



Tennant Creek - Territory Frack Free Alliance

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12 February 18

Tennant Creek

Speaker: Lauren Mellor

Lauren Mellor: Afternoon to the panel. Lauren Mellor, presenting on behalf of the Territory Frack Free Alliance. I'd first like to just acknowledge that we are meeting on the lands of the Amangu people here today. Pay my respects to elders past and present. I speak on behalf of the Territory Frack Free Alliance, a network of community groups who have come together in response to growing community concerns regarding industry and government plans for fracking gas fields across urban, regional, and remote parts of the Northern Territory. We have member groups in all regions of the Northern Territory targeted for gas field exploration and development, including Arnhem Land, the Roper River Region, Katherine, Coomalie, The Barkly, the Gulf Region and Central Australia.

I've previously presented before to the inquiry panel. I'd also like to use this opportunity of the last formal hearings to acknowledge and pay respect to the families of three significant leaders who we've lost from our movement for a frack free territory over the course of this inquiry. Komen J. Eather of Arnhem Land, Komen J. Watson and Komen J. Kingsley of the Roper River Region, have each given powerful testimony to the panel, provided submissions, and encouraged their people to speak their views on fracking at consultation meetings over the last year and a half, and for many years before. We're saddened to see the costs to our communities from the fracking industry before it is even yet fully here, with our youth and elders forced to spend their last days not with family, but fighting for country. To be heard about the real aspirations they had for their communities, not the future being pushed on them by what we see as a dangerous and unnecessary industry.

I myself have spent the last 12 years working alongside communities in the Territory impacted by invasive mining operations, assisting design rehabilitation and closure plans for mines, holding industry to account for the promises of mutual benefit it frequently espouses, monitoring and reporting the damage that goes unprosecuted to the territory and federal governments. I've witnessed firsthand the corrosive effect that the extractive giants have had on our democracy at a local level, and the



impunity with which they have been allowed to act over the course with successive governments.

I present to the inquiry today because the scale across the landscape of proposed gas field activity, the sheer number of wells, the sheer number of water resources to be impacted, is considered to be a far greater risk than any previous extractive activity that we've yet seen in the Northern Territory.

I want to touch on a number of topics in the report. Certainly, not all of them, but some that are close to the communities who form part of our networks' work and key concerns today. The first one being the timing of key baseline assessments and risk assessments that have been proposed. I know the panel has heard during the course of this round of hearings that numerous stakeholders, including recreational fishers, aboriginal and public health bodies, and environment and conservation groups, have all raised concerns that the draft final report would allow for the continuation of exploration alongside the collection of critical baseline data on health, methane emissions and water studies. Those regional risk assessments that have been identified as necessary to identify no go zones and other risks, would be allowed to proceed alongside exploration. We share those concerns. We would urge the panel to reconsider its recommendations in regard to the staging of these assessments, and to be clear in its language around the requirements for completion prior to any further exploration activity commencing. Significant knowledge gaps have identified and still exist in our understanding of how gas field exploration and development would impact our rivers, springs, flood plains, and aquifers, our catchment areas, and associated stock in drinking water supplies.

The report has recommended further studies be undertaken in baseline data collected and this is welcomed, but we need to be able to measure what's there prior to, not alongside large scale land clearing for pads, waste ponds, and pipelines, the transportation and introduction of fracking chemicals to sites and those associated activities. Overwhelmingly communities and stakeholders have made clear they do not want to see another frack well built, another pad cleared, or another wastewater pond constructed until these critical assessments of our unique landscapes and water resources have been completed. To allow these two activities to proceed alongside each other, instead of a clear requirement for baselines and regional studies to be completed first, risks further land hold and community conflict with the gas fracking industry as it attempts to roll its frack rigs into those regions, right through some of the loopholes this report in its current form would allow for.

I want to next talk to the history of regulatory failure non-compliance by the extractive industries in the Northern Territory and some of the risks that remain through some of the proposals that draft final report has put forward. The panel has correctly identified the deep level of distrust that exists with regard to the capacity and willingness of successive Territory governments to hold the extractive industries to account, under either the existing or any future proposed regulatory framework. The need for law



reform in this area has been well known by government. Most of the pieces in environmental legislation in the Territory have been the subject of submissions and calls for reform over a very long period. These calls for reform have been met with inaction and as a result, threats to our communities and environment, rivers and coasts continue to increase with every mine, port, waste dump, and petroleum exploration approval that goes forward.

These failures are the precise reason a vast majority of submissions and participants to this fracking inquiry are calling for a ban on fracking and not a revised regulatory framework during submissions and consultations. I'll go to that in a moment, but firstly I want to raise concerns with some of the more recent reports on regulatory performance completed in relation to some of the proposed regulatory frameworks the draft final report discusses as potential models for the Northern Territory to adopt. Two dedicated regulatory commissions established oversee oil and gas activities cited in the report are the Alberta Energy Regulator and the BC Oil and Gas Commission. These regimes also have substantial documented problems including a backlog of leaking gas wells and failing gas field wastewater dams in particular. I'll submit to the inquiry a number of internal compliance reports from both those regulatory bodies that documents this history of continuing concern.

First I'll go to the unpublished internal compliance report from 2013 by the Alberta Energy Regulator, which found 10% of its estimated 170,000 abandoned wells were leaking methane. A significant number of those wells were leaking at a level that Alberta Health says poses a risk of neurological damage to nearby residents. Several of them were leaking methane at more than 10,000 parts per million, a level deemed life-threatening by Alberta Health. Yet, no action from the Regulator. Researchers estimate that 7% to 19% of producing wells completed between 2005 and '07 have been affected by gas migration along the casing annulus, while 9% to 28% showed gas leakage through the surface casing. These are well documented and quite recent regulatory compliance reports. A 2016 study completed for Natural Resources Canada explained that abandoned oil and gas wells may develop well leakage, either overtime or relatively soon after abandonment due to poor cement jobs or poor regulation of the plugging process.

I'll provide to the panel a number of references for those reports on the Regulator's performance. A 2016 report for Natural Resources Canada notes flaws in the system, despite Alberta being among the most detailed and comprehensive reporting requirements for leaking wells out of the seven major oil and gas producing jurisdictions in North America. That report stated, "Even in Alberta with the best reporting standards, there is no third party monitoring of well ball leakage required." The report noted, "Being the industry's not financially operationally motivated to report leakage information about the well ball leakage's suspect." We're not convinced that the problems plaguing the NT government regulatory regime will be adequately addressed by adopting these frameworks. Even the best regulatory framework, we must have a political culture that will take responsibility for holding the resource giants in check. The Territory's history



in this regard doesn't lend confidence to anyone looking for regulatory solution to the fracking industry's myriad of identified risks. To go to some of those values of prosecution here because I think it speaks to a political culture that also needs significant reform, even if we were to introduce new frameworks.

McArthur River Mine, which this panel has heard quite a great bit of detail about from the Territory public because it weighs on people's minds, particularly the communities living downstream of it. I've had quite a bit to do with attempting to hold McArthur River Mine to account over some of its regulatory breaches overtime. The response has been almost complete silence from the Northern Territory government regulators. McArthur River Mine just brought a litany of tailspin collapses, spills, discharges of heavy metals documented into the McArthur River over a 20 year operational lifetime. Now the well documented spontaneously combusting waste rock. That company's only ever been fined twice. Once for a smoke plume at \$700 and once for diesel spill. These are very minor breaches for a company that is repeatedly belligerently breached the law on its site. It's been estimated costs to fix the current acid leaching waste rock problems will exceed 1 billion, far in excess of the money that the Northern Territory government currently holds to address legacy extractive industries.

Ranger Uranium Mine 2013 the collapse of a highly acidic leached tank. Slurry, which could of caused fatalities to the workers required to patch it moments before it collapsed, escaped without prosecution also. This is a mine that operates within the world heritage listed Kakadu National Park and frequently boasts of having an extensive monitoring and reporting system and a tiered regulatory framework to monitor its operations. A three year investigation by the Department of Mines in the Northern Territory founded in 2016, it was not in the public interest to prosecute over this incident.

Mount Todd Copper Mine just outside of Katherine, which has been plagued with problems including spills from it's tailing stem and collapses, again no prosecution despite heavy metal contamination being documented downstream.

Western Desert Resources, a more recent addition to the mining set in the Northern Territory, built this several hundred kilometre legal haulage road to its mine. No assessments. Again, no prosecution. The company was operational for six months, is now bankrupt. The Northern Territory government is paying to manage the site. Red Bank Copper Mine in Gulf of Carpentaria, an estimated cleanup bill of one billion dollars, was facing 26 charges for water pollution offences with potential penalties in the millions of dollars. For anyone who's seen that site, they will note the bright blue water contamination that spreads over the Queensland border now from the Northern Territory. In 2016, the EPA in the Northern Territory decided to drop the charges. It made no comment on its rationale for doing so.

Another example of failure for the Northern Territory government in its regulatory system is the Montara oil spill, 2009. This oil gushing into the



Timor Sea north of Darwin lasting 70 days, with the effects of that spill still being felt. The Montara Commission of Inquiry's findings were damning of the Northern Territory regulator, finding it didn't fulfil its obligations, were too close to the proponent, and had inadequate expertise to regulate the operation. We have 58 legacy mines in the Northern Territory and an estimated \$3 billion cleanup bill. It is the extractive industry's regulatory refusal to operate within the law. Coupled with successive Territory government's failure to hold them to account, either on environmental or social outcomes, or the payment of taxes and royalties for the publicly owned resources that they exploit that has seen it lose social licence in the community. This can only be rebuilt overtime and with significant financial and regulatory reform and cultural change to increase transparency and accountability all levels of compliance in government. We therefore urge the panel to ensure that its final report provides no justification for exploration to proceed until the regulatory reforms are implemented and the studies required are completed. Trust in any new regulatory system and its enforcement needs to be built overtime. The work of this panel in offering improvements to the systems stands to be lost by allowing a headlong jump into exploration before these conditions are met.

I want to now go to the discussion of jobs and economic impacts and potential benefits that were explored in the report. I thank the Inquiry for its work as prior to these studies there was a lack of clear analysis on the economic case for or against the fracking industry in the Territory. On page 320 Section 13.5, which discusses these economic impacts, it features a comparison between gas industry commissioned economic report on a Territory shale gas industry and that of the Inquiry's own commissioned research by ACIL Allen. We agree with the panel's assessment that ACIL Allen's assumptions and modelling represent a much more realistic approach to estimating the economic impacts of any onshore shale gas industry in the NT. This clear representation on page 320 of the full-time equivalent additional number of jobs in 2043 compared to the base case now, shows that there will be somewhere between 80 and 558 additional jobs created in scenarios where the industry's commercially successful. It should be emphasised that ACIL's report gave very high probability to commercial failure for the fracking industry in the Territory and a zero jobs result. The Inquiry's draft report does not reference ACIL's probability matrix and this remains a concern. We believe the final report should give in prominence rather than relegation to an appendix to help redesign the standards, figures, and context of probability scenarios.

Regardless of the ACIL scenarios selected, their assessment is a far cry from the 4,195 to over 6,000 additional jobs that the previous APPEA commissioned report had been bringing to Territorians. What we also know is that the fracking industry displaces employment from other sectors. Although this hasn't been analysed in the economic impact section of this report. Numerous reports analysing the economic and employment impacts of the development of unconventional gas in Queensland however do show agricultural industries were among the hardest hit, with a loss of 1.8 agricultural jobs for every new gas job created. Another study by the CSIRO GISERA found job spillovers into known mining employment are negligible.



Again, contrary to the promises of infrastructure investment made by the fracking industry in the NT to date, a University of Queensland survey of local stakeholders in gas fields found that every other stakeholder group, including landholders, local governments, and businesses outside the gas sector, found built financial, social, human, and natural capital were left worse off as a result of gas and mining development. Other sectors including tourism, pastoral, and farming and fishing rightly continued to raise their concerns with the inquiry in the Northern Territory government that the fracking industry poses a risk to employment, existing infrastructure and services, and investment in these established and widely supported industry sectors.

I want to go to the climate risk section of the report to discuss some of the conclusions around risk level there. The report's conclusions on the level of risk that shale gas fields pose is a driver of climate change, remain concerning to us. The report concludes that just one gas field of approximately 1,000 wells in the Beetaloo Region would add the equivalent of additional 5% burden to Australia's overall national emissions. This should be enough to raise alarm bells for any government purporting to take seriously the very real and unfolding impacts of climate change. The report discusses this additional 5% on top of Australia's already high national emissions as a medium risk of low consequence and does so by comparing it to the equivalent of 0.02% of global emissions. We don't think that's an effective measure of the present risks or cumulative risks to our climate from shale gas fracking in the Northern Territory. Even a 5% increase in Australia's emissions from a single gas field in the Territory is a large and unacceptable increase. We disagree with the characterization of it as having a low consequence. It is completely inconsistent with Australia's carbon budget and our commitments under the Paris Agreement.

Given the vulnerability of tropical regions to the impacts of climate change and our already disproportionate contribution to emissions from the Northern Territory largely from uncontrolled bush fires and land clearing, surely the Territory has an even greater incentive to want to ramp down our emissions, not add to our warming world's problems. We would ask at the very least before the publication of the final report there is a peer review from a climatologist able to look at these assessments of risk and may comment on them.

I want to conclude by saying that it is the view of the Territory Frack Free Alliance that the contamination legacy of fracking everywhere it has been trialed is comparable only to the days of DDT and other pesticides or the profound industrial disaster that is the asbestos industry. No collective risk, the scale of which would be required by gas field development in the ante, is worth the mega financial gain your reporters outline would accrue to the Northern Territory government and the Territory public should fracking be allowed to proceed. The fundamental constraint on this inquiry through its terms of reference is the requirement to apply the consistent use of a highly subjective and undefined term acceptable risk in an objective way. What is meant by concluding risks can be mitigated to an acceptable level is that there is only one contaminated aquifer in the Northern Territory or that



there is a 1% increase in premature births. Is it a 5% increase in Australia's contribution to global warming or is it a 2% increase in road fatalities?

It is our view that not the inquiry nor the NT government gets to decide what level of risk is acceptable to Territorians. That is one for the Territory's people to decide. If this inquiry has done anything, it is to show that that decision has been clearly made by the overwhelming numbers of Territorians who've used this process to make their views clear. We believe the final report should acknowledge the overwhelming support for a ban on fracking if it is to genuinely reflect the aspirations of those communities that have appeared before it, wrote submissions, and attended consultations to speak in favour or vote for a fracking ban. We are thankful we are not similarly constricted by the inquiry's terms of reference in this regard and will continue our advocacy for a permanent ban on fracking. We thank the inquiry for your work so far.

Hon. Justice Pepper: Thank you. Just one comment on question. I just don't ... I haven't looked for it because this is not the first time it's been said but I can't find anywhere in the ACIL Allen report where they said there was a very high probability of commercial failure. Those words do not appear in the ACIL Allen report.

Lauren Mellor: I do have the quote here, which I can submit as part of a footnote to my submission here. They do make that quote. It's in their risk probability matrix and they say that their most likely scenario is that the shale gas industry would fail to commercialise. That was the most likely scenario.

Hon. Justice Pepper: I do look forward to the provision of that quote.

Lauren Mellor: Absolutely.

Hon. Justice Pepper: Certainly there's a probability matrix, and they do say that the industry is uncertain but as far as I'm concerned, they have never said that there's a high probability of commercial failure, principally for the reason that we never asked them to say that. We never asked them to look at that.

Lauren Mellor: Perhaps they've ad-libbed, but there is certainly that quote and I can pull that out for you. They're very clear that their most likely scenario model said that the industry would fail to commercialise because of the high costs of extraction in the Northern Territory, the high costs of building infrastructure. There's a very clear quote in there, which I'm happy to give to the panel.

Hon. Justice Pepper: Well I'll look forward to receiving that. Now you also have referenced the number of, I think reports, with respect to the Alberta Energy Regulator and the BC Oil and Gas Commission. Again, are they fully referenced in your paper?

Lauren Mellor: Yes, they are.

Hon. Justice Pepper: Okay. Good. Lastly, can you give me some examples of how fracking in South Australia is a profound and collective disaster?



Lauren Mellor: Well we don't have the experience of shale gas fracking in South Australia yet to be able to conclude that it hasn't been. I certainly think that overall, what we've seen of the shale gas industry operational worldview, most people have concluded that this is a disaster industry. They would not like to take the risks on here in the Northern Territory. I think there's far too little information on shale gas fracking coming out of South Australia yet. The first well having only been fracked in 2011, the Cooper Basin, that we can draw those conclusions for South Australia yet.

Hon. Justice Pepper: How then is it so very different than from the sandstone tight gas operations that have been going on in that state for a great number of years, if not decades, which to all intents and purposes, uses the same fracking methodology?

Lauren Mellor: I think the fact that the industry hasn't been able to successfully complete shale gas fracking operational wells down in South Australia yet to any commercial scale means that they are having difficulties with the differences between those two forms of geology. Again, I don't know enough about what's happening in South Australia to conclude that this has been a disaster for South Australia. I don't think we have enough information. I think that's why we're having this inquiry specifically in relation to the Northern Territories' conditions.

Hon. Justice Pepper: I'm a bit confused. You said you didn't have enough information on the one hand but on the other hand, you're quite happy to extrapolate and say that it has been commercially unsuccessful in South Australia so, which is it?

Lauren Mellor: I don't think it is in commercial operation to an extent where we could conclude this industry's been successful or not in regards to shale gas fracking in South Australia yet. The last time I appeared before this inquiry, I actually did detail quite a number of problems that sandstone in particular had, had there. I tabled those compliance reports where Santos detailed quite a few circumstances where they had had environmental issues, work safe issues on those sites. What I'm saying, overall my statement was in regard to the shale gas fracking industry worldwide and what we can conclude from that. I believe overwhelmingly the peer reviewed evidence suggests that there are risks and actual harm being measured to public health and to water resources and in terms of the methane emissions from the industry, that I would conclude is a disaster and so would many of the communities that we work with.

Hon. Justice Pepper: I'm glad you raised the examples you gave in relation to Santos. On the 8th of August 2017, Dr. Beck asked you specifically for those references and you assured the panel that they would be provided. We've yet to get them.

Lauren Mellor: Were they not scanned on the day I gave my presentation? I actually had the papers then.

Hon. Justice Pepper: Certainly, there were figures given us or examples given to us but there was no proper references as suggested by you in your paper. You said that you would provide them. We have yet to get them. Perhaps you could provide



those references along with the page number of the quote in relation to commercial failure in the ACIL Allen report in due course.

Lauren Mellor: Absolutely. I would just state in that regard because I did have my papers scanned by the taskforce following that presentation. Perhaps if that hasn't come through, but I'd be happy to look through.

Hon. Justice Pepper: No. They did come through but the referencing wasn't there in relation to the examples you gave for Santos.

Lauren Mellor: Okay. All right. I'd be happy to have a look at that and follow-up. It certainly can provide the inquiry with them.

Hon. Justice Pepper: Thank you. Yes, Dr. Jones.

Dr. David Jones: Hi Ms. Mellor. I noticed your comment about the measurements of methane in relation to human health. Could you provide that reference because I'd like to see where exactly that concentration was measured, whether it was at the well head or at the receptors? That's really important for you to help those assessments.

Lauren Mellor: Yes. Are you referring to the internal compliance report from Alberta Energy Regulator? Those were the first references that I gave.

Dr. David Jones: I wrote this down. You were talking about the Alberta Regulator and the BC Gas Fields Commission in the context of problems with leaky wells, and you were saying 10% of wells leaking methane. Then you mentioned that there's this issue of 10,000 ppm methane being measured and risk of neurological damage, etc.

Lauren Mellor: That was a report by Alberta Health, which I'm happy to reference as well. Those are the figures coming out of Alberta Health when they looked at the figures of methane being released.

Dr. David Jones: Okay. I would appreciate that.

Lauren Mellor: Absolutely.

Hon. Justice Pepper: Yes, Dr. Andersen.

Dr. Alan Andersen: Thanks. I've got a couple of questions. The first one relates to the view that if moratorium is lifted, all the baseline and regional environmental assessments should be completed before any further exploration should proceed. It's a view that's been put to us a lot, as you're saying. I just wanted to explore a couple of things. It's something that that the panel is deeply aware of, and we're giving a lot of consideration to that timing issue. For many of the risks and examples of land clearing and water use, the impacts are all about the scale of activity, aren't they? The question is, is the scale of activity during exploration over the two to three years that would be required to complete these studies, is that of sufficient scale and therefore impact to be of major concern? That's the way we're looking at it. Certainly,



from a land clearing perspective, the current exploration activity that's occurred in the Beetaloo, I think most people would say that it hasn't been a major issue from a land clearing, water use, and maybe other things. I guess that's the key issue we're looking at, the extensive impact over that two to three years.

Related to that is how that fits in with activities of other land uses that are doing similar sorts of things. The pastoral industry for example, does a lot of land clearing, uses a lot of water. Anyway, there's issues that we're certainly considering deeply. My one question there before I move on to the other question, is to what extent do you think it's appropriate for a new industry, like fracking, to be required to abide by regulations that are much more rigorous than existing industries have to abide by?

Lauren Mellor:

I think if the panel's work has been to identify what those risks are and what the appropriate mitigation strategies might be they've done that in relation to the fracking industry, and I don't know if we can adequately compare it to then the adequacy of regulations that are supplied to other industries. I just don't think we're looking at that at this point in time. It's hard to make comment on that I'm afraid. Very glad to know that the panel is actually looking into ... it's made some quite substantial recommendations around the need to collect more data particularly in the Beetaloo region around water, around some of things in particularly with regard to public health and communities that could be affected by this development. I think for those studies to have integrity, we need to know that that work has been done prior to the trucking in of chemicals for instance, the release of methane through drilling. There are some activities that happen at that early exploration stage, whether on huge scale or not that could affect the ability to effectively gather data and then measure potential risks or harm down the tracks. I think that is why you would want to maintain the integrity of that process and actually put a halt to further exploration until that work could be done.

Dr. Alan Andersen:

Thanks. My second question relates to the gas fields down in the West MacDonnell Ranges, the Mereenie and Palm Valley. The scale of operations there is probably not of the scale that might occur in the Beetaloo Basin if the moratoriums lifted, but there's still some long history of gas drilling and some fracking. I'm just wondering how familiar you are with that. Do you have any comments about what environmental impacts there may have been? Also, some comments of social impacts in particularly for local aboriginal communities. Have you got any information or views on impacts there?

Lauren Mellor:

I think the panel will probably be enlightened by discussions with residents of Ntaria Hermannsburg, I think tomorrow during a consultation because obviously quite a number of people who live there are traditional owners. They've also had some experience negotiating and potentially even working on that gas field site down there. I know that quite a number of those people who intend to go tomorrow want to discuss the social impacts that that industry has actually had in their community. They have reported that it's been quite a divisive process for gaining continued approvals for that



operation to proceed. Most people don't see the benefits as being widely shared in the community. A look around Ntaria Hermannsburg will note that this community is in no way economically or socially better off than other remote Northern Territory community in terms of housing, employment, on a range of indicators. They have not been benefited over the lifetime of that gas field.

I would bring the panel's attention to there's quite a good article by Que Kenny written last year on the effects that unconventional gas field have had their perceived impacts on culture, community, and the environment. What was discovered through that report was that there actually hasn't been a lot of public monitoring and reporting of the impacts of that activity in the Mereenie. I think that's a problem and unfortunately it's obviously not within the terms of reference of this inquiry to bring that out, but we've certainly had a lot of people who have been in a regulatory position in the past who have commented publicly about the lack of monitoring data there. We do note that there have been quite a number of spills from wastewater ponds in the Mereenie, which the community there have reported they believe have affected Cooper Alice Springs, which is a sacred spring just downstream of where the flooding occurred there at Mereenie a couple of years ago. They've also reported, and it's on the public record, that water has now been lost from Cooper Alice Springs. It used to be a permanent spring. There's no evidence of water there anymore and there is some sort of salty discharge all over the springs there. That happened shortly after this incident with flooding a couple of years ago.

I think it would be worth speaking to the community about those issues, perhaps even going out to Cooper Alice Springs and seeing those impacts. I found not very much information at all about the impacts of Mereenie on the public record. This is across the border.

Hon. Justice Pepper: Again, if you could provide that article with the additional information we've requested.

Lauren Mellor: Sure.

Hon. Justice Pepper: Yes, Dr. Beck.

Dr. Vaughan Beck: Thank you very much for your observations and comments. In respect to greenhouse gases, just a clarification there, as you rightly acknowledged the assessment was 5% of emissions from a proposed ... if there were to be a gas field in the Northern Territory that would equate to 5% of Australia's emissions and 0.05 of global emissions. The risk assessment was based upon the global percentage simply because global emissions are obviously relevant in terms of considerations of global warming. Just a clarification. Your observations regarding concerns surrounding being able to meet various Paris Accords one, and also the implications on global warming are consistent with a number of other concerns that we have received and we are taking those comments seriously in terms of the panels' deliberations.



Lauren Mellor: Do you think that there would be scope to have a climatologist actually look over some of those assessments and perhaps make comment that there might be some better ways to model the cumulative impacts around that?

Hon. Justice Pepper: I'll answer that. No, given the timeframes that we have within which to hand down this report in March.

Vaughan Beck: We've also received submissions from people in the climate area, including some eminent scientists.

Hon. Justice Pepper: They're all up on the website.

Lauren Mellor: That's good. I think I would just again reiterate that I think it's concerning just to try and model them in comparison to what they're equivalent would be on a worldwide scale when we're talking about the Northern Territory as one of the largest emitters already per population base. I think perhaps there might be some further work that could be done in that regard, just to measure the impacts and whether it's appropriate to allow this proceed. Give governments some clearer guidelines around that in assessing what the actual risks of one shale gas field in the Territory would be.

Hon. Justice Pepper: Yes, Professor Hart.

Prof. Barry Hart: You made a comment on Natural Resources Canada, a report that apparently they've done on, I think Alberta, noting that there's no third party monitoring of methane I guess.

Lauren Mellor: Yes, of well construction and the methane leakage from wells, apparently.

Barry Hart: What's your thought about what third party means?

Lauren Mellor: I suppose the criticism that's been levelled against those two dedicated oil and gas commissions is that they're 100% industry funded, which lends itself to if there is a boom bust, an aspect to this industry, then the resources and potentially the knowledge within those organisations may be lost when those impacts are starting to be felt by the regulators. Certainly, I just hold them up to say I think that there is still concerns with dedicated oil and gas commissions in what seems to be quite tightly regulated jurisdictions, oil and gas provinces.

I don't know if I can comment on what a third-party overseer would look like given that we're looking at a range of different options in relation to the regulatory framework. I certainly think it's worth looking at, but I just wanted to bring to the panel's attention that there were seemingly quite significant documented failures with these couple of commissions that we're looking at.

Prof. Barry Hart: I guess a lot of people would say a third party equates to independent, however you define that.

Lauren Mellor: That's right.



Prof. Barry Hart: Thank you.

Hon. Justice Pepper: I went to the BC Oil and Gas Commission as part as my Christmas holidays for my sins and spoke with executive members there and certainly that commission is not 100% industry funded. From my research assimilation to the Alberta Energy Regulator, again to say it's industry funded is somewhat misleading because in fact the money goes to the government that then goes back to the commission. Sorry, the regulator I should say.

Lauren Mellor: Yes, sure. Though, we're still relying on industry contributions to fund those regulators, which I think it's worth exploring whether that presents a problem in relation to the downturn of industry and whether if we have changes then in our regulatory capacities in those times.

Hon. Justice Pepper: Are you suggesting that taxpayers should fund any regulatory reform?

Lauren Mellor: No, not at all. I don't think that they should in this regard. I'm not endorsing option one or two in this. I just wanted to bring to the panel's attention given that the panel was exploring this work, that there are potentially problems with both those models.

Hon. Justice Pepper: Well, what would you suggest if the government decides to lift the moratorium? Do you think that the current regulatory system doesn't need any further work?

Lauren Mellor: Of course, not. I've dealt with regulators over many years in relation to the extractive industries and potential improvements. We're in the process at the moment of talking around financial assurances that can help prevent companies being able to walk away from liabilities in regard to rehabilitation and that sort of thing. We are doing work in that regard, some of which we've submitted to the inquiry, some is irrelevant because it's to do with extractive industries. We are having those discussions with government at the moment. Yes, we would like to see a more independent regulator. As I've stated, I don't think the government should be spending money attempting to regulate a shale gas fracking industry. I don't think that there is merits in the economic case for a fracking industry to warrant that. I don't believe the revenue that would accrue to the government would be enough to actually regulate this industry in the way that the panel or others are proposing. I'm certainly not advocating the government starts putting money into other ... an independent regulator. I do think the work that's currently underway needs to continue to happen and that is with regard to environmental legislation reform and looking at the EPA taking over more compliance enforcement functions. We've supported that.

Hon. Justice Pepper: The EPA has been described by a number of people who have presented in community forms as a "toothless tiger" so why would the EPA be the solution?

Lauren Mellor: I would agree with that. I think they need more compliance functions. I think they need more resourcing. I do think they need to be staffed outside of their current arrangements where they're taking staff from other



departments. I think that all of those things are a problem and should be discussed in due course. This is certainly not an endorsement of the EPA as it currently stands, or even in some of the proposed models. As I've said, there's a problem with the EPA dropping charges against belligerent mining companies when they've breached the law that creates serious concerns for us as well, and I don't know that that would be addressed either through this process.

Hon. Justice Pepper: What do you say the regulatory ... in order to create a more independent regulator, what do you say, if you don't endorse option one or two, what do you say is the solution?

Lauren Mellor: I'm certainly not an expert in regulating oil and gas sectors, so I'm not going to go there. What I think in relation to what needs to happen immediately in the Northern Territory is for those compliance and enforcement functions to be handed over to the EPA, for the EPA to be staffed and able to choose its staffing dependently and not have those borrowed from other departments. I do think they ought to be the ones monitoring compliance with mine management plans and pinging companies when they breach those. I think those are the set of standards that we should be applied automatically. That's some of the work that's already underway even outside of this inquiry process.

Hon. Justice Pepper: Any further questions? Thank you, Ms. Mellor. That concludes the public hearings in Tennant Creek. Thank you.