



DERBY CHAMBER OF COMMERCE (INC)



16th March 2018

**Dr Tom Hatton
Chair – Independent Science Panel
Inquiry into Hydrolic Fracture Stimulation
Locked Bag 33
Cloisters Square
PERTH WA 6850**

Dear Dr Hatton and Panel,

**Independent Scientific Panel Inquiry
into Hydraulic Fracture Stimulation in Western Australia 2017**

The Derby Chamber of Commerce and Industry Inc. (DCCI) supports the environmentally responsible and sustainable development of the onshore gas industry, where hydraulic fracturing activities:

- leads to economic benefits to the local economy;
- leads to local employment;
- leads to procurement from local suppliers,

where the regulatory requirements have been received and complied with for the proposed activities.

We are aware that there have been many inquiries in Australia about hydraulic fracturing in recent times and in-particular the scientific reports prepared for the Noonkanbah community in the Fitzroy Valley. All reports have arrived at a similar conclusion, in that exploration for and developing gas and oil from unconventional sources is unlikely to pose any significant risk to groundwater or to human health and providing that an appropriate regulatory regime is in place.

The DCCI believes developing the abundant onshore gas resources in the Canning Basin can deliver much needed new jobs and will also bring investment in roads and regional infrastructure.

In line with the terms of reference of the WA Inquiry into Hydraulic Fracturing, we wish to provide a submission on the positive community impact that the oil and gas industry has, and could have, if hydraulic fracturing occurs within the Shire of Derby West Kimberley.

Gas in the Shire of Derby – West Kimberley

Gas reserves in the Canning Basin are substantial. Hydraulic stimulation is required to extract the gas from the tight rocks it is contained in. The extraction of gas in the

Canning Basin has the potential to sustain a 40-year industry. The Shire of Derby encompasses major parts of the Canning Basin where the gas is located. The amount of gas in the Shire of Derby could sustain an industry that would offer long term employment and economic benefits to locals and businesses located here.

Local Economy

As a remote town, Derby is heavily reliant on a few industries to sustain it economically. Derby suffered considerably when the Federal Government closed the Curtin Detention Centre and the closure of mining operations in the West Kimberley and has not completely recovered from the economic shock that caused property prices to drop and residents to leave town for work elsewhere. Accordingly, when a long-term industry is capable of being established in the region, it should be supported and not unnecessarily burdened with red tape. Success in the Canning Basin could be a major facilitator for residents, local industry and businesses to reduce their costs of energy, making the region more affordable to live and more competitive to produce.

Positive Social Licence

The oil and gas industry proponents around Derby have shown themselves to be positive contributors to the Shire. Whilst employing locals and using procuring goods and services from local businesses, the industry has also sponsored many events in the region that may not otherwise have been able to occur, including:

- Fitzroy Rodeo
- Kimberly Photographic Awards
- Derby Art Prize
- Looma Eagles Football team
- Noonkanbah Rodeo
- Noonkanbah Blues Football Club
- Derby Boab Festival

Local Employment

As at March 2015, unemployment in Derby was 18.1%, a significantly higher percentage than the State unemployment rate. 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 be encouraged. The Kimberley faces many economic challenges and it is the view of the DCCI that the onshore gas industry can deliver significant long-term benefits and opportunities to regional communities within the Shire.

Buru Energy Ltd has been implementing these practises as an onshore explorer, fracked wells for gas near Noonkanbah in 2015 at their Asgard and Valhalla drill sites. The three-month hydraulic fracturing program employed 30 people from Noonkanbah for over 13,500 hours of paid employment during an exploration well. Should the moratorium of fracking be lifted, and production can occur, more people would be employed on a full-time basis.

Buru Energy have indicated that should hydraulic fracturing be permitted an onshore gas industry can be established and will be beneficial to local Kimberley businesses while having a low impact on the community as the infrastructure associated with onshore gas is relatively simple and located out of town. Onshore gas does not require a FIFO workforce and can be serviced by locals and existing businesses. Buru Energy have stated on their website 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.

We welcome the opportunities that hydraulic fracturing can bring to Derby and the region and urge the Inquiry to adopt a factual and evidence-based approach toward assessing the potential risks regarding the exploration for, and the development of, unconventional gas and oil, and the use of hydraulic fracturing to enhance its production on the basis that there is a robust regulatory regime in place.

Yours sincerely,



Paul BICKERTON
President



Stewart MILNE
Vice President