

Wednesday 28 February 2018

Independent Scientific Panel Inquiry  
Locked Bag 33  
Cloisters Square  
PERTH WA 6850

Dear Panel

The Broome Chamber of Commerce and Industry Inc. supports the extraction of natural resources, including where the hydraulic fracturing process is utilised to extract gas, where:

- projects can be proven to deliver positive economic benefits to the local economy and programs that would deliver positive outcomes to the community;
- potential impacts on the public health and drinking water areas have been vetted by the relevant authorities; and
- relevant approvals have been granted and regulations complied with for the activities to be conducted.

In line with the terms of reference of the WA Inquiry into Hydraulic Fracturing we wish to focus on the positive community impact that the oil and gas industry should be able to provide if hydraulic fracturing occurs, within the Shire of Broome and Kimberley region. The scientific aspects of hydraulic fracturing are best commented on by regulators and scientists with appropriate qualifications.

### Gas in the Canning Basin

The Australian Council of Learned Academies has estimated that there could be up to 965 trillion cubic feet of recoverable gas within the Canning Basin.<sup>1</sup> It is recognised that to recover this gas resource requires hydraulic stimulation. As a comparison, the nearby offshore Browse Basin located 425km north of Broome is estimated to contain 16 TCF of dry gas.<sup>2</sup>

Western Australia consumes around 0.5 TCF of natural gas each year<sup>3</sup> and 1 TCF of gas is capable of supplying a city of one million people with electricity for 20 years.<sup>4</sup> The extraction of gas in the Canning Basin has the potential to sustain a 20 – 40 year industry.

Given the scale of this resource in the Kimberley, it has the potential to contribute positively to job creation and economic diversification in the region.

### Local Economy

The economy of Broome is heavily reliant on tourism, with associated services contributing approximately 30% to gross regional product and employment in the area. The tourism sector is seasonal, meaning that businesses operate at high levels during the peak dry season and significantly falling during the low season.<sup>5</sup> These fluctuations can make it difficult to provide for a sustainable economy. This heavy reliance on a few industries increases the region's exposure and risk to future economic shocks, should there be major issues in any one of these key industries.

<sup>1</sup> Page 29. Cook, P, Beck, V, Brereton, D, Clark, R, Fisher, B, Kentish, S, Toomey, J and Williams, J (2013). Engineering energy: unconventional gas production. Report for the Australian Council of Learned Academies, [www.acola.org.au](http://www.acola.org.au).

<sup>2</sup> <http://www.woodside.com.au/Our-Business/Developing/Browse/Pages/Browse.aspx#Wn1Coa6WblU>

<sup>3</sup> Natural Gas from Shale and Tight Rocks An overview of Western Australia's regulatory framework factsheet, available at <http://www.dmp.wa.gov.au/Documents/Petroleum/PD-SBD-NST-102D.pdf>

<sup>4</sup> The Facts about natural gas and fracture stimulation in Western Australia, available at [http://www.dmp.wa.gov.au/Documents/Petroleum/The\\_Facts\\_about\\_Fracking\\_Brochure.pdf](http://www.dmp.wa.gov.au/Documents/Petroleum/The_Facts_about_Fracking_Brochure.pdf)

<sup>5</sup> Page 2. AECgroup - Broome Economic Profile REVISED (2012) Available at <http://www.broome.wa.gov.au/Discover-Broome/Facts-Figures>



Accordingly, when a long-term industry is capable of setting up in the region it should be supported to diversify the economy and reduce reliance on one major industry.

### Community Contribution

The oil and gas industry proponents in Broome have shown themselves to be positive contributors to the town. In addition to providing employment for many locals and supporting local businesses, they have sponsored local events in the region that may not otherwise be able to occur or would have had to be paid for by the ratepayer or taxpayer, including:

- Shinju Matsuri Festival (Inpex, Buru Energy)
- Broome Sports Awards (Buru Energy)
- Broome Fireworks (Buru Energy)
- Chinatown Christmas Party (Inpex, Buru Energy)
- Broome Christmas Lights Competition (Buru Energy)
- Broome Rodeo (Buru Energy)
- Search and Rescue Helicopter (Shell)
- Kimberley Girl (Woodside Energy, North West Shelf Partners, Buru Energy)

The Chamber assumes that an increase in the activity of the gas industry would lead to further services and sponsorship of local community events, making the town a more vibrant place to live.

### Local Employment

As at March 2016, unemployment in Broome was at 9.2% in March 2016 and Kimberley wide was 14.5%.<sup>6</sup>

The 2011 Census outlines key differences in labour force outcomes for the Indigenous and non-Indigenous populations in Broome. In 2011, Indigenous labour force participation was 43.1% and unemployment at 16.4%, more than double the State average. In contrast, non-Indigenous labour force participation was 81.7% and the unemployment rate at 2.3%.<sup>7</sup>

As with many rural economies, long term job opportunities in the Kimberley are limited so when companies are willing to invest and employ in the region they should not be discouraged.

The Kimberley faces significant social issues, and one means to address these social issues is by providing people with meaningful employment. Job creation needs to occur across a number of sectors and the oil and gas industry will be an important contributor to providing jobs to people within Broome and in the remote areas where the industry operates.

One local proponent, Buru Energy, utilised the hydraulic fracturing technique at two gas wells near Noonkanbah in 2015. The three-month hydraulic fracturing program employed 30 local people from Noonkanbah for over 13,500 hours of paid employment. Training occurred in security, the operation of excavators, water carts, dump trucks, front-end loaders and bobcats.<sup>8</sup>

Buru Energy have indicated that should hydraulic fracturing be permitted and an onshore gas industry can be established, it will benefit local Kimberley businesses while having a low impact on the community. The infrastructure associated with onshore gas is relatively simple and located out of town on pastoral stations. The project will not require a large Fly In, Fly Out workforce but will complement and provide opportunities to existing businesses. They have indicated that they will train a local workforce that can service the needs of the project, providing opportunities to local businesses and supporting the local economy.<sup>9</sup> The company has a 100% local workforce at its current oil facility 100km east of Broome.

<sup>6</sup> P 11. Hutley N, Knight, M, Somek, D (2016). Broome Economic and Situational Analysis. Available at [http://broomegrowthplan.com.au/wp-content/uploads/2017/03/FINAL\\_RCDP2-Broome-Economic-and-Situational-Analysis.pdf](http://broomegrowthplan.com.au/wp-content/uploads/2017/03/FINAL_RCDP2-Broome-Economic-and-Situational-Analysis.pdf)

<sup>7</sup> Ibid.

<sup>8</sup> <https://www.buruenergy.com/corporate-responsibility/traditional-owners/>

<sup>9</sup> <https://www.buruenergy.com/canning-basin/hydraulic-fracturing-2/>





BROOME CHAMBER OF COMMERCE & INDUSTRY (Inc)

We welcome the opportunities that hydraulic fracturing, as a component of responsible resources extraction, can bring to Broome and the region.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Elisabeth Lucke", is written over a faint, circular official stamp.

Elisabeth Lucke  
Acting President  
Broome Chamber of Commerce and Industry Inc.