



Alice Springs – Kirsty Robertson

Please be advised that this transcript was produced from a video recording. As such, the quality and accuracy of this transcript cannot be guaranteed and the Inquiry is not liable for any errors.

4 August 2017

Alice Springs Convention Centre, Alice Springs

Speakers: Kirsty Robertson

Kirsty Robertson: My name's Kirsty Robertson. I'm a local resident of Alice Springs, and I've been living here for 14 years bringing up my family and working in different areas, predominantly education. I, like many of the residents here, I've got big concerns about fracking. I believe that the Northern Territory doesn't need the danger and uncertainty that comes with the extraction of unconventional gas. I believe the practice of hydraulic fracking should be banned because it is too risky on so many levels. We already have plenty of conventional gas in the NT, which should be used to transition us into a future that is powered by renewable energy. Fossil fuel is a thing of the past, and if we are to meet the emissions reduction targets we committed to in the Paris Agreement, we need to embrace that fact.

We're hearing over and over again that the unconventional gas industry risks contamination and depletion of our underground water, damage to tourism and pastoral industries, and serious consequences for human and animal health. In addition, and I don't think that this is really addressed in the interim report, rather than offering a real opportunity for raising revenue and creating jobs, this industry is more likely to be a financial risk for the Northern Territory government as the main contribution of unconventional gas to the NT budget would be through royalties. The Northern Territory is the only jurisdiction in Australia that uses a profit-based royalty system. This means that if a company doesn't make a profit, it doesn't have to pay anything.

When it comes to determining how much a mining company should pay in royalties, there seems to be nothing in the economic modelling that identifies a price for the use of water. As we know, fracking for unconventional gas uses an extraordinary amount of water, the single frack operation consuming between 11 and 34 million litres of water according to a UN report. Even if a mining company does pay its royalties, it can be assumed that it is paying a fraction of the true cost of the resources it uses. In 2006, a leaked Treasury document indicated that the McArthur Mine operated by the Anglo Swiss mining giant Glencore had not returned any royalties to the government since it opened in 1995.

A company report released last year declared that in 2015 it had paid zero dollars in royalties to the NT government. Glencore benefited originally from



a 20 year agreement to receive a five million dollar a year subsidy from a government towards its electricity costs. It is said to have since increased to eight million per year. It's not alone in receiving government support of various kinds such as railways, ports, pipelines, and other infrastructure built on the behalf of miners. In 2014, the Australian Institute reported that in the previous five years, the territory had supported mining companies to the tune of 406 million dollars. Given that hydraulic fracking in remote areas of the Northern Territory would be an expensive enterprise, one can surmise that the industry would be looking to the government for even more financial support than mining companies have received in the past.

There is also a likelihood that the industry wouldn't prove profitable as finding a market for such expensive guests would prove difficult. The chances are therefore that very little, if any, of its royalties would be paid. Another reason that we don't need this industry is that it won't provide us with the substantial boost of the job market that mining companies would like us to believe. Gas projects are capital intensive meaning they use a lot of expensive machines and pipelines often imported but employ few people, particularly once construction is complete. The Australian Bureau of Statistics estimates that gas and oil industries employ just over 1,000 people in the Northern Territory. Half as many are employed in the arts and recreational services.

The mining industry claims that is not the direct number of people employed that counts but how much income the industry earns from its production and that when that income is spent by employees, suppliers, tax receiving governments, or profit earning shareholders, jobs will be created somewhere in the economy. That is true for the money earned from any other industry or that spent by the government. In the case of our mining industry, it averages about 80% foreign owned, most of the profits end up being spent in some other economy thus greatly reducing the economic and employment benefits to this country, let alone the Northern Territory.

The great majority of people in the Northern Territory want to protect the landscape of Northern and Central Australia and its resources for future generations and not squander it for the profit of an industry that is unlikely to give us anything back but perhaps environmental devastation. The Chief Minister must ban fracking and focus on developing a clean renewable energy industry in the Northern Territory. Thank you.

Hon. Justice
Rachel Pepper:

Thank you very much. Do you have any questions at all? Yes, Doctor Andersen.

Dr Alan Andersen:

Yeah. Thanks Miss Robertson. I just wanted to ask a question about payment of water. It's an issue that's been raised with the-

Kirsty Robertson:

Yeah.

Dr Alan Andersen:

... a number of times. One of the complexities about that is that at the moment outside of urban areas, territorians just don't pay for the water



they use generally. I guess it's a particular issue with the pastoral industry, which uses a lot of water but doesn't pay for it. I guess there are three potential water payment scenarios, and I just wanted to ask your view of which of these you would support. So, it be a case of no one pays for the water, everyone pays for water, that is the pastoral industry and irrigated agriculture industry asked are forced to pay for water, or the potential Shale gas industry is sort of singled out, they pay for water that other users don't. What are your thoughts on those?

Kirsty Robertson: I'd have to give that more thought and consideration and look into what happens elsewhere in the world perhaps. I'd be happy to get back to you on that.

Dr Alan Andersen: Thank you.

Hon. Justice Rachel Pepper: Thank you. Anybody else? Thank you very much for taking time out of your busy day and coming today to present to the Inquiry. We're very grateful.

Kirsty Robertson: Thanks for the opportunity.

Dr Alan Andersen: Thank you. Thank you.