

From: jennyknigh [REDACTED]
To: [fracking.inquiry](#)
Subject: Re: Community Update #24
Date: Friday, 27 October 2017 7:45:45 PM

Why is there NO report or study on the RISKS to the ENVIRONMENT namely the natural underground WATER source of the ARTESIAN BASIN. ???! this is important. Why isnt there ANY talk about the effect of fracking on our waterwells. Water is the source of life. If the underground waterwell is contaminated by the chemicals used in fracking then ALL LIFE is threatened!!! It is already PROVEN in other areas of australia AND the world that contamination of WATER sources HAS ALREADY occured. This is a real risk. It should be understood that ANY risk to the natural WATER source is unacceptable. People who live in rural areas RELY on that watersource for survival. Water is essential to ALL life & it should be paramount to PROTECT it.

Sent on the go with Vodafone

----- Original message -----

From: Scientific Inquiry into Hydraulic Fracturing in the NT <fracking.inquiry@nt.gov.au>

Date: 27/10/2017 7:22 pm (GMT+09:30)

To: [REDACTED]

Subject: Community Update #24

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27 October 2017

Community Update #24

The Scientific Inquiry into Hydraulic Fracturing in the Northern Territory (**Inquiry**) has released ACIL Allen Consulting Pty Ltd's (**ACIL Allen**) independent economic impact assessment of a potential onshore unconventional shale gas industry in the Northern Territory (**NT**), The Economic Impacts of a Potential Shale Gas Development in the Northern Territory (**report**).

The report focuses on the potential direct and indirect economic benefits, impacts and risks of onshore shale gas development in the NT under the current regulatory regime, if the Northern Territory Government were to lift the moratorium.

ACIL Allen was awarded a public tender of \$287,719 by the Inquiry in May 2017 to carry out the economic assessment and write the report.

The report consists of five scenarios over a 25-year timeframe, namely:

- 1. Baseline:** the moratorium remains and nothing changes.
- 2. Shale calm:** the moratorium is lifted, but only exploration and appraisal activity occur for a period of three years and development is found to be not commercially viable. This requires two well pads and 16 wells to be built in the 2019 financial year with market testing to take place in 2020.
- 3. Shale breeze:** the moratorium is lifted, exploration and appraisal activity occurs, and a small scale development 100 Terajoules per day (TJ/day) takes place resulting in 13 pads and 103 wells.
- 4. Shale wind:** the moratorium is lifted and a moderate scale (400TJ/day) development occurs, with 34 pads and 267 wells.
- 5. Shale Gale:** the moratorium is lifted and a larger scale (1000TJ/day) development occurs, with 84 pads and 670 wells.

Inquiry Chair, the Hon Justice Rachel Pepper said: "The assessment indicates the most visible economic impact from the three development models would be an increase to NT Government revenue. This could create between \$29.1 million (breeze), \$80.6 million (wind), or \$143 million (gale) of extra funding each year."

ACIL Allen suggests that three development scenarios (breeze, wind and gale) could generate extra jobs above the Territory's employment growth rate over 25 years. This equates to annual full-time equivalent job creation of between 82 jobs (breeze), 252 jobs (wind), and 524 jobs (gale). These figures include indirect employment generated by industry spend in the NT.

The report goes on to state that there may be a net real income increase of between \$36 million (breeze), \$108 million (wind), and \$222 million (gale) per annum. This equates to \$937 million (breeze), \$2.8 billion (wind) and \$5.8 billion (gale) over 25 years. Real net income is a measure of the overall wealth impact industry could have on the Territory.

The report further states that the net economic benefit (the increase in the Northern Territory's Real Gross Territory Product), ranges from \$196.5m per annum (breeze), to \$466.4m per annum (wind), and \$674.4m per annum (gale), in real 2018 dollar terms. Net economic benefit represents the total dollar value of all finalised goods and services produced over a specific time period. It is considered a measure of the size of the NT economy.

Justice Pepper said the original public tender scope of works for the economic assessment and the report did not request an analysis of the benefits and risks of five scenarios, but that this was expanded following oversight of ACIL Allen's work by the Panel.

"The original scope of works included just three scenarios. One was a baseline model, where the moratorium remained in place, the second involved hydraulic fracturing in the Beetaloo Sub-basin only, and the third was hydraulic fracturing throughout the Northern Territory," Justice Pepper said.

"It was not possible to conduct modelling on a Beetaloo Sub-basin-only development scenario given the lack of available petroleum resource information because there has only been one fracture-stimulated horizontal well tested in the NT, namely, Origin Energy's Amungee NW-1H well in the Beetaloo Sub-basin of the McArthur Basin.

"As a consequence, ACIL Allen faced an enormously challenging task in conducting its modelling and assessment. The Inquiry therefore approved an expansion of ACIL Allen's scope to include the five scenarios contained in the report, which are based off a gas demand approach rather than a supply model."

The non-existence of an unconventional shale gas industry in the Northern Territory also required ACIL Allen undertake a ground-up approach to its modelling of potential gas production and pipeline activity.

"This report is important in order for the Panel to properly assess the economic impacts and risks of hydraulic fracturing as set out in the Terms of Reference," Justice Pepper said.

"It is also significant because the only other economic study available to the Panel is the Deloitte Access Economics' report commissioned by the Australian Petroleum Production and Exploration Association in 2015."

Further contained in ACIL Allen's report is a consideration of "resource funding initiatives such as wealth funds, 'royalties for regions' programs, and examples of other revenue systems utilised in other countries."

"The Panel will now consider ACIL Allen's report in its release of the draft Final Report," Justice Pepper said.

Download a copy of [The Economic Impacts of a Potential Shale Gas Development](#) in the Northern Territory at the Inquiry website frackinginquiry.nt.gov.au.

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