

From: Mark Anning
To: [fracking inquiry](#)
Subject: Attn: Justice Rachael Pepper re: ACIL Allen
Date: Thursday, 1 June 2017 4:27:30 AM

Dear Justice Pepper,

As you know ACIL Allen did the economic benefit analysis for SANTOS Narrabri EIS & were recently announced as successful tenders for the NT Fracking Inquiry. ACIL has many other gas industry clients, including Jemena, Chevron, Esso and the gas lobby group APPEA. All of these reports paint very optimistic pictures of the gas industry which have repeatedly proven to be inaccurate, resulting in massive losses for their own shareholders and increased domestic prices.

To avoid the perception of a conflict of interest, I strongly suggest appointing a different consultant, or appoint a multi-stakeholder group that includes critics of the gas industry's figures (and who have been far more accurate in their forecasts since the onshore gas industry took hold in Australia) to ensure that ACIL's modelling is subject to independent and accurate scrutiny.

In my opinion, ACIL Allen were grossly negligent in the SANTOS NSW EIS. ACIL Allen failed to mention the state of Santos as a company (\$9 billion debt and rapidly declining share price) and Chinese equity firms increasing their potential takeover holdings (and FIRB requirements which have not been approved).

ACIL Allen also failed to mention the current global gas glut - much less the increased production in Qatar, Russia, USA, PNG, and Africa. The last thing the LNG market needs in the foreseeable future is more LNG - even APPEA said that during their APPEA2017 conference, with words to the effect "we're not looking at new exploration, we're looking to see who will survive".

The global gas glut & future increased production from Australia's competitors swallows up any need for a large increase in Australian gas fields. In my opinion, there will be excess Qld gas by the time Northern Territory gas comes online. The PM's "Australian domestic gas security mechanism" ... or whatever he wants to call the Gas Reservation Policy ... puts even MORE pressure on ACIL Allen's Santos EIS figures.

ACIL Allen based their SANTOS EIS Economic Benefit Analysis on a recovery in global LNG prices ... the only people likely to believe that in a global glut are a few politicians and "Captured Agencies" *. I sincerely hope that the NT Government is not one of them.

*** Regulatory capture**

Regulatory capture is a form of government failure that occurs when a regulatory agency, created to act in the public interest, instead advances the commercial or political concerns of special interest groups that dominate the industry or sector it is charged with regulating. When regulatory capture occurs, the interests of firms or political groups are prioritized over the interests of the public, leading to a net loss to society as a whole. Government agencies suffering regulatory capture are

called "captured agencies".

Global gas glut strengthens hands of buyers in pushing to slash prices

MARCH 25 2017 The world's biggest liquefied natural gas (LNG) buyers - all in Asia - are clubbing together to secure more flexible supply contracts in a move which shifts power to importers from producers as oversupply grows.

<http://www.smh.com.au/business/global-gas-glut-strengthens-hands-of-buyers-in-pushing-to-slash-prices-20170323-gv5f41.html>

Examples of ACIL Allen's inaccurate modelling to dismantle RET:

Farcical” start to Tony Abbott’s renewable energy review

Clean energy representatives were shocked by the panel’s appointment as chief advisor and modeller of ACIL Allen, a consultancy seen as close to the fossil fuel industry, and whose highly contested research formed the basis of the coal industry’s attempts to dismantle the RET in 2012.

Not only will ACIL Allen do the modelling for the RET Review panel, some of the assumptions that will form the basis of that modelling have also stunned the clean energy industry, and been branded as a farce.

<http://reneweconomy.com.au/farcical-start-to-tony-abbotts-renewable-energy-review-14978/>

This is the dawning of the Age of Consultancy

Clean energy representatives were shocked by the panel’s appointment as chief advisor and modeller of ACIL Allen, a consultancy seen as close to the fossil fuel industry, and whose highly contested research formed the basis of the coal industry’s attempts to dismantle the RET in 2012.

They refused to include in their modelling the benefits of renewable energy – including the health benefits, job benefits, and the network benefits – which the panel dismissed as “too hard to model” and little more than a “transfer of wealth”, presumably away from the coal generators and network providers.

ACIL Allen were paid \$287,468 for their modelling

<https://theaimn.com/dawning-age-consultancy/>

Government modelling shows power prices will fall if RET stays

The selection of ACIL Allen to inform the review of Australia's target of 41,000 gigawatt-hours of renewable energy by large generators by 2020 prompted controversy because of the company's perceived closeness to the fossil fuel industry.

ACIL Allen's data shows that while consumers would see a short term increase of about \$54 a year to 2020 if the current target was kept, they would be worse off over the longer term if it was axed or if new companies were prevented from entering the scheme.

The figures also show that Australia's annual carbon emissions will be about 24 million tonnes a year lower between 2020 and 2030 with a RET in place.

<http://www.smh.com.au/federal-politics/political-news/government-modelling-shows-power-prices-will-fall-if-ret-stays-20140624-zskbd.html>

And finally, this which shows ACIL Allen's inaccurate modelling had the opposite to the desired effect: **Renewable energy target set to push price of power even higher** March 8, 2017 Electricity prices are set to continue to spiral upwards because of unintended consequences from the design of the renewable energy target, the nation's energy tsar has warned. Yesterday, AEMC chairman John Pierce said the energy sector had "suffered from a long vacuum around national, co-ordinated policy decisions". The bosses of two of Australia's biggest energy producers, Origin Energy and AGL Energy, yesterday also backed calls for an emissions intensity scheme, adding to pressure on the Turnbull government to overturn its stance against such a scheme.

<http://www.theaustralian.com.au/business/mining-energy/renewable-energy-target-set-to-push-price-of-power-even-higher/news-story/d3faa214726617c7d64dbc022c20f1a6>

My background: I am a MBA-qualified journalist & economic development manager of more than forty years experience: 12 years with the wire services, AAP, Reuters & The Associated Press and have worked for both sides of the House as a journalist (Freelanced for Mike Egan ALP in the 80s, and Michael Lavarach, the ALP federal Attorney-General in the mid-90s, then staff journalist for Peter Slipper LNP for a short time in 1994). I am a former manager for the Sunshine Coast Regional Economic Development Board (successfully managing

sustainable economic growth in a high value environmental region for three local councils) and have sat on various committees for the three tiers of government, including state authorities (Queensland Fisheries Management Authority ZAC). I was accredited to the 1991 G7 Economic Summit, 2002 CHOGM and commented on the 2007 APEC meetings whilst living within the security precinct. Contrary to allegations made online by the gas industry, I am not paid, employed or funded by anyone to present these concerns about fracking and the gas industry in general. I have never made any political donations. As a farmer directly affected by a coal seam gas exploration license at Gloucester NSW, I began looking into the issue and found serious and genuine concerns about the health, environment and economic effects of the inappropriate and unsustainable gas industry. Sincerely,

Mark Anning

Media Management & Production

1Earth Media

m:



a:



NSW, 2429 Australia

e:

