



Alice Springs – Diana Newham, Barbara Molanus and Ella Newham-Perry

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Speakers: Diana Newham, Barbara Molanus, Ella Newham-Perry

Diana: Thank you. So, I will just say our names and then we'll each introduce ourselves at the right time.

Hon. Justice

Rachel Pepper: Wonderful. Thank you.

Diana: I'm Diana Newham and this is Ella Newham-Perry and Barb Molanus and we're not representing any particular organisation.

Hon. Justice

Rachel Pepper: Thank you.

Diana: I'd like to start by acknowledging that this discussion is taking place on the land of Arrernte people and I'd like to acknowledge the costs that they've borne for all of us to be here and for us to raise our families and just thank them that they're allowing us to do that.

I've lived in Central Australia for 16 years. I'm a mother. I've worked as an anthropologist and a curator at a local museum here in Alice Springs. I'm on the board of a local school as a secretary and a public officer. I'm a committed volunteer of two community organisations. I hold a master of applied anthropology and participatory development and a master in museum studies. And then I'll ... Barb, did you want to introduce yourself?

Barb Molanus: I am Barb Molanus

Hon. Justice

Rachel Pepper: How do you spell your last name, please?

Barb Molanus: M-O-L-A-N-U-S.

Hon. Justice



Rachel Pepper: Thank you.

Barb Molanus: I've lived here in Central Australia for 20 years. I currently work in indigenous health research. I'm actively involved in two community organisations, one of which I'm on the board of as an office bearer. I'm a registered nurse specialising in emergency nursing. I have a masters in public health and qualifications in conservation and land management.

Diana: We're presenting our submission this morning as individuals, as members of the Alice Springs community and we feel that we represent the views of a substantial part of our local community. Last year we took part in the six month community survey of over 500 households in part of the electorate of Breitling in Alice Springs, the suburb of Old Eastside, in which 603 people were engaged in conversations around the issue of fracking. The results of the survey were that 89% of people surveyed indicated that they wanted to see Central Australia shale gas field free and only 2.8%, which is 17 people, supported the development of shale gas fields. The remainder of the participants were unsure.

Although the inquiry appears to lean towards investigating how the unconventional gas industry can operate most safely in the territory, we stand strongly in support of a total ban on unconventional gas extraction. We do not believe the risks can be mitigated to an acceptable level and I don't even understand how an acceptable level might be defined. We've read the summary of the inquiry's interim report and agree strongly with the concerns the community has raised about hydraulic fracturing of onshore unconventional shale gas reserves in the territory as summarised on page five of the report summary.

For our submission today, we've chosen to respond to the claim of, and I quote, "Potential economic benefits such as jobs and potential revenue of the unconventional gas industry," which is in chapter 13 of the report. We're responding to this claim in our first two points below. In addition, we can't stress strongly enough the value of the ancient water that lies beneath Central Australia and we'll be speaking on this point also.

Barb Molanus: Before I start making our first point I just wanted to make it clear that neither Di or I are economists. We've just done a lot of research, spent a lot of time reading up about this stuff so we may not actually be able to answer many big economic questions.

Hon. Justice

Rachel Pepper: That's all right. Neither can the economists [crosstalk]

Barb Molanus: So it would seem. We believe that there's no real economic benefit to people in the NT and the development of an onshore shale gas industry because total mining and gas royalties contribute to only 3% of Northern Territory government revenue. Even doubling the size of the industry would not really significantly change the nature of the NT budget. If unconventional gas in the NT was as successful as in Queensland, Northern



Territory gas revenue would expand by about 1%. And this is unlikely because the NT unconventional gas is much more expensive to access, being more remote and they're deeper and more difficult to extract as tight shale gas. And on top of this, global market also looks set for a period of abundant supply.

In 2016, 17, NT government papers, it was shown that commonwealth revenue, which is raised by GST is 4.592 billion dollars and that mining and petroleum revenue for the Northern Territory government for the same period is .017 billion dollars, or 170 million. Even with the potential of one or two percent increase in mining revenue that fracking may bring, this is relatively a very small amount.

While gas companies continually spread the promise of more jobs for local communities as a justification for the unconventional gas industry or development, in actual fact oil and gas industry is one of the smallest employers in Australia. They employ less than 2% of the Australian workforce. Gas projects are capital intensive, which means that there's lots of machines and pipes and they don't really actually employ that many people, particularly once they've been constructed.

ABS statistics estimate that the gas and oil industry employ 1,023 people in the Northern Territory. The arts and recreational services alone in the Northern Territory employs more than double that at 2,243 people in the 2012 census. Between us we have lived in Central Australia for 36 years. We've invested our livelihoods here, built families and communities. There are many others like us. If unconventional gas extraction were to go ahead in Central Australia, this future that we have envisaged is put at risk and, sadly, we would choose to move somewhere safer where there is no risk of fracking industry. We know of many others who have a similar plan.

Recent large-scale CSG developments in Queensland have failed to deliver on the promised economic benefits with many existing business and entire industries badly affected by the loss of skilled staff to the gas industry and increased costs of labour, rent, transport, goods and services. Development of the unconventional gas in the NT risks connecting the NT to the chaos of the wider Australian gas markets and research from the Australia Institute, which I know you've already has a presentation from so we may actually be repeating some of the stuff I think that they may have presented to you, but it shows that the nation becomes a major gas exporter with record production, there are no winners.

Household and industrial consumers are paying record prices. Tax revenues are declining and shareholder values have crumbled. There are no benefits for Northern Territory gas consumers from unconventional gas as they already have access to abundant conventional gas. The inquiry has brought forward an abundance of peer-reviewed evidence linking unconventional gas extraction to poor health of humans and the environment. However, we think that the economic perspective has not been adequately examined in the inquiry. From the points raised above, it's obvious that there are clear



concerns about economic benefits of fracking. The risks are too many and the potential benefits too uncertain. The NT government is essentially gambling on an industry that's unable to provide a financially viable track record.

Diana:

Our second point is that the inquiry's interim report opened showing there's a strong distrust of the NT government. The inquiry panel is appointed by the government and consequently is required to be transparent. We question the validity of the consultants, ACIL Allen, that were engaged by the inquiry to determine what might be the real and enduring financial benefits of fracking to the people of the NT. We believe there's a very clear conflict of interest in ACIL Allen's engagement and this serves to reinforce people's strong distrust of the NT government processes.

Firstly, ACIL Allen's client list includes gas companies with significant interest in developing NT shale gas and the outcome of the NT fracking inquiry including Santos and the northern gas pipeline developers Jemena. Secondly, ACIL Allen has a history of significant errors in forward projections that have favoured their coal and gas industry clients. Previous work conducted by ACIL Allen for Santos' proposed unconventional gas projects in New South Wales reveals they ignored financial and environmental costs to exaggerate the economic value of their client's project.

In 2014, ACIL Allen wrote a report for AGL supporting increased coal seam gas development across New South Wales. According to economist Rod Campbell from the Australian Institute, in 2015 ACIL Allen estimated that Chevron's gas projects would generate tax revenues of \$355 billion. Chevron now says it will pay between 60 to 140 billion dollars, so far short of the 355 billion, but will not begin paying tax until somewhere between 2029 and into the 2030s.

We saw that ACIL Allen had earlier this week made a report suggesting the Adani mega mine wouldn't be economically viable. Our understanding is that they used a different economic modelling for this assessment than they generally use when assessing their other mining clients, which makes it all the more important that the ACIL Allen report be made public at the draught stage and that it clearly states the modelling and assumptions that they've used so as to give independent experts a chance to assess the validity of their findings.

ACIL Allen do a lot of work for the mining industry and we're concerned that they will generate another report with inflated figures as they have in the past and that it will make up a part of this inquiry without full assessment of its independence by the industry. We think that it's critical that the utmost scrutiny and public oversight be applied to the appointment of consultants engaged to give advice to the inquiry panel and the assessment process undertaken. We therefore urge the inquiry panel to consider applying some or all of the following steps to reinstate public confidence.



The inquiry panel would benefit from an independent advisory committee being established that consists of economists and NT community stakeholders to cross check economic modelling assumptions. This will be critical for local aboriginal owners, pastoralists, tourism operators, and other key stakeholders to ensure their interests, both purely economic and often uncoded externalities such as water availability and cultural use are factored in fairly to the model assumptions.

Barb Molanus:

The final point I would like to make is about water and I know there's at least one hydrogeologist on the panel I think so... The water which supplies Central Australia from the Amadeus and the Great Artesian Basin is ancient and recharge rates are well below extraction rates and therefore take a very long time to replenish, if ever. We don't stop to think about the antiquity of this water, nor afford it the value that it's worth. It's morally wrong that this ancient resource be exploited and wasted for such a short-term gain as the unconventional gas industry.

The Artesian Basin is one of the largest underground freshwater reservoirs of water in the world. It underlies approximately 22% of Australia, occupying an area of 1.7 million square kilometres beneath the arid and semi-arid parts of Queensland, New South Wales, the Northern Territory, and South Australia. The Great Artesian Basin is Australia's most important water resource and for more than a century has sustained much of the pastoral and community needs of a fifth of Australia's land mass.

Similarly, the Amadeus Basin has water up to 30,000 years old with minimal replenishment rates. Modelling has shown that the age of the groundwater of the Great Artesian Basin ranges between 7,000 years in the north and nearly two million years in the southwest zones. The accepted view of the Great Artesian Basin in many government papers and taught in schools and universities is that this is an open system that is regularly topped up by rainfall on the highlands around the perimeter, particularly in the slopes of the Great Dividing Range of the east.

The government geologists claim that the basin's tremendous sandstone strata reach the surface in these intake zone and surface water can readily percolate into the porous rock from where it begins its long journey beneath the western plains. However, scientists with the Great Artesian Basin Protection Group state that this is deceptive and misleading and in a recent government report from the Bureau of Rural Sciences it states, "Recharge rates range between .5 of a millimetre to 10 millimetres per year with a maximum of approximately 40 millimetres per year." How could this water travelling at that rate possibly recharge the basin, which is 3,000 metres deep in some places in less than a million years or millions of years?

Another paper claims that recharge southwest of the Great Artesian Basin is between .08 and .24 millimetres per year and flow velocity is .24 metres per year. To quote the New South Wales Department of Water and Energy Sharing Plan document, "Water flow through the sandstone is extremely slow. It is estimated that the time taken for water to travel from the



recharge areas to the western parts of the Great Artesian Basin can be up to two million years. This is the best case scenario. The other scenario is worse."

The other point of view, which is widely accepted by many scientists, hydrogeologists and professors is that there is strong scientific evidence to prove that the waters of the Great Artesian Basin are ancient, stored in the earth's crust and are finite. These experts state that the Great Artesian Basin will run out. It's a closed system, but whether it lasts us 20 years or 100 years depends entirely on how we manage it.

The best case scenario, according to the government documents, is that it'll take several million years to replenish and the worst case scenario is that it won't replenish at all. In reality then, does it really matter which theory is correct as it's ludicrous to suggest the government's estimated rate of recharge, if it exists at all, could be of any benefit to the Great Artesian Basin.

Scientists from the protection group claim, and independent hydrologists have agreed, that this rate is so minuscule that it cannot ethically be called recharge, which implies that the water level is being topped up, when in actual fact it is not being replenished at all. We noted that in chapter seven of the interim report, which focuses on water, that the panel views effective water management to be crucial to the potential development of any unconventional onshore gas industry in the Northern Territory. The panel has identified ensuring water is used at a sustainable level as a key component of such effective water management. It's difficult to understand how the water can be used at a sustainable level with such minimal recharge rates.

In recent buy backs, buying back of mining licences in the Liverpool plains region, we can see evidence that there still are many water systems in Australia, or at least some, that aren't properly understood and therefore, not worth risking. And I'd argue that the Great Artesian Basin is possibly another one of these that's not wholly understood. We believe that the water of the Great Artesian Basin belongs more than just to the people of this generation. It is part of our heritage. It's our legacy from the past that we live with today and what we pass on to future generations. Our cultural and natural heritage are both irreplaceable sources of life and inspiration. For this reason alone we believe that the underground water resources of Central Australia, which would be used for the unconventional gas industry, meet a number of UNESCO World Heritage criteria.

Criteria seven: to contain superlative natural phenomena of areas of exceptional natural beauty and aesthetic importance. Criteria eight: to be outstanding examples representing major stages of earth's history including the record of life, significant ongoing geological process in the development of land forms or significant geomorphic or physiographic features. Criteria nine: to be outstanding examples representing significant ongoing ecological and biological processes in the evolution and development of terrestrial



freshwater, coastal marine ecosystems and communities of plants and animals.

Although not formally on the World Heritage list, there is no reason for us not to think of this water with such a level of respect and significance. And aside from seeing it as a long-term investment for the longevity of life on the fifth of Australia that it supports, it should be treated with equal respect, if not more respect, as the contents of the widely valued museums and galleries of the world such as the Vatican.

Ella: Hi, my name's Ella Newham-Perry. I was born in Alice Springs. I don't want to use up the water right now because when I'm grown up with my friends we'll have to deal with it all and I think solar's a better option. Thank you.

Diana: So just to conclude, the fracking inquiry and Chief Minister Michael Gunner must listen to the overwhelming majority of people in the Northern Territory who want to protect the territory from fracking gas fields. Chief Minister Gunner must ban fracking to protect all Territorians and our natural environment into the future.

We just want to raise one last point that came to our notice late on Wednesday night, that the very short notice and the inappropriate time given for the community consultation meetings. The Alice Springs meeting, which was publicised ... Well, I got the email 10 o'clock Wednesday night, so in effect it was publicised yesterday, is for next Friday, so a week's notice, from 9 to 11AM, working hours. And there's similar short notice for other towns throughout the territory. The meeting in Katherine, for example, scheduled for Tuesday. We would like to ask the panel why there's been such short notice for the community consultation meetings and why the meetings are taking place during business hours. We respectfully ask the panel to give the community proper notice and enact proper consultation processes and request that the meetings occur out of business hours. And I've just learnt that you may be receiving emails from this morning onwards as a petition has started throughout the territory to extend the timeframes of the community consultation meetings. Thanks. That's the end of our presentation.

Hon. Justice

Rachel Pepper: Thank you. Any comments or questions? Let's start with Dr. Anderson. Yes, thank you.

Dr. Anderson: Thank you all very much for your presentation. The panel has received numerous presentations from members of the Alice Springs community and we're well aware of the depth and extent of feelings from the community here. My first question is to Ms. Molanus and it's relating to your concerns about shale gas development in Central Australia and I'm just wondering how you feel about the historical onshore gas developments that have occurred in this region. I understand it's something like there's been 90 operating or abandoned wells in the Mereenie area, which is quite close to here, including some fracking. So I was just wondering how you feel about



that history and whether you're aware of any environmental concerns that have come out of that history.

Barb Molanus: The Mereenie gas fields are a completely different type of gas extraction than the proposed shale gas of slick water gas industry that we're talking about now. Essentially, it's just extracting a bunch of gas that's trapped in a large cavity below the rock and it's just water that's being used and not all the chemicals and stuff to extract that. So I kind of feel like we're trying to compare apples and oranges in that sense, that that industry's been around for a long time and although my personal view is that why would we not invest in renewables into the future because they'll create a lot more jobs and it makes a lot more sense. But in terms of that I find it hard to compare that industry, which I know also doesn't really employ that many people, to this potential shale gas industry. And I think the shale gas industry here in Central Australia, or actually in Australia is a completely new and experimental thing, so I think it's a very risky kind of business compared to the Mereenie gas fields.

Dr. Anderson: And question for Ms. Newham. So we've heard loud and clear of local communities views of no fracking in Central Australia and I'm just wondering how you'd feel about a scenario where people elsewhere in the Northern Territory had a different view and were supportive of development of shale gas in their particular region. How would you feel about that?

Diana: Look, Barb and I and others have talked about this. There's various answers I guess to that question. We support, strongly support aboriginal self-determination if we're thinking, say, it's local community people perhaps. This ones a really tough one because the impacts of the fracking industry are going to go beyond that particular community area. We've got the troubles with the water, we haven't chosen to talk about the whole contribution to CO2 and fossil fuel and global warming. There's a really difficult ethical dilemma about supporting, say, hypothetically aboriginal self-determination and the impacts of global warming and all of us having to live with that and especially those of us who are coming after. I think in this instance I don't know. I haven't resolved that dilemma in my own mind. I don't know how you work around those two really strong demands in the one lot of water and air space and in the one planet that we all share.

We went to a really convincing presentation of views on Saturday night here from people from Canada, First Nations people from Canada and the United States. The Canadian woman, their community's being hammered by tar sands, the tar sands extraction. The lady from the US, her community have been caught up in fracking and in the Standing Rock, the pipeline, the Standing Rock demonstrations. The impact that they explained on their indigenous communities were things that none of us ever think about. It's the impact of the fly-in, fly-out camps and what they bring. It's the impact of the increased racism. It's things that often don't get brought up in here and it was really, really interesting hearing those indigenous people speak to other indigenous people who were in the audience that night.



Sorry, I don't really have an answer to your question. I think it's a really, really difficult issue and I guess it's something that you as the panel have to also think about. How do you resolve those two sets of competing interests I guess.

Hon. Justice

Rachel Pepper:: Thank you. Yes, Professor Hart.

Professor Hart: Thank you very much for the presentations and thank you particularly, Ella. We're with you in terms of, as you pointed out, we've written in there the vital nature of water management. No question at all about that. I just wanted to ... And we've made lots of comments there about sustainable use that will be very high and in many cases, a number of cases, even in the Beetaloo, where we have best information, there is still uncertainties about what is sustainable use, so the recharge. Just wanted to come back to your beautiful and eloquent description about the Great Artesian Basin. We have received no evidence at all that the Great Artesian Basin is likely to be used. It does just come into the NT. Why are you concerned about the Great Artesian Basin from a shale gas fracking point of view?

Barb Molanus: Just because I think it's ... Although it hasn't been listed as maybe being used, the way that mining in the NT works is that exploration licences, if they discover something, they just ... People can begin to mine it and we just don't know yet. I feel like if we open the door to one thing, we don't know where else they're going to start looking for other potential reserves. I just think it's just too big a risk to take.

Professor Hart: Okay. This presentation will be on record. Could I assume that you're saying to us think seriously about some protection of the Great Artesian Basin?

Barb Molanus: Definitely.

Professor Hart: Thank you.

Barb Molanus: Thanks. I think it should be out of bounds.

Hon. Justice

Rachel Pepper:: Thank you. Anyone else? I just wanted to respond to a couple of points that you've made. Firstly, in relation to the consultations. When we've held the consultations after hours we've been criticised for holding them after hours because people are trying to get home from work, have dinner, organise their families and so on and so we took that on board and basically we thought we'd mix it up. There's nothing nefarious in why we've chosen what we did. We're sort of caught between a rock and a hard place. We had them in the afternoons, this time we're going for the mornings, but if overwhelmingly people want to have them in the evenings we will take that on board.



We will be back again before the end of the year. People can always make a submission, write us a letter, send us in a video recording. They can communicate with us and participate in this inquiry in many, many different ways. We were a little bit undersubscribed for Alice Springs in terms of the presentations, so there were still spare spots. Again, I appreciate that that may well be, and indeed is probably because people are working. We are trying to get the balance right. We appreciate that we may not always make it, but certainly we will welcome suggestions. But we will be back, as I said, and I urge people to get in touch with us in any way they feel most appropriate and all that material will be uploaded on the website for everybody to see.

What was the first thing I wanted to say? In relation to ACIL Allen, we're aware of the criticisms. We felt that it was important that we engage some consultants that did have some experience in the industry that didn't not know the industry. That's obviously, I think, an important criteria. ACIL Allen were chosen after a public tender process. The tenders came in and we picked what we believed to be the best consultant. [crosstalk] Exactly. And if you've been tuning in to these, because I'm sure that you have been watching every single minute of these live recordings, you would be aware that the Australia Institute, for example, did not put in a tender. So make of that as you will.

Finally, you've certainly I think underestimated your economic acumen. No, it was really great, thank you very much and much of what you said has been said before by various different people and organisations and we're very grateful for the time that you've spent. And you've also provided us with a range of propositions, which you've obviously done some research to back that up and we would be very grateful if you could provide us with those references. At the end of the day this is a scientific inquiry, we need to have that data, we need to have the references.

Barb Molanus: Yeah, we'll finalise this and send it to you.

Hon. Justice

Rachel Pepper:: Excellent, that would be absolutely fantastic and one of the things that we have found is that there is, and people have told us, that there is an absence of data, in some critical areas there's an absence of baseline data. And if indeed that proves to be the case and that data can't be found by the end of the year and that's when we will be handing down this final report and that also I think feeds into the nature of the consultations and the time we have available for consultation we do after I'll have to write this report at some point we need to have that time to do that, but if indeed the recommendation is we feel the appropriate recommendation to the government is, "Well, you need to get this baseline data before anything occurs," then that is the recommendation we will be making.

Diana: Can I just respond to a couple of your points?



Panelist: Sure, absolutely.

Diana: I understand you're between a rock and a hard place, after hours or... In order of the points you made I'll just respond. After hours or business hours or whatever. I think for Alice Springs, I don't know what feedback you might have got, but there was a really good turn up at that timeframe. We don't have traffic problems or ... It's easy that way to fit something in after hours.

There's also all these various ways of submitting to the inquiry. When I first registered for this I was daunted. I've been involved in this, I've got university degrees, but it's actually quite daunting so your average person may not feel comfortable in this sort of a situation. There's something much easier about coming together with a big group of other community people that you can bring your friends. I think they're not all weighted equally, these ways of submitting to the inquiry.

ACIL Allen, I get it. There was a public tender and you've got to pick who you can. I guess there is concern about conflict of interest in that... Say some of the suggestions that we've come up with might just help to mitigate that concern, that their modelling and their assumptions are put back out to the public so that maybe there can be some independent assessment within the industry of their draft report. I just wanted to those couple of points, that's all.

Hon. Justice

Rachel Pepper: Thank you. The modelling and the assumption I can assure you we have had rigorous oversight of. Many backwards and forwards communications have been taking place and while we don't have an economist per se on the panel, we do have people on the panel who have had significant economic experience and have written about this area. That process is being undertaken. The draft report will not be released. Again, there are time implications, but I can assure you that when we get ACIL Allen's final report, just as when we get [inaudible] social impact final report it will immediately at the same time be released to the public. That will be mid-September.

Again, I'll speak frankly, we have pushed out the timeline a little bit for the reporting for ACIL Allen because we have gone backwards and forwards with them on the assumption and on the modelling, so they do now need an extra amount of time. That'll be mid-September, which should be, in my view, adequate time for people to make comment on it and submit those comments to the panel.

I am very much committed, I hope you understand, to as much transparency as we can within the time that we have got. As I said, I've made a commitment that this process, this inquiry will be completed by the end of the year. I think Territorians need to know and move forward as does the government and other stakeholders. But, again, thank you very much for your very detailed presentation. I look forward to its completion and submission with the references, that'd be most helpful.



Diana: Also, I just wanted to thank you all because I know a lot of you are doing this on top of your normal jobs so thank you. It's a really very big thing to have to listen to so many people talk about this issue.

Hon. Justice

Rachel Pepper: It's a privilege and a pleasure, I might add. Thank you.

Diana: Thank you.