HYDRAULIC FRACTURING

IN THE NORTHERN TERRITORY



Darwin - Amateur Fisherman's Association of the NT

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Darwin Convention Centre, Darwin

Speaker: David Ciaravolo

David Ciaravolo: My name is David Ciaravolo, I'm the Executive Officer of the Amateur

Fisherman's Association of the Northern Territory and I'm here representing

them today.

AFAN or AFANT as it's better known I should say, is how most people in the Northern Territory know us. I'd like to thank Justice Pepper and the panel,

the opportunity to speak here today.

AFANT is the peak body for recreational fishing in the Northern Territory and it's our role to represent the interests of all the amateur fishers including our, some 4,000 members, as well as fishing clubs, associations and associated businesses. The most recent available estimates, though now dated, as we've talked about before, suggest over 1 in 5 residents in the Northern Territory participate in recreational fishing each year. As I have previously informed this Inquiry, recreational fishing activities shares its social and economic benefits widely in the Northern Territory community. The benefits are not confined to the thousands of people that actually go fishing, but they are enjoyed by the towns, communities, businesses that fishers visit for services and amenities.

Further to this, no-one need spend too long in the Northern Territory to understand that fishing is an intrinsic part of the territory way of life. The most recent value estimates for recreational fishing Northern Territory were produced in 2010 through the recreational fishing survey. The survey report estimated that expenditure of resident fishers was approximately \$50 million dollars in that year. Other studies suggest that interstate and international recreational fishing visitors contribute a similar amount to the Territory economy.

Tourism NT estimated that \$26 million dollars of annual expenditure occurs in the guided tour fishing industry alone, and we know that lots of people visit to come fishing here, on their own, with their friends and without a guide. In fact, Tourism NT have also established that people that who come here and go fishing are primarily motivated to visit the Northern Territory for that particular purpose.

So, with world class fishing experiences on offer, recreational fishing is a big tourism draw card for the NT. Expenditure on fishing is spread through many businesses, business types and most often locally owned. From tackle

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and bait outlets to hospitality and accommodation services. The NT government has stated that they believe recreational fishing to contribute over \$100 million annually to the economy. New social and economic statistics for recreational fishing are due to be collected this year, so the timing is slightly unfortunate. Although vast distances, remote populations and high proportion of visiting fishers is unique to the Northern Territory, the difficulty in providing up to date figures for recreational fishing is common to all jurisdictions in Australia. The next survey alone is expected to cost \$1.5 million dollars.

Now I hope the take home from all of this is that while we do acknowledge the figures available are in need of updating. The numbers are large, and the benefits to the community are enduring. It is not in doubt that recreational fishing is an important activity and contributor to the Northern Territory. As a sector, as an industry it is established, it is wide spread, and it is sustainable.

I am here today on behalf of the Northern Territory recreational fisher to express our will at the many social, cultural, lifestyle, health and economic benefits core attributed to recreational fishing and not put at risk other development of another industry. That every risk must be avoided or appropriately mitigated and that all the uncertainties fuelled with reliable information in advance of any approvals and certainly in advance of any developments on the ground, should they occur at all.

Generally, the feedback we've had from our constituents about their support or opposition to fracking, whether they believe the risk can be mitigated to satisfactory levels, has been mixed. However, I must be clear, there has been absolute unity on the matter that recreational fishers do not want our fisheries or the ground water and ecosystems that support them to be put at risk by the development of a new industry, while it may be possible to reduce the likelihood of certain risks, as we have seen with recent examples in the Northern Territory. In the case of aquifer scale or ecological scale contamination, there may be little we can do to mitigate consequences once the unlikely or the unforeseen actually occurs.

Thus, recreational fishers are highly averse to chancing the future of our already well established and valuable sector for the chance of developing another.

AFANT takes this opportunity to thank the inquiry and commend the panel for their work today. Especial the production of the comprehensive draft final report, and its 120 recommendations. We note that it's not been the task of this inquiry to decide the current moratorium be lifted or not and that rather it's been your task identify and assess, based on the best available evidence, the environmental, social, cultural and economic risks associated with hydraulic fracturing, and where possible to make recommendations to mitigate those risks to acceptable levels.

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We also note that the inquiry has recommended that where gaps in evidence and understanding exist, the necessary additional information be obtained prior to the development of an onshore gas industry.

Given the expert and evidence based approach to this scientific inquiry, I don't see it as my role to necessarily question or endorse each of the 120 recommendations. However, I can convey that AFANT urges the panel to stand by its strong and clear recommendations, so that they may appear in the final report that you present to the government in March. AFANT will also be encouraging the government not to pick and choose between these recommendations.

AFANT recognises that the suite of recommendations in the draft final report are more detailed, prescriptive and comprehensive than the previous inquiries into fracking in the NT. To put it simply, we do not see this report as just more of the same. I do intend through the remainder of my submission to address some of the Inquiry's recommendations that we deem to be ... it's always good when the screen turns off, this is the advantage of paper ... that we do intend to address some of the things that think especially important and relevant to the interest of our stake holders. We single these out to make it clear to the panel the strong community support for the recommendations and I'll also seek to clarify the matter of whether exploration is included in our common understanding of the term "development", and why we think this needs to be the case.

Finally, I will conclude by providing a brief comment on our position of what constitutes acceptable risk to us and to the fisheries and eco systems we so highly value. Like many in the broader Northern Territory community, the major concern of the recreational fishing sector is that water resources, particularly ground water, could be contaminated by activities associated with the extraction of shale gas. Regulations must provide the community with confidence around the integrity of any potential wells, should the moratorium be lifted in the future.

The need to combine objective based regulations with mandatory minimum requirements in critical areas of risk was a matter raised in our supplementary submission to the draft Terms of Reference for this Inquiry last year. We are pleased then to see a version of this approach adopted within the recommendations of the draft final report. We therefore specifically acknowledge and welcome Recommendation 5.3 - which requires the government to develop and mandate enforceable codes of practise, setting out minimum standards in relation to well construction, testing and maintenance. We also welcome Recommendation 14.17 - that the Government develop and implement enforceable codes of practise with minimum standards and requirements to give clarity to the regulatory frame work. We think those are good steps.

Through our consultation with the fishing community and our regular engagement with many recreational fishers it remains clear to us that many people are sceptical about whether effective regulation in this industry can ever really occur in the future. Whatever the regulations that are put into

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place, it's clear that trust in regulators can only be built when the appropriate level of investment in monitoring, enforcement and effective, transparent communication also take place.

It is essential that Government's arrangements ensure that the regulators responsible for approvals and enforcement are independent of any role promoting resource opportunities, and with this in mind we welcome Recommendation 14.31 - that there must be a clear separation between the agencies responsible for regulation and for promotion of the industry. Further, we think that Recommendation 14.32 - which relates to establishing a new regulatory agency, is essential. However, we reserve comment on whether option one or two is preferable. Suffice to say that I think it would be a significant step forward to better governance of this industry in the Northern Territory and we think this is especially the case when taken in concept with the other Recommendations, particularly 14.1 that the Government designs and implement a cost recovery system. 14.13 that the Government impose a non-refundable levy for long term management, monitoring and remediation of abandoned wells. And Recommendation 14.27 - that the government enact a broader range of powers to sanction, something that was raised by a number of people way back in the draft terms and reference stage.

Last year AFANT told the panel there'd be support jobs and sustainable growth in the Northern Territory, however, whatever proposal, development should not come at the cost of or risk to our already well established, vibrant, sustainable and broadly celebrated sector.

We acknowledge, therefore, the significance of Recommendation 14.4 - that reserved blocks under section 9 of the Petroleum Act with appropriate buffer zones, must be declared for areas of high tourism value, cultural value, national parks, conservation reserves and areas of high ecological value. We see this as being consistent with our own desire to ensure important recreational fisheries and ecosystems that support them are protected from the potential risk of onshore gas developments. I guess I do have some questions about what that process would be and exactly when that would occur, but that's something that I think we'd be happy to engage with the government on, should they go down the path lifting the moratorium.

At the same time, we also do want to know the somewhat subjective establishment of the voluntary buffer zone at Mataranka and I know the panel has done the same. We know that the best available evidence interpreted in a precautionary manor is the best way to determine the appropriate buffer zones. Should the moratorium be lifted, this should be the process for all prospective areas in our view. Including the Beetaloo basin where exploration licence have already been granted. We contend that exploration should not resume until the completion of the strategic regional baseline ecological assessment or SREBA, called for by this Inquiry. This brings us to the important topic of the Roper River. Its relationship to the potential development of the Beetaloo basin and the panel's

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recommendation for a SREBA in that area as well as other areas considered for future development.

We provided evidence to the Inquiry previously about the value of the Roper River to our community, its status as one of the NT's most important recreational fisheries. The Roper River is reliant on ground water flows and these flows help to ensure connectivity of habitat and stock recruitment. We note that the panel has been provided with evidence that the bulk of the aquifer recharge that supplies the Roper River occurs within 50 kilometres of that river, and that in recognition of this and that there are currently petroleum exploration leases in that area. The panel has recommended in 7.18 - that the Beetaloo basin sub basin SREBA take into account all ground water and ecosystems in the "Roper River" region, I think that's appropriate.

In our supplementary submission to the draft terms of reference last year, AFANT ... encouraged the panel to ... Make recommendations requiring baseline monitoring of ecosystems and aquifer conditions prior to individual developments being green lighted. We noted that the need for improved baseline data had been previously acknowledged, including in the 2014 Hawke report and other jurisdictions as well. As such, we support Recommendation 7.4 - that strategic regional environmental baseline assessment or SREBA as we are now learning to call it, including regional ground water model, be developed and undertaken by any perspective shale gas basin before any production licences are granted. Commencing with the Beetaloo sub-basin and Recommendation 15.1 - that SREBA be undertaken prior to the grant of any production licence on shale gas.

We are concerned, however, that should the Government decide to lift the moratorium, that the language and perhaps the intent of these recommendations does not necessarily preclude of comprehensively guide decision making about further exploration process, fracking, or production testing, in the Beetaloo basin, before the completion of a SREBA, including the proposed regional ground water model, which we thought was so important.

It's our understanding that under the current process a proponent must apply separately to undertake fracking and production testing at the exploration stage. The applications and required ministerial approval are referred to as steps 8 and 9 of the standard directions known as the schedule. We note that the panel has recommended in 14.16 - that the schedule be repealed and replaced with legislation prior to the grant of any production licence for the purpose of onshore shale gas development. It is not clear to us if or how the panel intend for exploration stage test fracking, stimulation or production testing of wells in the Beetaloo exploration leases to be considered by decision makers during the period before new legislation is enacted and before the SREBA in the Beetaloo is completed.

We seek that the panel clarify this matter and we acknowledge now that there are many details here to be across for us and for others. It is possible that we've misinterpreted the intention with respect to this matter.

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However, the Inquiry has drafted 120 clear and understandable recommendations, it has not shied away for calling for pause and further investigation when it is deemed that more information is required. We're seeking that the recommendations relating to exploration, process decision making and actions in the Beetaloo basin and other prospective areas be made equally clear and with the same level of precaution.

We acknowledge that the risk from exploration fracking and test production may, due to scale, be not as great as the production phase. However, it is our understanding for aquifer contamination to occur during the exploration phase fracking and that this may impact on the environment and potentially the baseline data that is being collected. It is our view, that given the already acknowledged gaps in understanding of Beetaloo basin and aquifer systems and their acknowledged critical relationship to the Roper River ecosystem, that in the final report this panel should ideally recommend that no exploration, test simulation, fracking or well production testing, be approved or take place prior to the completion of the SREBA, including the regional ground water model. In addition, no exploration process approval should take place before the implementation of recommendation 14.16 - the enactment of legislation to replace the schedule.

This brings me to the final comment about AFANT's position on acceptable risk to our valued fisheries and the waters and ecosystems that support them. We take this opportunity to reiterate to the panel, and through this record to the Government and the broader community, that in our view, any risk of contaminating important lands and waters, to the extent where it may threaten the many social, cultural, health and economic benefits of recreational fishing there is by definition to us unacceptable. We simply do not support hydraulic fracturing to occur in any areas where natural linkages and processes could facilitate these highly valued, community owned natural assets and the people they support being compromised now of into the future. Not for the onshore gas industry and not for any industry. We are now relying upon the experts, upon this panel, the evidence it has collected, the further studies it has called for and its strong, clear advice to inform these parameters and to recommend the protection of what is so important to so many of us.

And with that I'd like to thank Justice Pepper for all the work you've done today and again for this opportunity to be heard. Thank you.

Hon. Justice Pepper: Thank you very much. So, if I understand again, just to summarise in a

nutshell, please correct me if I'm wrong. Effectively your submission is really many of the recommendations that we have made, which we have said, take for example the SREBA ... That we've said should apply before production, you're effectively saying now should apply before exploration.

David Ciaravolo: What we're asking specifically, and I think I'll take this opportunity to point

out that ... we have tried to confine our submission at AFANT to the activities and risks that we believe are most likely to impact our constituents

directly -

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Hon. Justice Pepper: Oh yes, that's a given.

David Ciaravolo: And given that our concerns are around ground water, it was the

exploration phase fracking and test production was what we had listed.

Hon. Justice Pepper: Okay. Thank you. Any questions?

Yes, Doctor Jones.

Dr. David Jones: How about a hypothetical situation here, which is geographically based for

example, the Beetaloo is quite a larger area North and South. To the best of

our knowledge so far, the Roper catchment extends to about 50-100

kilometres South of there. How about a temporary exclusion zone, in terms of any exploration activity in that area until more rigorous work has been

done. Which is necessary.

David Ciaravolo: Well I think a temporary exclusion zone would be preferable to not having a

temporary exclusion zone, so that's -

Dr. David Jones: Of course.

David Ciaravolo: But it could become ... I guess what I would point to there is, it had been

reported in the draft final report that if many people in the community, and potentially people on the panel saw the exclusion zones as being somewhat arbitrary or subjective and so I would like to understand what we would base that upon. I've seen the evidence presented, that saw that the

recharge occurs close to the Roper River and I've read the comments that if

it's 200 kilometres away it could potentially, it could potentially take thousands of years. Although I've also read that it's uncertain and that we need to do a regional ground water study to understand that. What we're saying is that we'd like to see that study and understand that before we

make that decision.

Hon. Justice Pepper: Understood. Any further Questions?

Again, thank you very much for your presentation today. Thank you.