



Environment Centre NT – Hearing Transcript

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10 March 2017

Darwin Convention Centre, Darwin

Speakers: Shar Molloy and Drew English

Shar Molloy: We'd like to begin to ..Acknowledging the Larrakeyah people, the traditional owners of this Darwin region, and we pay our respects to the Larrakeyah elders past and present, and we also acknowledge other aboriginal peoples and Territory islanders who are present today. Thank you.

Hon. Justice
Rachel Pepper: Yes, if already from the back, if you can please speak up.

Shar Molloy: Already.

Hon. Justice
Rachel Pepper: Thank you. Thank you. You've got a lovely soft voice. Thank you. Thank you.

Drew English: I hope my message isn't too soft. Thanks very much for the opportunity to come and present today. And make a formal submission, like David we will present, or produce a more detailed written submission after today to flesh out the topics that we are raising. We'd like to focus today on four broad headings. We believe that there are other organisations who are dealing with a lot more of the detail like the EDA did before us and other of our colleagues.

We'd like to address the topics of intergenerational equity, full and proper engagement with all interested parties. The so-called business case around energy and fossil fuels in particular, and talk around what we see as being matters of concern around the physical impacts of intervening in our countryside and extracting, in this case, gas.

I'd like to make an observation at this stage that you're conducting this inquiry in a fairly interesting time in our history where there's a lot of churning going on as fossil-fuel industry for production of a lot of our power and energy sources is winding back, and the renewable-energy sector is emerging. Probably emerging isn't an appropriate term for renewable-energy sector at the moment in that when you ... You see the reported figures of investment, and the policy decisions being made around the world, it's hardly call it an emerging industry anymore; it's a fact of life, and it's one of those times and experiences in our society where, when there's major change like this, it's a bit like the grieving process where, first of all, there's denial, then there's anger, then there's a fair bit of churning, and then we get to some sort of acceptance, and then after we all calm down,



we can plan the future. I believe we're fairly, firmly, in the first couple of parts of that process, and we'll flesh that out a bit further.

There's much comment in the media about this process, and we'd like to submit some of those articles for your consideration, too, with the statistics that they have attached. There's also, as part of the whole conversation around fossil fuels and renewables, there's some concern in the presidential-management sector around potential liability for companies and their directors, and we'd like to table a document from APRA that discusses the potential for this too. Your inquiry is being conducted in a fairly interesting business, social, and policy environment, and we welcome the opportunity to put our part into that.

With regard to the issue of intergenerational equity, and this is firmly based, I think, in the precautionary principle which David very clearly outlined, and which we also would like to point out that there's a comment in the NTEPA environmentally sustainable document about the definition of the precautionary principle. Intergenerational equity is a concept that's not talked about or considered much because we get too busy, being busy, and think about the immediate future, and the quarterly reporting requirements of companies, and ever decreasing our reporting timelines, we've decreased our planning timelines. We contend that one of the most important things that can come out of an inquiry like this, is for us, as a society, to refocus on long-term planning and our impact, our current behaviour on the access and quality of resources that are available to future generations. I'll now hand over to Shar to talk about the other issues.

Shar Molloy:

Thanks Joe. I guess from the perspective of the environment centre, we are really committed that it's inclusive, that this process as you are, that it's an inclusive process to be able to hear as many voices as you can, and in my experience of being at the community meeting yesterday, which was a lunch-time meeting, there was a lot more people perhaps than was expected to turn up, and there was some anxiety and concern that some people from communities, particularly that had travelled, that have come a fair distance, would not be able to be heard because they weren't sitting at tables, so we were having to scramble and make sure that we had traditional owners on tables so that they could be heard in this forum here, and I guess we talked to you, when we first met with you as well, our concern around the timetable in meeting with the communities and, I guess, there's a sensitivity around the time and who can be heard and who doesn't get heard.

I'm assuming that we will have some other opportunities where you'll have other community meetings that it's not necessarily available for everyone to be able to go on the Internet and to register to say that they're going to participate. It did say that you didn't need to register in terms of participating; it just said you wanted some ideas of numbers, so we're really observing and wanting to support this process to be as inclusive as it can be, and as I know that you all are as well.



As Drew has mentioned, this inquiry is set within the context that there needs to be immediate action and addressing in terms of greenhouse-gas emissions, and that Australia has entered into the Paris Agreement. Then that brings forward the horizon for action in terms of action on climate change, and it's been said, and been reported, that there needs to be a large greenhouse-gas emissions and reductions to be able to achieve those agreements. We're looking at net zero greenhouse-gas emissions by 2050. We are here looking and talking about an industry that is looking at putting into our environment greenhouse-gas emissions for decades to come. This is long-term development and project.

What we are concerned about is that if innovation and development and funds are directed towards this industry that is centred in terms of it ... Having and obsolescence that we miss the opportunity, particularly as Northern Territorians, to be at the forefront of an industry that is vital in terms of addressing climate change. Here in the Territory, there is CSIRO reports about the impacts that will affect Territorians and increase in the number of days that will be over 35 degrees. The impacts of those climate change affect people. Us in Darwin, it means we have to turn on more air conditioning and for longer to be able to cope with those changes in climate, but here in the Northern Territory, people who have less access to resources and funds, the impacts of climate change affect them far greater.

As we have said, there is a lot of call just even in the press this week as the state of the environment report is tabled that says that the environment is deteriorating, the climate is warming, and there are industries, the farmers and the other industries that want a lot more certainty around what action will be taken in meeting the Paris Agreement requirements and addressing climate change, so there is a call for certainty in regards to, will there be emissions' trading? What impact, then, does that have on a whole sector that a lot of resources are being put into to be developed here in the Northern Territory.

One of the reports that we're looking at, one of the speeches really, is from Geoff Summerhayes who made a speech in terms of APRA, and he talked about the responsibility on directors of companies that are going and looking at investments in industries that affect climate change, that will have an impact. There is a ... I think upon us all, too, that they're making those decisions that we take into account the future that we're looking into. I don't know ... Is there anything else you want to add to that picture?

Drew English:

I think on that side ... I don't know if the business case around the fossil-fuel industry versus the renewable industry. Earlier I was making the comment that there's substantial change on the way, and because of that, there's a fair bit of denial going on, and there's things like, I'll use the term white noise we're hearing at the moment, about a shortage of gas in Australia. There is no physical shortage of gas in Australia; that's just the way policy and business has arranged the access to, and distribution of that resource is causing a human-induced shortage. We get pressure like that when you put out publicly that we'll all be ruined because there's a shortage of gas and



capability to generate our power sources. You just have a look at the investment that's happening into renewable capability, wind and solar mostly. There may be a period in the near future where there's a little bit of discomfort for us, but most of the discomfort will be as some of the more traditional fossil-fuel-based industries realise that they should have been investing in a transition over time, and not do with the normal human thing and hit the wall and go, "Oh my God, what do we do?"

In the business case side of this, there's a lot of emotive stuff being put out that needs to be ... I urge you to sift it fairly carefully from both sides, to find the middle ground which, is being demonstrated by the quality of investment in renewable energy around the world. If we return to the precautionary principles as was clearly articulated by David earlier, the whole proposal for the scale of the fracking industry in Australia, Northern Territory, but in Australia, really needs to be looked at very carefully in the light of that lens, through the light of that lens.

Shar Molloy:

I think the other talks in regards to the fugitive methane emissions and the uncertainties around that. In the reading that I've got, methane is not as abundant, or long lived as CO₂, but methane is 28 times more effective at trapping the heat in the Earth's atmosphere over a 100 year time span. Reducing the methane emissions from the fossil-fuel activities can be a cost effective strategy to slow the rate of the warming in the short term. In looking at the methane emissions, again, it's like when you're starting to delve into all the details of the scientific information, it can be overwhelming, and from our perspective, we know that there's other organisations that have spoken about that stuff that have had A: More time, and more capacity in terms of being able to present that to you. We will put a written submission to you that is much clearer.

Drew English:

More detail.

Shar Molloy:

With more detail as well. Yeah, thank you. In terms of the impact, and when we hear about the different sizes of the wells, and what that will look like ... The Northern Territory as it is at the moment, it is an intact unique ecosystem that when you start to talk about this industry, it has such an impact in terms of the whole amenity and the whole perspective of the way that the ecosystem is now. If you fly across and you see the flood plain, and the beauty, really, of the landscape, but that will be altered, so that when you fly across, when you can look from that and above, you're going to be seeing something that's incredibly different. In terms of the joy of living here and attracting tourists, I'm sure you will have little pockets of available amenity that people will come and visit, but we're concerned about the impact that this industry has in terms of the whole ecosystem as it is.

Then the other ... It has been addressed and raised in the community forums, the concerns around water and sand mining. The transport infrastructure, so what does it look like when you come in and you start building roads everywhere? In terms of fragile and volatile landscape; what does that mean in terms of erosion? The waste. How to deal with that. The



regulatory ... Needing the regulation in regulatory ... To be in place. What happens after you leave those wells, and when the wells are exhausted. There are many many issues, and part of our, even, our attendance here and being part of this process is to look, "Okay, where are even the gaps?". We need to provide you with the extra information, so that's part of what we're also looking at as well. We're not sitting here saying that we have now all the answers, but in looking also for where are gaps that we can actually contribute to this inquiry as well.

Drew English:

A couple more comments. One is the, was identified by David, and I guess others earlier, that much of the information we're given about the industry is on an individual well basis, and we do need to aggregate up the effect on the landscape, landscape impact. It's quite disingenuous to do things that way.

The whole issue of water is one that concerns us greatly. We know in the world that water is a scarce resource, and having it available and in a fit condition to use, potable water supply is one of the most important issues facing us in the near future, and there's a lot of literature for and against what fracking can and does do to water resources, and I was very interested to hear the proposal has been adopted somewhere in Canada where the polluter has to make good, and that's something that, I think, is a really good idea. Access to water is one of our biggest issues, and equitable access, so any activity that may limit that access or damage the quality or quantity of water available to the wider population needs to be looked at very closely and balanced against any other potential benefit.

One of the issues that will also be out there, and if you look at most industries where humans have undertaken is waste disposal, and it's often thought of as an afterthought. A lot of these sorts of processes, there are chemicals and substances released that are detrimental to human health and well-being, so how that's going to be managed needs to be very very clearly articulated, and with the regulations and compliance around that. Again, a lot of the compliance and reporting in our history is being done as an afterthought. We have an opportunity here to get it right in the first place, and in our initial comments, we talked about the fact that there's a sovereign risk in the Northern Territory to business investment because of the lack of good regulation that's recognised in the mining and the instructed industries, that there is an issue about the certainty, or lack of, with the current regulations and compliance regime that's here. That's another aspect that could be looked at and reported on. I think that about does our presentation, so if you have some questions, thank you.

Hon. Justice
Rachel Pepper:

Thank you very much both. I'm sure there are questions from the panel. Yes, Dr. Jones.

Dr. David Jones:

There was one comment you made up front, and it was along the lines of prudential risks for companies and their directors. That was an intriguing comment, but I'm not quite sure what you meant by that.



- Drew English: I can pass this over to... It's out of the Australian Prudential Regulation Authority, an executive board member has been speaking publicly about this, and it's on the public record, so he was alerting business directors to the potential risk involved, and it was around climate change, but of the decisions then, that are made, and the potential liability for directors and companies from decisions that don't take into account the potential risks and damage to climate.
- Hon. Justice
Rachel Pepper: Yes, Ms. Coram.
- Ms. Jane Coram: Again, another point that you made earlier on. You made the observation that the renewable energy sector is now a fact of life rather than an emerging industry.
- Drew English: Yes.
- Ms. Jane Coram: I'm just wondering ... You may not have it here, but would you have any evidence to support that, that you could submit to the panel, that would be helpful.
- Drew English: Yeah, I have some press articles and other documents that are showing a level of investment and the growth of the investment in Australia and worldwide, and it's quite substantial.
- Ms. Jane Coram: If you could possibly provide them, that would be really helpful, thank you. I think you said you were going to ...
- Drew English: Yes.
Hon. Justice
Rachel Pepper: If you have them here today, that's wonderful, excellent, again, just leave them there and someone will collect them from the task force, and of course, anything else you want to append to your written submissions, which I think you indicated that you're going to.
- Shar Molloy: Yeah. Yeah, thank you.
Hon. Justice
Rachel Pepper: ... that would be appreciated as well. Yes, Prof. Hart.
- Prof. Barry Hart AM: I had a question on the statement you made about the NT being a unique and intact environment, and hence the gas industry could impact upon that.
- Shar Molloy: Yeah.
- Prof. Barry Hart AM: I guess I just have a query with the intact [crosstalk 00:26:12] we've had the pastoral industries. Are you assuming that the pastoral industries had no impact at all?
- Shar Molloy: No. I'm not saying that. I guess it's that the level of impact ...
- Prof. Barry Hart AM: Okay.



Shar Molloy: Yeah, yeah. That's what I'd be referring to.

Prof. Barry Hart AM: Sure.

Shar Molloy: Yeah, thank you.

Hon. Justice
Rachel Pepper:

Again, thank you very much for your presentation and time today. I just had one comment. The inquiry will be travelling to remote communities that is set out in the background and issues paper, I believe, on page ... It's towards the end on page 26.

Shar Molloy:
Hon. Justice
Rachel Pepper:

Yeah.
It's already become apparent through the public consultations that we have missed some communities, and we will endeavour to visit those communities as well, and of course, we will be making at least another two ... There will be at least another two rounds of public consultation prior to the end of the year, so anybody who we've missed the first time round, people should let us know, and we will endeavour to schedule them in.

Shar Molloy:
Hon. Justice
Rachel Pepper:

Yeah.
Thank you very much for your time today.

Drew English: Thank you.

Shar Molloy: Thank you.