

AMSANT submission to the Senate Environment and Communications References Committee's inquiry into oil and gas exploration and production in the Beetaloo Basin

9 July 2021

Introduction

Aboriginal Medical Services Alliance NT (AMSANT) is the peak body for Aboriginal Community Controlled Health Services (ACCHSs) in the Northern Territory. Our services provide over 60% of all primary healthcare services to Aboriginal people in the Northern Territory. AMSANT can speak with authority as the voice of Aboriginal leadership in the Northern Territory on Aboriginal health and wellbeing and fracking has been identified as a priority issue by the AMSANT Board. AMSANT made a major submission to the Pepper Inquiry and the views of the AMSANT Board have not changed since that time (confirmed at July 2021 Board meeting). This more comprehensive submission is attached.

It is apt that the deadline for this submission comes during NAIDOC week, for which this year's theme is 'Heal Country'. Country is inherent to the identity of First Nations peoples. It sustains life in every aspect - spiritually, physically, emotionally, socially, and culturally. In their *Green Paper on Operation Rebound* the Northern Territory Government acknowledges that Traditional Owners are key landholders in the Territory and commits to 'work[ing] with Traditional Owners and Land Councils to develop sustainable plans that realise economic opportunities to sustain the health and prosperity of their land and communities'. And yet, experience demonstrates that the voices of Traditional Owners and affected Aboriginal communities remain largely absent in many decision-making processes of government at both the NT and Commonwealth levels. This is indeed the case in relation to the Industry Research and Development (Beetaloo Cooperative Drilling Program) Instrument 2021, which was opened to public scrutiny only through this inquiry.

Consent issues

In relation to the fracking industry in the Beetaloo Basin, decision-making has proceeded despite the lack of critical knowledge and information about its impacts, including on local and regional groundwater systems, other environmental impacts and impacts on human health. It is necessary to consider whether affected communities are being denied the right to free, prior and informed consent (FPIC) given that original permission for exploration was up to ten years ago, when little was known about fracking in Aboriginal communities and in Australia more broadly, and so many important questions remain unanswered. As knowledge has increased about this relatively new industry, community concern and opposition has grown including in Aboriginal communities. Traditional Owners and affected communities remain deeply concerned about the potential impacts

of fracking of the Beetaloo Basin, including damage to land, water and cultural sites, as well as direct and indirect health impacts.

Shelley (2021), includes a case study of Origin Energy and the Beetaloo Basin outlining how the company's actions and lax consent processes have contributed to a failure of affected Aboriginal communities to be afforded their rights to FPIC.¹ The Pepper Inquiry highlighted insufficient provision of information by gas companies to Aboriginal communities about fracking, concluding that 'the knowledge of the likely impacts of this industry within the Aboriginal community in the Beetaloo Subbasin, and more widely, is wholly inadequate'². The documented poor engagement practices by gas companies amount to a failure to engage in good faith and transparently with local communities. Fast tracking of the industry will only serve to further compound the circumstances in which communities are denied FPIC.

We believe that the concerns expressed by Traditional Owners and affected communities must be given serious consideration. We also contend that such concerns raise serious questions regarding the ethical basis of the Commonwealth's decision to provide \$50 million in handouts to the industry in the Beetaloo Basin, not least because of the clear evidence that the widespread lack of services and overall critical underinvestment by government in their communities is a significant determinant of the unacceptable health and socioeconomic disadvantage they and Aboriginal people more broadly in the NT experience. The opportunity cost of this decision will be borne by the local communities. They must be given a stronger voice in decision-making processes that directly impact their ability to live healthy, full lives on country to ensure that their economic, social and cultural rights will be protected.

Social licence to operate

As identified in the Pepper Inquiry report: "For a significant majority of the people participating...the overwhelming consensus was that hydraulic fracturing for onshore shale gas in the NT as not safe, is not trusted and is not wanted." We believe this is still the case including for Aboriginal communities. Most importantly for AMSANT, imposition of fracking against the wishes of Aboriginal community members will cause deep divisions and impact on the social and emotional wellbeing of community members. As outlined in our 2017 submission, there is a growing literature supporting adverse impacts of divisive developments forced onto communities with the impacts most severe for Indigenous communities. The Pepper Inquiry noted concerns raised by the Northern and Central land councils and the Aboriginal Areas Protection Authority about the increased stress and social disharmony in Aboriginal communities where hydraulic fracturing has been proposed.^{1,2} The AMSANT Board, which includes directors from the majority of our full ACCHS members, reiterated its strong opposition to fracking on the 6th July meeting.

Climate change

As the peak body for ACCHSs in the Northern Territory, AMSANT has a mandate to advocate on issues that are of critical importance to Public Health. Climate change is a health emergency, which is already contributing to life-threatening illness and death, and Aboriginal and Torres Strait Islander people stand to be disproportionately affected. Extreme weather events will become more common in a warming climate and the recent spike in heat-related deaths in British Columbia as temperatures reached record highs (up to 49.6 degrees Celsius) is a stark reminder of the dangers posed. In addition to the human costs, a recent Deloitte Economics report found that mining, tourism and

trade industries in the Northern Territory stand to be exposed to the most significant economic losses due to a rapidly changing climate (Access Deloittes).

Fracking is an emissions-intensive fossil fuel industry and there is clear evidence that fracking is harmful for human and planetary health. The International Panel on Climate Change has said in a recent report that gas use must decline by 15% by 2030 as part of a plan to limit climate change to 1.5 degrees. The scientific report into fracking commissioned by the Northern Territory Government acknowledged the seriousness of climate change, and found that the risk rating of increasing emissions caused by a large fracking industry was medium to high. The Australia Institute estimated that the impact would be equivalent to building 50 new coal fired power stations in Australia and operating them for 40 years. The reserve estimates have more than doubled since these calculations.

The Pepper Inquiry found that a medium sized fracking field would cause an increase in Australia's emissions of 4.5% whilst a large field would cause an increase of 6.5% to Australia's emissions. The report found that the risk rating of increasing emissions caused by a large fracking industry was medium to high but made an ambitious recommendation that all emissions from fracking be offset and outlined a system of monitoring and feedback on emissions levels. However, critically, the inquiry found that the mechanisms for achieving this ambitious aim were beyond the scope of the inquiry. They made a weak recommendation that *"the NT and Australian governments seek to ensure that there is no net increase in the life cycle GHG emissions emitted in Australia from any onshore shale gas produced in the NT"*.

The inquiry found more research was needed into monitoring fugitive methane emissions. Professor Ian Lowe has used CSIRO data to independently review these findings. He has found that the fugitive emissions figure of 1.7% used by the Fracking inquiry is very unlikely to be achieved, with 4% the best that can be achieved by current best practice. Using fugitive emissions of 5% over a twenty year time period and the same production figures used by the Scientific Inquiry for a medium and large size industry (noting that the Beetaloo basin is likely to support a large scale fracking industry), he found that fracking would contribute 20% of Australia's emissions for a medium sized industry and 75% for a large scale industry.

Proponents of the gas industry claim that it is a transition source of energy that could help address climate change whilst renewables ramp up. Using real world fugitive emission figures, the assertion that gas replacing coal will help fight climate change is clearly wrong. With fugitive emissions of 2.3 to 2.85%, any benefits of gas over coal are marginal whilst at over 3%, they are lost (Lowe et al, 2018). As already stated, currently 4% fugitive emissions from fracking is world's best practice. The International Panel on Climate Change has said in a recent report that gas use must decline by 15% by 2030 as part of a plan to limit climate change to 1.5% degrees (IPCC 2018).

The complete lack of a plan in the NT Government Climate Change response suggests that neither the NT nor Federal governments have any plan to offset fracking emissions. In this case, the recommendations from the Fracking Inquiry are not being met and fracking should be abandoned.

Environmental and human impact

Furthermore, the full scale of the risk to the environment remains unknown. The Strategic Regional Environmental Baseline Assessment (SREBA) highlights a lot of areas that require further research,

prior to a final risk determination being made, such as: the effects on human health caused by fracking, including chemical, social and cultural aspects; the implications of bacterial corrosion caused by sulphate-reducing bacteria (which are endemic in the NT) on well integrity; the impact on stygofauna populations; and the potential for contamination of groundwater systems. This area is heavily dependent on groundwater, and the interconnectedness of water systems means that pollution from methane or fracking chemicals is likely to have significant implications for the health of people, biodiversity and landscapes not just across the region, but also much further afield. Until these questions are answered, no fracking should be allowed.

Use of public monies to support fracking

The Industry Research and Development (Beetaloo Cooperative Drilling Program) Instrument 2021 which provides public money to oil and gas companies is completely out of step with International commitments to emissions reductions and the move towards zero-carbon industries. Corporations and investors are moving away from fossil fuels- not just for environmental reasons but because they see no long term future or return in these industries. Oil and gas companies do NOT need to be subsidised and should not be recipient of government funding.

A report published in May by the Australia Institute revealed that the NT Government has already spent \$94 million in taxpayer funds over 10 years propping up the gas industry, for minimal return (Campbell 2020). This money could have paid the salaries of 104 nurses, 94 teachers, or 94 Aboriginal Health Practitioners for a decade. As outlined in our major submission, the fracking industry offers few long term jobs for locals but usually leads to short term FIFO boom and bust cycles which can be very disruptive to communities. Furthermore, gas companies along with other fossil fuel industries are well known for paying little tax and therefore make minimal contribution to funding essential services (West 2020).

Rather than further subsidising oil and gas companies, \$50 million of tax-payer money could be much better spent on developing the renewable energy sector in Northern Australia which has the potential to generate far more local jobs, and support the transition to a more sustainable economy. Other potential investments include expansion of the Aboriginal rangers program and investment in local food production in communities. Furthermore, there is serious underinvestment in comprehensive primary health care with the life expectancy gap between Aboriginal and non-Aboriginal people being the widest in the nation. Housing is still very overcrowded in the majority of communities which is driving high rates of communicable diseases that are now largely found only in poor countries (e.g. trachoma and rheumatic heart disease) as well as being a contributor to social issues like poor school attendance.

Conclusion

In summary, AMSANT's position is that the Commonwealth Government's decision to provide \$50 million of public money in handouts to gas corporations to fast-track development of fracking in the Beetaloo Basin is both irresponsible and indefensible for the reasons outlined in this submission.

AMSANT urges the committee to make a strong recommendation against the Industry Research and Development (Beetaloo Cooperative Drilling Program) Instrument 2021 providing public money for oil and gas corporations.

References

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3. Campbell R (2020). Fracking and slacking. NT Government subsidies to onshore oil and gas.
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8. Oggie M (2018). Options for the implementation of Recommendation 9.8 of NT Fracking Inquiry. A discussion paper. The Australia Institute.