



Alice Springs – Dianna Newham and Ella Newham-Perry

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Speaker: Dianna Newham and Ella Newham-Perry

Dianna Newham: Okay, well thank you very much for having us here this morning. I'm Dianna Newham. Do you want to say your name? Into the microphone. This is Ella Newham Perry. We've got a third team member, Barb Molanus, but she's had to unexpectedly leave town for family reasons. We've written the paper together but I'm presenting it on the behalf of all three of us.

Hon. Justice Pepper: Thank you, yes. Just remember to speak into the microphone, both of you, thank you.

Dianna Newham: Yeah.

Hon. Justice Pepper: Yes.

Dianna Newham: Okay, so I'm going to mostly read. Thank you.

Thank you for giving us this opportunity to once again present to the inquiry. I'd like to start by acknowledging that we're meeting on the land of Arrernte people and to recognise the strength of Arrernte culture, past and present, and the importance for all of us visitors to act in ways that support Arrernte people in keeping their culture strong. I'd like to thank you for doing such a thorough job with your draft of final report. I came to last night's community consultation session, which I understand now went through until 9:00. I had to leave at half past seven, so the discussion must have been good I imagine to keep everyone there for an extra hour. I'm sorry to have missed it.

I did find it very worthwhile to hear the broader context behind each section of the report, as well as the detail with which each section was written. There are many solid recommendations that you've put forward and there are some that we're concerned about. Although we don't have time to cover them all this morning, we're happy to provide a written submission afterwards.

Hon. Justice Pepper: Thank you.

Dianna Newham: Last time we talked about our concerns around the economics of a fracking industry in the NT and water security for people living in the arid zone. Having read the draft final report, we want to again comment on the lack of



real economic benefit to the people of the NT in the development of an on-shore shale gas industry and we're kind of just wondering if the supposed benefits of fracking are dubious, why are we even contemplating this industry, even with high levels of regulation to mitigate the risks? Why entertain the risks at all if there are no real benefits.

Our second point is that no matter how highly regulated the risks might be, the industry will still be a contributor to global warming. Introducing a new industry that adds to our global warming emissions instead of acting to reduce them, I feel is simply no longer morally acceptable. Especially we've had another hot summer that's sort of broken records and all the rest of it.

Finally, while we commend the scientific panel for their many solid recommendations you've put forward, it seems from our reading of the draft final report that there's essentially a bit of a loophole around exploration, so we'd like to stress that all the regulations need to be for exploration as well as production.

I'll just go into detail briefly for each of those points and just keeping an eye on the time.

The first point's the economic impacts of a potential shale gas development in the NT. The Inquiry notes and I quote from page 13 of the summary report, "That it is apparent that there is considerable uncertainty about the likely scale and rate of development of any shale gas industry in the NT if the moratorium is lifted." ACIL Allen's report states that there is a very high probability that an unconventional gas industry would fail to commercialise in the NT, this is that shale-calm scenario. It also states that there is very low or low probability of their highest production scenario, the shale-gale scenario. Even in the low probability gale scenario, ACIL estimate direct and indirect employment in the NT would be only 524 full time equivalent jobs in any year over a 25 year period. This represents just half of 1% of employment in the NT. Similarly, ACIL estimates that the gale scenario would see an increase in territory government revenue of 143.2 million per year, which is just 2% of budget revenue.

ACIL's probability assessment echoes those of industry analysts who think it unlikely unconventional gas development in the NT can be commercially viable given likely high cost of production and distance from markets. Despite this rare consensus from economists, that an unconventional gas industry in the NT would be low probability and have little impact on employment or revenue, I noted in the Inquiry's draft report a different picture is painted. I quote from page 327, "ACIL Allen's economic impact assessment modelling reports that lifting the moratorium on hydraulic fracturing in the NT will deliver tangible economic benefits in the form of increased income, output, employment and taxation revenue and stronger population growth."

In last night's presentation by Justice Pepper, the estimates of ACIL Allen of jobs, population growth and income are all very small, even in the most developed scenario over a 25 year period. The draft report makes no



mention of ACIL's assessment of the probability of its different modelled scenarios. ACIL's report makes it clear that should be a key point raised in the final report. The recommendations in the draft report section on economic impact, section 13, assume an industry that is economically viable while it is clear that the Inquiry's own commissioned economic analysis questions this.

Multiple media reports have misrepresented ACIL's economic analysis, giving the impression that an unconventional gas industry could be an employer 26 times greater than ACIL's best case assessment. In the politically charged atmosphere of gas policy, these omissions and misrepresentations of ACIL's results make evidence-based policy even more difficult to achieve. Those of us who have prioritised our time to read the report and appendices to make submissions would be in the minority, but most Territorians would only know what is being said through the media. It's therefore of paramount importance for all of us that the media are not being fed information that lacks all the detail to put it into context.

I'll go into our second point now. Climate change. Our next point is that in a period of increasing global temperatures, it makes no sense to us to continue to invest in an industry that uses fossil fuels and adds to global warming and climate change. The draft financial report notes, from page 219, "for any new onshore shale gas field in the NT, the panel has assessed the risks to climate change associated with greenhouse gas emissions, including methane, and assessed that each of these risks, without any further mitigation to be medium. As each of the assessed risks is medium, further mitigation is required to achieve an acceptable level of risk. The decision on the extent of mitigation required has been guided by the principles of environmentally sustainable development while at the same time recognising that there are community concerns and lack of trust with industry and with the government's ability to adequately manage and control industry."

We're not convinced that the mitigation measures put forward by the Inquiry panel are sufficient for two reasons. Firstly, because a number of them, such as Recommendations 9.2 and 9.3 relate only to production and not to the exploration phase of the fracking industry. Secondly, these risks, from my understanding, are thought by the Inquiry panel to be reduced from medium to acceptable only if they are all implemented and all implemented in full. I return to the point made by the Panel itself that we are entrusting the task of managing risk reduction to an industry that the community lacks trust in and to a government that the community already doubts has the ability to adequately manage and control the industry.

I was part of the team that knocked on doors within the electorate of Brainting in 2016 and through personal experience and discussion at that time there was strong evidence to support the panel's statement around these levels of distrust. Not only were 89% opposed to fracking in the NT, the many discussions we had while door knocking only reinforced the conclusions that the inquiry panel has come to.



Should these measures, suggested by the Inquiry Panel not be taken up by government or not be adhered to by the industry, the risks are, as outlined in the report, fugitive emissions, I expect from natural gas production in the NT are expected to be about 3% of Australia's methane emissions. There is yet a notable amount of abnormal levels of fugitive methane emission from any new shale gas industry in the NT. Greenhouse gas emissions from any new shale gas field would contribute to around 5% of Australia's greenhouse gas emissions and fugitive methane emissions from decommissioned wells is assessed as a medium risk.

These emissions are not isolated. In conjunction with other developments, they all contribute to global warming. I would like to know how these emissions, even if kept as low as possible, fit into Australia's commitments under the UN Paris Climate Agreement to reduce greenhouse gas emissions to 26 to 28% below 2005 levels by 2030.

Personally, I feel great alarm at the thought of global warming. I also feel a responsibility to act, because surely we will be questioned by our children and grandchildren about why we let this happen. We do not know what the world will become with global warming, but we are leaving these consequences to our children to bear. This does not sound like inter-generational equity to me.

Our last point is regulation through the exploration phase. From our reading of the report, it seems that there is essentially a loophole around exploration. While we commend the panel for its recommendations around well integrity, such as Recommendations 5.3 and 5.4, again we just want to stress that they need to be for exploration as well as production.

We'd like to particularly point out that our concerns to make sure these regulations are for the exploration phase are particularly filled in relation to the risks of water. These risks are very large to this community living in the arid zone and wholly dependent on ground water. The draft final report recommends, from page 120, that a Strategic Regional Environmental and Baseline Assessment, the SREBA, be undertaken to provide more detailed information on the ground water resources before any approvals are granted for shale gas production. The recommendations that follow from this, Recommendations 7.1, 7.4 and 7.11, specifically refer only to the production phase of any onshore unconventional shale gas industry.

In concluding, I thank the Panel once again for giving us the opportunity to participate in the Inquiry. Chief Minister Michael Gunner must stand firm against pressures to open the territory to an onshore unconventional shale gas industry and instead must act to ban fracking to protect all Territorians and our natural environment into the future. Now, my daughter Ella would like to say a few words.

Ella Newham-Perry:

Hi, my name's Ella Newham-Perry and I was born in Alice Springs. I don't think fracking's a good idea because it might wreck the water and then us kids'll have to deal with that. I think solar would be a better idea. Thanks.



Dianna Newham: Okay. Oh, sorry you might have questions. We're done.

Hon. Justice Pepper: Thank you very much. Thank you very much to both of you for your presentations. Yes, we would certainly appreciate if you've got a written document, if that could be, if it's ready, to give that to the task force and -

Dianna Newham: Otherwise we can email it, because I've kind of scribbled on this version.

Hon. Justice Pepper: If you could do that sooner rather than later, that would be good. Wonderful, thank you.

Just I guess a question, a couple of points of clarification. Perhaps in reverse order. It's apparent that perhaps we haven't made this sufficiently clear in the report and we will do so. Many of the recommendations are in fact to be implemented before production and before exploration and the well integrity ones that you mentioned, for example, are certainly, they are recommendations, they are reforms that we believe must be implemented now.

Dianna Newham: Okay.

Hon. Justice Pepper: Before anything happens.

Not all of them. I accept not all of them and certainly it's, at present the recommendation for SREBA, or Strategic Regional Environmental Baseline Assessment was as it presently stands is post-exploration, pre-production. Certainly we need to go through and I think indicate more clearly where the recommendations are directed in terms of the timing of any operation.

Dianna Newham: I worked as an anthropologist for an Aboriginal organisation throughout the early 2000s and we were heavily ... it was when lots of mining was happening, that mining boom was big. It was for nickel. Lots of nickel exploration happening in that part of the desert. I don't understand gas very well, but I understand, I remember those, the work program clearances. It was like soil samples, electromagnetic surveys, and then the drill, you know, at the final stage of the exploration was drill core analysis. It just seems to me that the technology and process for fracking is the same at exploration or production. It's the scale that's different but the risks of a frack going wrong could happen anywhere. It's not the same as say, nickel or something where it's a slow gradual lead up into impact.

I understand the scale is different at exploration and production for fracking, but the technology and the process is the same. I guess that's why I feel that this form of gas mineral kind of exploration is different to other forms. I only have experience of nickel, but that's sort of where I was thinking about this from, from there.

Hon. Justice Pepper: I understand. Thank you.

Going back to the economic submission that you put. I just want to make it perfectly clear that we never asked ACIL Allen to do an assessment on the



commercial viability of this industry. They can't. It's impossible to do so on the basis of one well that has been drilled and which we have data for.

I've read in some submissions, particularly Australia Institute and certainly that's been picked up in some media, that's what we did. The suggestion is that's what we asked them to do and that's what they provided and that is was unviable.

That's not what we asked them to do. That's not what they did. That's not what they said. There has been I think a misrepresentation in that respect. The other thing of course to note is that we asked them to be very conservative and indeed I think that the large scale development that they modelled was done on the basis of 670 wells. Industry estimates at the moment put that at double, approximately double. Again, I just reflect upon that.

Dianna Newham: Yeah, and I take that point. You said that very clearly last night that they ... it wasn't a sort of economically feasibility study into the industry. I guess just from reading those various scenarios. Just back to our point, not a lot of benefit. As you said, conservative, but there didn't seem to be a lot of benefit.

Hon. Justice Pepper: And it's uncertain. We just don't ... we asked both ACIL Allen and Coffey to do something which was very difficult to do, which was provide us with a, in one case, a framework and in another case a model on an industry that does not yet exist, because we want to at least have some guidance, some sort of idea of whether or not this will bring anything to the Territory. ACIL Allen has said based on very conservative estimates that it will bring something. I'm not putting it any lower or higher than that, as I said, but that is attended to by a relatively high degree of uncertainty. There's no question about that whatsoever.

Dianna Newham: Yeah and that's our point, exactly.

Hon. Justice Pepper: Any questions? This is Dr. Beck.

Dr. Vaughan Beck: Thank you very much for your comments and observations regarding greenhouse gases. The panel is of a mind that we believe in global science and are concerned about the implications of that in terms of temperature rise and so forth. Your comments are duly noted. They accord with a number of ... they are similar to a number of other comments that we have received and they will be taken into account in the preparation of the final report.

Dianna Newham: Well thank you. I guess ultimately, that question where does this fit within our commitments, our international commitments and some of us feel there's a moral commitment as well. There's certainly international commitments to act. I understand. Those figures are low, 5%, 3%. But it all adds up, but it all adds up. If Adani goes ahead, it all adds up. The Great Barrier Reef's under pressure already and this is all going to be part of it. How does it all fit together?



Dr. Vaughan Beck: In part we are constrained by the terms of references that nevertheless as I said, we'll be having something to say.

Dianna Newham: Okay, thank you, thanks.

Hon. Justice Pepper: Thank you.

Again, I know this is the second time you've come and presented to us. Thank you, both of you, for your contribution to this Inquiry and to the panel. Thank you.

Dianna Newham: Thank you and thank you for all the many hours of work and everything you must have been.

Hon. Justice Pepper: Thank you.