a year round contract. I'm convinced that allowing natural gas industry to develop in the remote areas in the NT will bring many economic and social benefits to indigenous people. There aren't many local opportunities out there. When you start talking about remote regions like Elliot, it's extremely limited, and this will be one industry that will actually have strong potential to overcome that.



Moving across to KMSA conference. It's an annual conference held in Katherine for the past 4 years. More than 100 delegates attend. As mining flatlined around Australia, many regional conferences saw more than 50% decrease in their attendance. There hasn't been a drop in attendance at the Katherine conference, and we'll have another in May this year. There's sound interest in the Katherine region. Some of our local businesses have, and are developing alliances with larger operators to improve their competitiveness, and develop expertise in the gas industry. Many sections of the local business community do want this industry. We've been actively chasing the work, building relationships, we're improving and developing our businesses in readiness, and we know that our town needs this industry.

When you hear that a model employer like Crowhurst only has one apprentice, we need to sit up and take some notice. That's a really sad situation, and while the entire economy is flatlining, and you will be more than aware than I am of the Riding the Next Wave economic report that was produced, probably 18 months ago by one of the leading accountancy firms, I'm just having a mind blank, I think it was KPMG.

Hon. Justice  
Rachel Pepper:

Deloitte.

Teresa Cummings:

Deloitte, thank you, sorry. [inaudible 00:03:57] Any growth in our existing industry is not actually going to provide a long term economic stability. That's 5 of the 6 industries that were profiled in that report are all volatile, and none of them had the strength to actually lead a particularly down economy out of the doldrums. And remember that in Katherine if Darwin is hurting, we absolutely suffer. Having said that we're a bit of a unique economy because we have so many industries in Katherine, that as one industry is cycling down, there is normally enough stability to keep going. But when the territory hurts and Darwin hurts, it has a strong flow on effect, and what you're hearing from Crowhurst Engineering is evidence of that. That report very much supported that the natural gas industry could very well be the one industry that's got real potential to put a floor or strength back into the territory economy.

The next one is natural gas information sessions. In May 2016 in Katherine, a local group of pastoral property owners from the Sturt Plateau Best Practice Group, hosted an industry information session in Katherine. It was well attended and showcased very clear, easy to understand, factual information about the natural gas industry, and fracking in particular. Based on the acute need for this type of information, I agreed on behalf of KMSA, the Chamber of Commerce NT, and the Sturt Plateau group, to put together a series of information sessions in Darwin and Katherine. And in July 2016, we hosted 5 information sessions in Darwin and Palmerston, and a 6th one in Katherine. Approximately 300 people attended.

There's lots that I could say about those sessions, but the consistent take home messages, and the strong feedback from the majority of attendees, "Thanks, I learned a lot. Now that I understand it better, I can't understand what the anti-frackers are on about. They've been very misleading, this industry should go ahead, the NT needs this." So that was the overwhelming



comments, feedback, some of that in emails that came through. But it was very much about, "Gee we didn't understand this, the stuff that we've learned in a public arena with all the hysteria, is nothing like what we've just seen here factually, and now that we understand this, we don't see any real risks", was the type of messages.

Katherine community is being intimidated, or is feeling intimidated. There are many Katherine businesses who rely on local custom and need as much business as they can to achieve financial viability and to survive. They're very reticent to speak up publicly in support of fracking or even speak up neutrally in support of fracking. They are feeling very intimidated, there has been some very vocal people, there has been some personal attacks, and so coming out in support of natural gas industry is not a safe thing to do if you're in business.

As the anti-fracking movement is so vocal, it is well researched, we also quickly heard Annette's comments before that she was sort of feeling that she was getting some personal attacks on the other side. There are people who are supporting fracking who have also been personally attacked, but the spreading of misinformation, a lot of people in the community have got to a point where they just want to stay away from it. So even if you attempted to run some sort of survey, they would not participate at all. There's been too much kerfuffle, and they just don't want to be part of it.

Now this obviously places a challenge for politicians, community leaders, and yourselves, in a fairly difficult position. The anti-fracking movement will have you believe they speak on behalf of the whole community. In my role as a KMSA member, in my role as indigenous business development, as a business operator, and a general member of this community, and having hosted some natural gas information sessions, I'm comfortable this perception is unbalanced. There is a level of support for the natural gas industry. There are people in business community, employees and job seekers who want this industry to go ahead. But they don't want to come out and publicly say it, because to do so risks being confronted or targeted, or in some way made to feel very uncomfortable about that position.

When you've just heard Annette say that there's a thousand people in support of anti-fracking in the Katherine region, there's over 9 thousand people locally, and the greater regions holds up to about 17 to 18 thousand people. So a thousand may be fine, but it's not a clear indication, but as I said, it's a challenge to get a clear indication because so many people just will not reveal their hand publicly.

Regulatory framework. It's understood that resourcing an NT mining industry historically has been under resourced. We have legacy mine issues, we perhaps have a bit of loss of faith in the regulatory environment. But we know that, and clearly can learn from that. There does need to be a strong regulatory team involved, if this industry can go ahead. I would say that that team or part of that team is mandated to be based in Katherine. And that's in part because they're very close to the action. The majority of mining activity doesn't happen in and around Katherine, you've got to travel a long way before you come to your first mine. And whilst it might be that for



public servants and so forth, that living in the capital city is attractive, the reality is that you're doing a job that's out bush, you need to be close to the source.

The other reason for mandating that a team be based in Katherine, is that there will be locals who will be employed. If a local, be it a business service provider or an employee, becomes aware that there is some untoward practice, or some short-cutting going on, they'll have the ability to get that message back to the regulator. Often in a back yard barbecue, off the record, but get that message through. But when those public servants or regulators are travelling by car down the highway, they're not engaging, they're not accessible, they'll miss a lot of that information. But also, by living here and socialising here, a lot of recreational activities, they'll get to know their region much better, they'll get to know the climate, the terrain, what the landscape can cope with, and I think make a much better placed to be a lot more vigilant in their reviews of practices.

I've mentioned under resourcing, and that in reality has been a finance issue, as well as perhaps a bit of a society attitude issue that we're starting to understand that it does need to be better resourced. There should be sufficient royalties funded from this industry that could support a well funded regulatory team. So when a government is getting an independent income stream like this, there is no reason why, again it can't be mandated, that some of those royalties would support a regulatory team, which leaves government with very little excuse to say gee we can't afford it.

High standards. Our company is working closely, this is the company in Elliot, who've been offered a contract by Origin Energy. And reiterating what Geoff Crowhurst said this morning, this company, indigenous company in Elliot, have been put through a very rigorous process to pre-qualify as a contractor. The gas company has been very helpful in supporting them to qualify, but they have not lowered their standards, and they've been quite thorough. Similarly the industry is hosting and paying for drill site induction courses. It's mandatory that you have to have done this course before you can enter on to the drill sites. I understand there's another round of training on offer.

So what we're seeing is an industry and, sorry, I should say that when I did the information sessions, I spent a lot of time with Pangaea team and some local contractors who benefited and had been well engaged with Pangaea. It's clear these companies are willing to engage on a local level. They are willing to help companies get up to speed. They are providing training and in this case they'll provide some equipment to this local company to make sure that they have the safety equipment that's required. So there doesn't appear to be any short-cutting, there isn't any lowering of standards for indigenous people, which is always encouraging.

FIFO. The NT cattle industry relies very heavily on gap year students and backpackers to fund their core labour needs, particularly for low skill roles. They also rely heavily on contract service providers who typically can only provide casual, often sporadic employment for their workers. Similarly the NT tourism industry is seasonal and relies heavily on backpackers to meet



their labour needs. The NT horticulture industry is the same story. With some of their labour being imported into the region more recently, seeing groups of Samoans, Indonesians, Taiwanese workers, is becoming quite common in Katherine. The high use of non-local labour each year in our local industries is a form of FIFO. As a community, it's accepted practice. We don't really even question it anymore.

All of these industries can do much more to engage and develop a local workforce, particularly an indigenous workforce, but for a range of reasons they don't and some of that is because as a community, we've accepted that that's the status quo. But it's now interesting to see that we're placing a different standard of tolerance on the natural gas industry, making FIFO a big issue, when it's been going on in our local industries year after year.

Economic development. The exploration activity to date as seen, as I've already mentioned, seen a range of local businesses being engaged, both in Katherine, Mataranka, and other areas. Transport operators, civil construction operators, environmental companies, accommodation hospitality providers, engineers, and many more types of businesses have already benefited. There have been indigenous people and businesses engaged already, and that a small local indigenous company is now being engaged to undertake work on a fortnightly basis for the next year or so, is a good sign of better things to come.

Some of you are more qualified than I am to understand that access to affordable industry is a significant driver of almost every other industry in the Northern Territory. If a lot of our existing industries could get access to affordable, natural clean energy, their ability to develop and expand is quite considerable. I'm not as well versed to talk about that today, but it's quite interesting. I can't pull figures off the top of my head unfortunately, but there are reports that will show that potential growth in some of our existing industries, including the tourism industry, but particularly the mining industry and some of our manufacturing industries, if they can get affordable gas, we'll see the territory develop quite significantly.

I've already mentioned the seasonal nature of some of the local industries. This creates economic instability; it makes it difficult for many employees to remain in the industry long term. There are limited opportunities to follow a stable career path and progress through the ranks. When you're laid off each year and put back on again to the same position, it makes it pretty challenging.

The natural gas will be a relatively stable industry, operating all year around. Reliable industry forecasts show this industry has a 30 to 60 year life. In reality as technology and industry practices improve, like the existing mining industry where we're going back and reworking brown sites, there's potential that this life could be extended.

The other one that I just want to talk about was the high standards that I've already mentioned, but chemical use. Very few chemicals are benign. I've seen acid from rotting bananas etch into concrete, and yet we feed bananas to babies. However, when you review the chemicals being used and



proposed for use for hydraulic fracturing, for example, those that Origin have published, there doesn't appear to be any chemicals that present an intolerable risk. In Australia we have will to find and regularity processes for transporting, using, storing, and disposing of chemicals.

Also the dilution rates are such that it's difficult to imagine how any chemical used in a fracking solution would cause irreparable damage to a large water table. In any fracking mixture, total chemicals make up between 1 to 3 percent of the total volume of fluid. Chlorine is highly toxic and will send you to a hospital if mishandled. Again diluted, we let babies swim in it. The volumes of water that are being discussed in our water tables, and the annual flows, would suggest that it's, as I said, it's difficult to imagine that there would be irreparable damage.

I'm aware that there's risks that there may be toxic chemicals in the rocks below the surface. When brought up to the surface, the fluid mixture will be captured and lined in bung ponds. The fluids will be analysed, treated on site if practical to do so, and if not the fluids transported to and accredited, regulated water cleaning facility, and again Geoff mentioned that. For these reasons I'm quite comfortable, and when we go out and talk with our indigenous clients and share this information with them, we're quite comfortable that the chemical handling regulations and industry practices in Australia are entrenched enough to address any potential risks that might apply to chemical usage in this industry.

Hon. Justice  
Rachel Pepper:

Thank you very much Miss Cummings. I noticed you were reading from a document, are you willing to provide that document to the inquiry? Thank you that would be good. If you could do it electronically, wonderful. If not, if you could just provide the hard copy to any of those people there then we can get that distributed to the panel and it will get published on the website. Thank you.

You raised a number of issues, I have no doubt there are a number of questions so I'll just open it up to the panel now. Dr. Andersen

Dr. Alan Andersen:

Thanks Mrs. Cummings. I've got a question about one particular issue that's been raised with us that goes beyond what happens in a well, in a fracking. But the issue of the industrialisation of the landscape and how the NT has got these iconic outback wilderness values, and that's what people here love dearly, what attracts people from overseas, tourists, and the fear that the development of the industry could seriously impact on that. What are your thoughts about that?

Teresa Cummings:

If we look at the Beetaloo Basin area, in reality most of that country is inaccessible, particularly to tourists. For part of the year some of those roads are inaccessible, the Barkly Stock Route for example. You've got to get well off the beaten track and even if you do, you often wouldn't get to see this stuff. In a sense of where it's close to the road, I think you can run parallel campaigns that this is a well regulated industry, it is safe, that it is coexisting well with the pastoral industry. So any tourism messages could be well crafted to support this industry.



When you talk about industrialisation, a well pad of 200 odd metres, a square slab of cement, with a small well head on it, I don't see it's going to create a blight on the horizon, so to speak. In fact, wind turbines would create a greater blight. Obviously in Denmark in 2000 they were gearing very heavily, in fact there was quite a community discussion about horizontal pollution of wind turbines. So I don't see that gas turbines, gas pipelines again are typically buried out of sight so the supporting infrastructure won't be that visible. A 200 metre pad every 4 kilometres, I don't see is going to create a great pollution.

Dr. Vaughan Beck: You mentioned that when you go and explain to indigenous communities, that they are generally accepting of the proposal for hydraulic fracturing. Can you just give the panel an outline of what information that you are sharing with those communities, and what other sources, if any information they're getting from other sources?

Teresa Cummings: Working it backwards, the anti-fracking movement has been very thorough in accessing indigenous communities, and well infiltrated with information. And a lot of that we consider to be misinformation. So we're actually finding ourselves coming along behind, and having to undo that and provide what we consider to be factual information. A lot of the information we're providing has come from the public presentations that we've attended. When I talk about the natural gas information sessions that we held in Darwin and in Katherine, a lot of the information is that type of information. So this is how a drilling occurs, this is how the well is capped, this is the well head, this is what horizontal drilling means, this is what's going on underground, this is the hard level of rock that is in the Beetaloo Basin is pretty much impermeable. It's just very difficult to imagine that anything can come to the surface outside of that.

We explained about how the chemicals are managed. The water coming up is captured in lined ponds. It's assessed, it's carted away, it's pretty much what I've spoken about. But in terms of pictures and diagrams, we're pretty much basing that off public information that has sort of been provided by the industry.

Dr. Vaughan Beck: And just a follow up, in terms of indigenous communities, presumably that's, I think, did you mention around Elliot?

Teresa Cummings: Yeah.

Dr. Vaughan Beck: So is that the focus where you have been engaging with indigenous communities?

Teresa Cummings: Mainly, I'll say the North Barkly region because it's not just Elliot, we've got some other clients in and around that area and they are, some of those are clients extending down now to the gas pipeline, which is sort of creating another issue. They want development but finding the free lawyers to support their claims are backing an anti, no frack gas down the pipeline. So some of the groups are quite confused. They perhaps haven't, their perception is that they haven't been well represented or their needs haven't been listened to by the land councils. They've cast around, found some



lawyers to support them, but haven't perhaps understood that some of those lawyer are come with a caveat that there's an anti-fracking message in those negotiations, which is trying to take the view that no frack gas will be allowed down that pipeline.

So we're working with some clients who are going, "We didn't quite realise that. We've taken the legal support, we're needing that, but perhaps we actually weren't that concerned about fracking", but now finding themselves in a bit of a dilemma, perhaps.

Because the anti-fracking message has been so strong, we certainly have to have some pretty solid conversations to turn people's perceptions around. The other aspect is that there is a lot of guilt being placed on indigenous people. "You're being a bad person if you allow this, and you're harming your children." So even when you're proving factual information, diagrams, and scientific information, it's pretty hard to challenge that emotive guilt stuff that's being laid on people.

Dr. Vaughan Beck: But you say I think that you've been able to turn some communities around, even with that presumably starting point of guilt.

Teresa Cummings: Not communities, individuals within the communities who are looking at the economic development opportunities. In some cases they've worked in the mining industry so they already have in other places have come back to their local community. So they have an understanding and if they've sort of been working in and around civil construction, drilling, mining, then it's a lot easier to build on the knowledge.

Dr. Vaughan Beck: Yes, thank you.

Hon. Justice  
Rachel Pepper:

I was concerned about the speaker before you who talked about having experienced themselves intimidation, and I was also concerned about what you said about on the other side I guess, that there are business owners or individuals who have also experienced intimidation and now don't want to speak up. Have you got any suggestions on how we capture those views?

Teresa Cummings: As in the silent people?

Hon. Justice  
Rachel Pepper:

Yeah. The panel would be very interested on how we can better get across the board representation no matter what the numbers ultimately look like.

Teresa Cummings: It's probably going to take somebody walking the streets and having quiet one on one conversations, the off the record stuff. Having said that, the Chamber of Commerce and Industry NT came on board. So, I'll backtrack. I initially in my role in KMSA, went to the NT business council and said, the group of pastoralists below [inaudible 00:27:12], and KMSA would like to run these information sessions, we would want to come to Darwin, does anybody want to get involved? And the Chamber of Commerce and Industry said yes, we are already seeing businesses damaged by this, and yes our members want to go ahead.





So there were a couple of other industry associations. The Urban Development Institute of NT, so this is architects, property developers and so forth. Their CEO was highly supportive to the point that he actually presented at Katherine. So he gave a session on why the NT needs gas in a sense, and the ongoing benefits to the other industries. So I think there are signs, when other industry associations are coming on board, that can be interrupted as support. But individual members will be, I'll very very quickly, Katherine has an arts and culture centre. When funding was first provided, the NT government, it required the local government to provide some land. The sighting of that initial land, there was some people who strongly disagreed. That carried on an ongoing saga that extended for more than two years. It split the community and people stopped shopping in each other's shops as a result of that.

So as these fracking issues started to rise, as KMSA, we initially said we need to be very very cautious here, we won't even adopt a position, and in part because we didn't know. But over time as we became better educated, and became very comfortable with the science of this, then it's like, yes we will actually speak up because the anti message is creating a very unbalanced view.

But so, to answer your question, it's probably going to take some street walking, and it's probably going to take some conversations at an industry level. Say even within the pastoral industry, you've got pastoral industries who have come out and put some very public newspaper adverts out, but you've got [inaudible 00:29:25] running information sessions in support of. So, it's going to take some sifting through.

Hon. Justice  
Rachel Pepper:

I can only reiterate what I've said publicly before, which is that this inquiry is open to anyone and everyone and I encourage anyone and everyone to appear before and present their views. There's also, and again this is directed to everyone and anyone, a confidential background and issues paper, feedback form is confidential. Yes, the name will be recorded and your post code but once that information is collected it's then basically removed from the content of the document, it is not published. This is a document that's available on our website and can be filled out anywhere by anyone. Any other questions? Yes, Dr Ritchie.

Dr. David Ritchie:

I'm just interested to follow up on that, which is that, have you found that as more information becomes available and [inaudible 30:30] has matured, that you are finding people changing sides in this, or have you found that there's a pride in an against group that has stayed pretty well constant the whole time, regardless of the flow of information?

Teresa Cummings:

The 60% in the middle, so when ever you've got a divisive debate, you might say 10% are really hardcore, never shift their position. The core in the middle, through the information sessions I believed we were able to convince people that this was a safe practice. And the comments that we got from that in emails that I got, and I got some emails from high profile indigenous figures in Darwin who emailed me and said almost everybody needs to sit through one of those sessions. It was so informative and beneficial to go to. So, whether we shifted views or not, people appreciated



it, but the overwhelming support was, "Gee, we didn't realise. Now that we've seen this, we're okay with it, and we can't understand what the anti-fracking movement is really on about. We've been misled."

Dr. David Ritchie: And back the other way, have you sort of found people that thought that this is actually a good thing and now have become anti? Is it sort of fluid or how is it in your view? The more people find out about it, the more likely they are to support it.

Teresa Cummings: I'm not aware of people moving back. The fact that exploration is stuck and can't move forward has probably put people in limbo. If the industry progressed and people individually didn't get their benefits perhaps they might move to the other side, but because of the moratorium, there's not been that opportunity.

Dr. David Jones: Thank you.

Hon. Justice  
Rachel Pepper: Anyone else? Thank you very much Miss Cummings for presenting today and I look forward to those document in due course. Thank you very much.

Teresa Cummings: Thanks for the opportunity.