



31 August 2022

Senate Environment and Communications Legislation Committee
Australian Parliament

ADDITIONAL SUBMISSION - Senate Inquiry into Oil and Gas Production in the Beetaloo Basin

About us:

The Central Australian Frack Free Alliance (CAFFA) is a grassroots community group located in Mparntwe/ Alice Springs organising to protect the NT's water, health, communities and country from the harms of unconventional gas extraction. We have been active over the last seven years in raising awareness within the Alice Springs and Central Australian community about the risks posed by this poorly regulated and inherently dangerous industry. We are opposed to the development of a new onshore shale gas industry in the NT because of the serious damage to our climate, groundwater and ecosystems this industry will inevitably cause. Pursuing new gas fields is not compatible with a liveable future for the Territory.

Our work has seen CAFFA engaging with the community through market stalls, letterboxing, community surveying and other social events. This extensive engagement has furnished us with a solid understanding of the mood of the Alice Springs community on this issue.

We have already provided a submission to the Committee, but would like to use this opportunity to encourage the committee to engage with the significant concerns of the climate and anti-fracking movement as most comprehensively articulated in the submission to this committee of the Lock the Gate Alliance.

Further developments which have come to light and are cause for concern include the 'Energy and Emissions Reduction' agreement between the former Federal and NT governments, which uncritically supports gas over renewables and fails to propose any tangible measures for reducing emissions, and the package of gas industry-specific infrastructure under consideration by Infrastructure Australia.

We also raise serious issues with the NT Government's approach to water management and critical baseline data collection, and note that while the Federal Labor Party recently made the positive commitment to extend the 'water trigger' to shale gas, there is no information as to how and when this very welcome step will be taken.

Summary of points raised in the Lock the Gate submission, which CAFFA supports and seconds in full:

Implementing commitments to extend the EPBC Act 'water trigger'

- The Federal Labor Party committed to extending the 'water trigger' under the EPBC Act to shale gas prior to the election in May. This is a very positive reform that was recommended by the Pepper Inquiry and would see fracking proposals independently assessed by the IESC, but the Government has not yet implemented this promise.
- ***We submit that the Committee should seek information from the new Federal Government as to when and how this commitment will be implemented.***

Public money to create a market and infrastructure for Beetaloo gas

- The NT Government has referred a package of 'Enabling infrastructure for developing gas in the Beetaloo Basin' to Infrastructure Australia for potential taxpayer funding. This proposal includes gas industry-specific facilities, such as a waste treatment plant and compression stations, and has been included on the Infrastructure Priority List.
- ***We submit that the Committee should seek an explanation from Infrastructure Australia as to how it will assess this proposal for taxpayers to effectively fund standard costs of doing business for gas companies, and how the 2030 emissions reduction targets will be taken into account in this assessment.***
- In excess of \$2.6 billion has been announced for the heavy industrial precinct at Middle Arm, including \$300 million for CCS and fossil fuel-based hydrogen production, in the absence of any business case, environmental assessment or human health analysis. There is uncertainty as to which subsidy announcements have progressed into payments or contracts, and which have not progressed.
- ***We submit that the Committee should request information on the status of all funding announcements made by the former Federal Government in relation to subsidising Beetaloo Gas and the Middle Arm precinct, and on the status of any relevant business case.***
- In addition to specific grants, numerous other tax, loan and funding mechanisms are used to funnel public money into the fossil fuel industry, including NAIF and Export Finance Australia.

The 'Commonwealth-NT Bilateral Energy and Emissions Reduction Agreement'

- The Agreement was signed by the former Prime Minister and NT Chief Minister in April 2022, and only released publicly in August.
- Both governments committed to the construction of 24 exploration wells by the end of 2023, and for production to commence in 2023 - arbitrary targets that undermine proper regulatory processes and critical baseline environmental data collection.
- The Agreement uncritically supports gas at the cost of sustainable and secure energy supply - \$2.6 billion for gas infrastructure plus the possibility of further payments to gas companies, compared to \$30 million for renewables and storage.
- The Agreement contains no tangible proposals for actual emissions reductions.
- ***We submit that the Committee should request information on the status of the Agreement, given it was signed prior to the Federal election and does not appear to reflect the stated priorities of the new Federal Government.***

Improbable return on investment for taxpayers

- Gas produced in the Beetaloo will be uncompetitively expensive due to the area's remoteness and the inherent costs of producing shale gas, while all three potential pathways to market face serious technical, economic and environmental hurdles.
- Pipelines required to transport Beetaloo gas to domestic markets will struggle to stack up economically in the face of stranded asset risk and declining demand.
- LNG exports merely provide huge profits to gas companies while adding to the costs of Australian communities and businesses - and would also require massive pipeline development.
- The Middle Arm petrochemicals precinct faces challenges including dredging through a quartz reef, site inundation due to rising sea levels, and health risks from pollution.
- Further, the new Federal Labor Government was elected on a platform of reinvigorating Australian manufacturing based on cheap, renewable energy but the entire Middle Arm Precinct is designed around manufacturing reliant on expensive, polluting gas.

- ***We submit that the Committee should interrogate the economic case for any further government support (financial or regulatory) for onshore gas in the NT.***

Precautionary water management compromised by support for the gas industry

- An NT Government decision regarding critical baseline environmental research has been referred to ICAC over integrity concerns.
- Water Allocation Plans recommended by the Pepper Inquiry are being rushed through without normal community input to meet the arbitrary 2023 gas production target.
- The Water Controller is granting extraction licences to onshore gas companies on the basis of rules allowing the unsustainable 'mining' of aquifers.
- Federal intervention via the extension of the water trigger to unconventional gas and CCS is necessary to protect critical water resources in the NT.
- ***We submit that the Committee should seek information from the new Federal Government and Environment Minister as to how and when the promise to extend the EPBC Act 'water trigger' to shale gas will be implemented.***

Significant climate impacts that cannot feasibly be avoided

- Shale gas production in the Beetaloo would create 22 - 26.5 million tonnes of direct greenhouse gas pollution every year - increasing our national emissions by 4.5%.
- There is no feasible way to effectively avoid or offset the emissions impact of a new onshore gas industry in the NT within the time required to avoid dangerous warming.
- The NT Government is attempting to obscure its promise to avoid an emissions increase behind a 'net zero' target which merely puts off the problem for later.
- A new gas industry will make climate change worse, with direct impacts on the habitability of the NT, for people, plants and wildlife alike.
- ***We submit that the Committee should consider the contribution opening up the Beetaloo would make to the global warming that is already damaging ecosystems and communities around the world, and threatens to make the NT uninhabitable within a matter of decades.***

Further public hearings in light of new information and the unfolding climate crisis

- Since the Committee's first round of public hearings, knowledge and circumstances surrounding the Beetaloo onshore gas project have changed, there is a new Federal Government elected on a platform of renewable energy and reducing greenhouse gas emissions, and the immediacy of the climate crisis has reached new heights.
- ***We submit that, in these circumstances, the Committee should hold another public hearing in Darwin to allow the community - many of whom will soon be directly affected by water and climate issues raised by Beetaloo fracking - to provide updated information to the Committee.***

We urge the committee to carefully read Lock the Gate's elaboration of these concerns in their most recent submission to this committee. Thank you for considering our the concerns we share with Lock the Gate Alliance, the climate justice and anti-fracking movements throughout Australia.

Jorgen Doyle

On behalf of Central Australian Frack Free Alliance.