

Independent Scientific Panel Inquiry
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Dear Inquiry Panel members

Submission to the Panel in Support Hydraulic Fracturing

I am a long term Broome resident and I support hydraulic fracturing.

Benefits

The Department of Mines, Industry Regulation and Safety estimates that the Canning Basin contains 1000 trillion cubic feet of gas. With WA gas requirements currently 0.5 TCF per year, Canning Basin natural gas could provide a secure and affordable long-term source of energy for Western Australians, as well as a long term industry in the Kimberley that could benefit all residents.

The Kimberley's economy, as with many regional areas, is vulnerable to economic downturns because there are few dominant industries and long term job opportunities are limited compared to major metropolitan areas. When companies are willing to invest and employ locals in the region they should be supported.

The Kimberley faces significant social issues, and one means to address these social issues is by providing people with long term 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 onshore oil and gas explorers operate. Without hydraulic fracturing the tight gas cannot be unlocked, and onshore production of gas would not be able to occur.

A long term industry provides long term employment opportunities for locals. Onshore operators pay rates to the local shires and royalties to the state government. The Kimberley is in dire need of opportunity and investment in infrastructure. Fracking provides a key to improving the lives of all residents.

Regulations

I have some involvement in providing support to the petroleum industry and am comfortable with the current regulatory regime governing the sector. The current regulatory environment is appropriate for hydraulic fracturing operations.

The resources industry is governed by more than 22 pieces of state and federal legislation and overseen by at least 8 government regulatory agencies. This has ensured that the industry operates within parameters that protect people and the environment while benefitting Western Australians.

The protection of the environment while undertaking petroleum activities is of importance to the State. The *Petroleum and Geothermal Energy Resources (Environment) Regulations 2012*, the *Petroleum (Submerged Lands) (Environment) Regulations 2012* and the *Petroleum Pipelines (Environment)*

Regulations 2012, (the Regulations), are regulations to the main petroleum legislation in Western Australia and provide specific environmental requirements for operators to comply with.

The Regulations require the explorer to gain DMIRS approval for, and comply with, an approved Environment Plan (EP). In order to be approved, an EP must meet legislative requirements and DMP expectations, be appropriate for the nature and scale of the activity, and reduce all potential impacts and risks to as low as are reasonably practical and acceptable levels.

Under regulation 8, an activity must not continue if a significant new or increased environmental impact or environmental risk is identified. In these circumstances a revised EP must be submitted and approved by DMP prior to continuing the activity

It is an offence under the Regulations if an activity is carried out in a way that is contrary to the EP approved by DMP.

Water Regulation

Water usage of hydraulic fracturing is governed by the Department of Water and Environmental regulation.

The *Rights in Water Irrigation Act 1914* provides for a licensing system to take water and construct water wells in proclaimed areas from artesian sources, all water used in the hydraulic fracturing process that is derived from aquifers requires a licence.

Buru Energy was licenced to take up to 50 megalitres at each well site per annum for its proposed 2014 hydraulic fracturing program, with the company estimating a maximum 31 megalitresⁱ would be used which represents less than 0.005% of the annual sustainable yield of the Canning Basin and is less than two days water use for the town of Broome.

The Canning Basin is considered the second largest groundwater resource in Australia after the Great Artesian Basin. It is a large sedimentary basin covering an onshore area of more than 450,000 km². The surface groundwater aquifers which comprise the defined resource and from which all groundwater is presently sourced in the region, varies spatially across the basin. Sustainable groundwater yield from all the surficial potable aquifers in the basin combined has been estimated at between 615,000 mega litres a year and 827,000 mega litres a year.

Current consumption of groundwater in the Canning basin, primarily by the township of Broome and Derby, is estimated to be 33,134 mega litres a year which is less than 4% of the annual sustainable yield.ⁱⁱ

There is enough water for industry to use without effecting or restricting drinking water supplies.

Land Access and Aboriginal Heritage

In the Kimberley most petroleum exploration occurs on pastoral leases and land with native title.

Aboriginal Heritage

The Kimberley Land Council has Heritage Protection Agreements (HPA's) with petroleum explorers that protect aboriginal sites of significance.

These agreements are entered into under the expedited procedure of the *Native Title Act 1993* for the granting of exploration permits under the Mining Act 1978 (WA). These HPA's set out procedures and

the requirements for heritage surveys to occur to avoid destruction of aboriginal sites under the *Aboriginal Heritage Act 1972 (WA)*.

A survey with local native title holders occurs prior to any ground disturbing works occurring, with aboriginal monitors present when ground disturbing works actually occur.

Pastoral Leases

Pastoralists are entitled to compensation for damage to their infrastructure and pastoral leases by resource companies pursuant to section 203 of the *Lands Administration Act 1997 (WA)*.

The Yulleroo area where Hydraulic fracturing was proposed to occur near Broome is on Roebuck Plains Station. It is not an area where tourists visit or has tourism value. It is also my understanding that it does not interfere with cattle operations or current infrastructure.

When a well is drilled in the region it typically needs a water bore for ablutions and drilling. An access track is also required for vehicles to reach the site. Once the drilling ends the water bores can be left for the use of the pastoralists. This is a saving of up to \$60,000 that the pastoralist does not have to pay for a watering point for cattle. This makes the pastoral station more productive. The areas where I have seen drilling occur are areas where there has not previously been any access tracks. The access tracks that are created did not require a large amount of clearing and give access to areas that could not be accessed, again making the pastoral station more productive through being able to use areas previously unused.

Chemicals

Regulation 15(9) of the *Petroleum and Geothermal Energy Resources (Environment) Regulations 2012* requires companies to declare chemicals used down wells. The disclosure occurs in an Environment Plan that must be approved by the regulator using a number of assessment methods to ensure activities have a low impact to the environment.

Buru Energy's website listed the chemicals they intended to use. Halliburton's Cleanstim HF Fluid was to be used for into 2014 program. The website mentioned that the fluid and its breakdown products were biologically tested in a nationally accredited laboratory testing program. The tests used rainbow fish from the Fitzroy River and concluded there was no effect on fish even at twice the concentration classified as "very slightly toxic", meaning that the fluid was non-toxic. None of the chemicals were classified as carcinogens or teratogens, and do not accumulate in the environment.ⁱⁱⁱ

On the issue of chemicals, I note the conclusions of the Yawuru expert group reviewing Buru Energy's Environment Plan for the TGS program that:

- The overall conclusion is that the TGS14 EP is comprehensive and meets both the structural and content requirements outlined in the EP Guidelines.
- The overall findings that the impacts and risks associated with down-hole chemicals are limited (and that Buru Energy's controls are sufficiently protective) are reasonable and appropriate.
- Human exposures to the chemical additives, particularly for community members away from the occupational setting where the hydraulic fracturing is being conducted, are limited and would not be expected to produce adverse health impacts.

I am comfortable with the regulatory environment approving chemicals, and do not believe they will cause contamination of aquifers in the Kimberley.

Social Licence

The petroleum companies operating in the Kimberley have proven themselves to be good corporate citizens, providing employment and training for many residents, opportunities for local businesses, and have been very generous sponsoring local events in the region that would not otherwise be able to occur or would have had to be paid for by the ratepayer/taxpayer, including:

- Shinju Matsuri Festival
- Broome Sports Awards
- Broome Fireworks
- Broome Girls Academy
- Kimberley Girl
- Chinatown Christmas Party
- Broome Christmas Lights Competition
- Broome Rodeo
- Fitzroy Rodeo
- Kimberly Photographic Awards
- Derby Art Prize
- Looma Eagles Football team
- Noonkanbah Rodeo
- Noonkanbah blues Football Club
- Derby Boab Festival
- Broome Small Business Awards

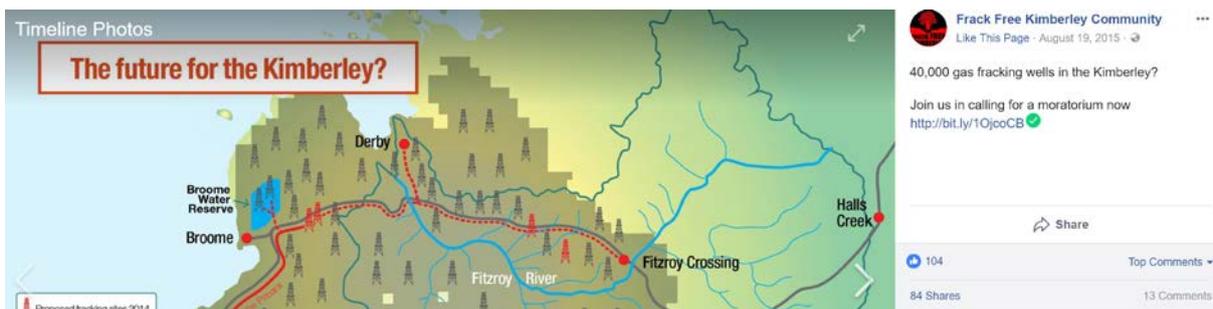
Additional Regulations Needed for Activists, not Industry

As can be seen above, the resources industry is highly regulated and a positive contributor to the Kimberley region. Unlike non-tax paying charitable green activist groups who love being granted money while destroying the industries and communities that pay the tax that pay their grants.

There have been many inquiries into fracking as shown on the Inquiry website. All Australian inquiries have concluded that fracking can be done safely. Within the previous Western Australian inquiry, in addition to concluding that fracking could be safe, the committee noted that:

The committee found that there was considerable misinformation within the public domain about hydraulic fracturing which understandably led to community anxiety.

If any extra regulation is required it would involve the regulation of activist charitable groups who I have found have a negative influence on the region. These activist groups such as Environs Kimberley and the Kimberley subsidiary of Lock the Gate, Frack Free Kimberley, often cause fear with claims, amongst others, that there will be 40,000 fracked wells in the Kimberley and that toxic chemicals will pollute the environment. These claims are deliberately misleading. An example of how irresponsible these groups are is attached at the end of this letter. Lock the Gate are prepared to provide misleading information to the Northern Territory inquiry into fracking to manipulate facts.





I believe that it appropriate that the Panel recommends that these activist groups face penalties and lose their charitable status for promoting misleading information or using the legal system frivolously to hinder lawful projects. These groups operate in a privileged space by not paying taxes and their donors receiving tax concessions. The donors of these groups are often from non-transparent US based activist philanthropic groups such as the Tides Foundation (https://en.wikipedia.org/wiki/Lock_the_Gate_Alliance) and Pew Foundation and east coast millionaires. They all enjoy the convenience of well serviced built up urban environments yet want to impose their self-righteous world saving crusade on those of us in the Kimberley. They do not pay rates in the Kimberley Shires, nor do they employ locals. These activist groups have a responsibility to ensure the information they promote is accurate and to the highest standard, which I do not believe occurs. It is these groups who do not have a social licence and fail to be honest and accountable to the people whose lives they affect.

Thanks you for your time

Brian Philp

ⁱ P 18, Buru Energy EPA referral:

http://www.epa.wa.gov.au/sites/default/files/Referral_Documentation/EPA%20Referral%20TGS14%20%20Attachment%20%20%20Supplement%20to%20EPA%20Referral.pdf

ⁱⁱ P 44, Buru Energy EPA referral.

ⁱⁱⁱ Buru Energy EPA referral, attachment II.

SCIENTIFIC INQUIRY INTO
HYDRAULIC FRACTURING
IN THE NORTHERN TERRITORY



[REDACTED]
Lock the Gate Alliance
[REDACTED]

[REDACTED]

RE: ALLEGATIONS MADE BY LOCK THE GATE

I refer to your correspondence, on behalf of Lock the Gate Alliance (**Lock the Gate**), to the *Scientific Inquiry into Hydraulic Fracturing of Unconventional Reservoirs in the Northern Territory (the Inquiry)*, dated "9 February 2017" (sic).

Regrettably the Inquiry is unable to accommodate your request to phone-in and address the Panel during the public hearings in Tennant Creek.

As indicated by the Panel on 6 February 2018 during the public hearings in Darwin, the Panel does not accept that there was "a cover up of information by Origin Energy (**Origin**) as part of the NT Inquiry into Hydraulic Fracturing". Having regard to the chronology of events outlined by me on that day – especially the fact that both diagrams the subject of your letter have been in the public domain since 25 May 2017, the explanation given by Dr David Close on behalf of Origin, the purpose of the provision of the diagrams and what each sought to depict, the Inquiry does not intend to pursue the matter further.

In your letter you again impute a mischievous intention to the presentation and provision of the **two** diagrams. At no point has "incorrect information" been provided to the Inquiry. Moreover, and contrary to your assertion, the Panel and the public, including Lock the Gate, have had access "to accurate unedited versions of evidence" since at least 25 May 2017.

Given the scandalous nature of your allegations against Origin and the Inquiry which have now been proven to be wholly incorrect, it remains a matter of considerable concern that no apology has been proffered by you, on behalf of Lock the Gate, to Origin or the Inquiry. Failure to do so has the very real effect of impugning the credibility of yourself and Lock the Gate.

Please note that your letter and this response will be treated as a submission and published on the Inquiry's website.

Yours sincerely

THE HON JUSTICE RACHEL PEPPER
Chair

11 February 2018