

# Chair's Additional Comments and Recommendations

1.1 In this chapter the Chair discusses the evidence received by the committee and sets out his recommendations.

## **Community concerns**

1.2 There is a high degree of confusion, concern and frustration surrounding the operation of unconventional gas mining in Australia.

1.3 For those communities that exist in and near unconventional gas mining operations, the committee has heard how polarising the issue has been for these communities, the type of harm the industry is having on these communities and how they fear for the safety of their health, family, business, environments—their land, air and water. The committee has also noted concerns regarding reductions in the value of their land and the inability to sell their land as a result of unconventional gas mining on their property or on nearby properties.

1.4 For those communities near exploration areas, the committee heard that there are strong concerns about their ability to plan for the future should unconventional gas mining be commenced in their areas, and their anxiety about their inability to prevent unconventional gas mining taking place.

## ***Interaction of landholders with the resources industry***

1.5 Being forced to engage with resource companies adds social and administrative burdens, and imposes significant time constraints on landholders and communities. This is potentially reducing productivity as people have less time to devote to their own business, families and jobs.

1.6 It also places additional stress and pressure on people and communities. Even if communication and negotiations on the part of resource companies is being done well, it does not detract from the fact that an additional burden is placed on people who have no right to reject the activity on their land. The Chair is concerned about the impact of unconventional gas mining on the mental health of community members who live in or near unconventional gas mining activity.

1.7 The committee heard that members of communities across Australia have limited pathways available to them in order to express their opposition to unconventional gas mining—rendering communities across Australia without a voice. The committee heard that in addition to not being able to refuse access to their land, community members who do not wish to have unconventional gas mining undertaken on their land are required to negotiate with the resources industry, with the possibility in Queensland of being taken to the Land Court to resolve a failed negotiation process.

1.8 The outcome of negotiations with unconventional gas mining companies is a foregone conclusion, as landholders have no right to refuse access and are forced to negotiate compensation.

1.9 Landowners with unconventional gas mining activity on their land are dedicating significant amounts of time to reading through large documents and legislation in order to facilitate the (at times) unwanted intrusion of unconventional gas mining. The committee heard first-hand experiences of landowners' interaction with the resources industry and saw the volume of administration and information that must be accumulated, read, responded to and stored in the households of rural families, leading to significant constraints on their ability to undertake the operation of their businesses and lives. The committee heard that members of communities across Australia have limited experience, resources, support and knowledge to adequately respond to extremely well-resourced energy companies.

### ***Health***

1.10 In addition, the committee has heard compelling evidence to show that there are unresolved questions about the health and safety impacts on human and animal health, and the ability for resource companies to guarantee that their activities are able to be carried out safely.

1.11 Community members from the Western Downs Region of Queensland expressed strong concerns for their health, and told the committee that they face significant challenges in accessing adequate healthcare, often being referred backwards and forwards between the state's health contact line and local hospital.

1.12 The Chair is very concerned that the health needs of community members are not being addressed, and believes that the process for healthcare to be obtained by those living around unconventional gas mining must be made clearer. Improved access to health services must be made available.

1.13 A thorough investigation of the human health effects of coal seam gas mining, hydraulic fracturing and underground coal gasification must occur, particularly around the Hopeland area of Queensland.

### **Impact of unconventional gas mining on the environment**

1.14 The Chair is very concerned at the potential impact of unconventional gas mining on Australia's water resources and production capacity.

### ***Water resources***

1.15 Australia's water resources are a precious commodity, which should be valued and safeguarded against unnecessary or excessive use. The Chair notes the operation of the 'water trigger' in the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), which regulates coal seam gas mining where it may have a significant impact on water resources. However, the Chair is concerned that the level of water usage deemed to be acceptable is not reflective of community concerns.

1.16 The committee heard from residents of the Narrabri area of NSW, which draws on the Great Artesian Basin groundwater resource, that unconventional gas mining poses a significant threat to agricultural operations which also draw on that water resource.

1.17 Unconventional gas mining uses a large volume of water, which requires treatment before it can be used again or disposed of. The committee has not had time to consider comprehensively the treatment, re-use and disposal of produced water. A range of issues were raised by landholders in relation to water depletion and contamination, and the lack of immediate remedy available to them.

### ***Agricultural operation***

1.18 The committee heard that there is a level of anxiety for agricultural producers around protecting supply chain integrity from potential contamination by chemicals used and released by unconventional gas mining activity.

1.19 The committee heard that no insurance is available for agricultural producers to ensure that if contamination did occur, their operations would be safeguarded from financial or legal liability.

1.20 The stress placed onto agricultural producers by the operation of unconventional gas mining on or near their land is having a significant impact on their ability to plan their business and operations, and safeguard their products. It is having a significant effect on mental health— placing pressure on landowners to absorb the risk into their businesses and lives.

### **Regulation of the unconventional gas mining industry**

1.21 The Chair is particularly worried about the ability of the states and territories to appropriately resource and provide expertise to adequately regulate the unconventional gas mining industry. Unconventional gas mining is a highly technical activity, and significant expertise is required to conduct the industry as well as to monitor and regulate it. The Chair questions whether state and territory governments have the resources required to provide detailed regulatory oversight of unconventional gas mining.

1.22 It is the view of the Chair that there is strong support for greater regulation and oversight of the industry, and for laws governing unconventional gas mining to be harmonised across the country. While noting that there are a significant number of laws in each state and territory that may impact on unconventional gas mining, the committee considers that these laws should be reviewed with a view to providing consistent:

- rules for access to property to conduct activities associated with unconventional gas mining;
- rights for landholders to reject or dispute unconventional gas mining;
- regulatory standards not only for operation of unconventional gas mining, but for continued maintenance, decommissioning, rehabilitation of sites and ongoing monitoring of decommissioned sites.

1.23 On this basis, the Chair recommends that the Commonwealth government conduct an independent review of all relevant state, territory and Commonwealth legislation with a view to providing consistent legislation, and recommending law reform where required; and that this review be made publicly available. This needs to include development of a national strategy to address the conduct of unconventional

gas mining across the country, noting the locations of such mining and its impact on the agricultural industry. Further, a review of the management of workplace health and safety requirements across the sector is recommended. Landholders expressed concern that no government organisation conducted compliance checks on their land.

### **Concluding remarks**

1.24 The unconventional gas mining industry is a long way from having adequate regulation, oversight and operation.

1.25 Questions exist as to whether the industry has the social licence to operate in some communities, and that this opposition should carry a far greater weight when proposals for unconventional gas mining are considered.

1.26 The committee heard the frustration and concerns of people who have experienced unconventional gas mining activity in their community and those who may have unconventional gas mining in their community in the future.

1.27 The Chair notes the fatigue felt by affected community members, who told the committee that despite writing numerous submissions to previous state and federal parliamentary inquiries, letters to local and federal political representatives, staging protests and organising surveys of local views, they felt that their voices had still not been heard.

1.28 The committee heard that members of agricultural communities, who had never previously attended protest activity, felt that they had been driven to engage in it because there were such limited pathways for their opposition to unconventional gas mining to be heard.

1.29 The Chair questions the role of the unconventional gas mining industry as job provider. As noted in Chapter 2 of this report, in February 2014 APPEA, the industry's peak body, stated that the LNG industry had created 100,000 jobs. Although the committee agrees that jobs have been created by the industry, the committee notes APPEA's data from the end of 2015, which set out that 13,000 people were employed in the coal seam gas industry.

1.30 The jobs created by the industry may not be sustainable, and are decreasing in number.

1.31 The committee heard concerns over the number of fly-in-fly-out employees in the unconventional gas mining industry. It is the view of the Chair that fly-in-fly-out positions can have a detrimental impact on the mental health of workers, families, and the local communities who do not benefit from the influx of workers.

1.32 During the course of the committee's work, various announcements were made regarding the future of unconventional gas mining in Australia. For example:

- a proposed unconventional gas mining project in Gloucester, NSW, was cancelled by AGL;
- the Camden, NSW, gas project was announced to be finishing in 2023, twelve years earlier than scheduled; and

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- underground coal gasification was banned in Queensland, with Linc Energy entering voluntary administration.

1.33 These events call into question the economic viability of the unconventional gas mining industry in Australia. The committee has not had time to sufficiently consider whether the unconventional gas mining industry has a secure future as an energy provider in Australia.

#### **Recommendation 1**

**1.34 That the Commonwealth Government works with states and territories to develop a national strategy to manage the conduct of Unconventional Gas Mining in Australia.**

#### **Recommendation 2**

**1.35 That the Commonwealth Government appoint an Unconventional Gas Mining Commissioner to oversee the conduct, management, regulation and compliance of the entire industry on a national basis.**

#### **Recommendation 3**

**1.36 That the Commonwealth Government appoint a Resources Ombudsman to support Australians affected by mining, in particular coal seam gas mining, and to provide an appropriate and independent dispute resolution service to those affected by resource projects.**

#### **Recommendation 4**

**1.37 That the Commonwealth Government establish a community legal service to provide landholders and others affected by the resource industry and unconventional gas mining with access to free legal advice.**

#### **Recommendation 5**

**1.38 That the Commonwealth Government establish a dedicated health and medical service inclusive of mobile services to ensure that people affected by resource projects, and in particular, unconventional gas mining projects, have access to appropriate and timely health services.**

#### **Recommendation 6**

**1.39 That the Commonwealth Government makes resourcing available to the National Health and Medical Research Council to undertake long-term studies into the potential health effects of the unconventional gas mining industry.**

**Recommendation 7**

**1.40** That the Commonwealth Government establish an independent national testing and research centre to undertake testing associated with the resource sector, in particular the unconventional gas mining sector.

**Recommendation 8**

**1.41** That the Commonwealth Government establish a national chemical register that ensures a transparent chemical disclosure regime be made publicly available, in order to provide landholders and local residents with information that is relevant to them.

**Recommendation 9**

**1.42** That the Commonwealth, state and territory governments commit to improving the level of independent scientific research related to unconventional gas mining and its impacts, and that this research be published.

**Recommendation 10**

**1.43** That the Commonwealth Government work with states and territories to cease approvals for any further unconventional gas mining projects across the country or the expansion of, or installation of further wells on, any existing unconventional gas mining projects.

**Recommendation 11**

**1.44** That the Commonwealth Government work with states and territories to establish an independent and dedicated national Resource Sector Workplace Safety group to investigate the health, safety, wellbeing and welfare of Australian workers in the resource sector. The group should investigate all aspects of the health and safety of workers including the management of occupational health and safety on sites, mental and physical wellbeing, exposure to chemicals and other forms of exposure, the management of incidents, compliance, reporting and support provided to workers and their families.

**Recommendation 12**

**1.45** That the Commonwealth Government work with states and territories to establish Trust Fund requirements for all resource companies operating in Australia. These would include:

- **A Worker Protection Trust Fund**

This Trust Fund would be established by the Commonwealth Government and would require, in collaboration with all states and territories, for all resource companies operating in Australia to put monies into this trust fund upfront to ensure that should the company go broke, restructure, or encounter financial difficulty, that all Australian workers and Australian sub-contractors are paid in full and receive their entitlements;

- **A Landholder Protection Trust Fund**

This Trust Fund would be established by the Commonwealth Government and would require, in collaboration with all states and territories, for all resource companies operating in Australia to put monies into this trust fund up front to ensure that any damages sustained by Australian landholders as a result, whether directly or indirectly of projects undertaken by resource projects are compensated for the damage. Such damages may include but not be limited to, contamination of water, depletion of water, damage to land, damage to business, and damage to health; and

- **An Environment Protection and Rehabilitation Trust Fund**

This Trust Fund would be established by the Commonwealth Government and would require, in collaboration with all States and Territories, for all resource companies operating in Australia to put monies into this trust fund up front to address and remedy where possible:

- any damage caused whether directly or indirectly to the environment by the resource project; and
- rehabilitation of resource project sites and associated areas should the company go broke, restructure, or encounter financial difficulty.

### **Recommendation 13**

**1.46** That the Commonwealth Government work with all states and territories to ban the process of hydraulic fracturing (fracking) across the country.

### **Recommendation 14**

**1.47 That the Commonwealth Government works with all states and territories to give all landholders the immediate right to refuse mining on their land.**

**Recommendation 15**

**1.48 That the Commonwealth Government introduce legislation to ban donations from resource companies to political parties.**

**Recommendation 16**

**1.49 That the Commonwealth Government establish a Royal Commission into the Human Impact of Unconventional Gas Mining.**

**Recommendation 17**

**1.50 That the Commonwealth Government work with the states and territories to urgently transition to green energy to ensure the country's power supply is ensured, jobs are ensured and new emerging export markets are opened and supported.**

**Recommendation 18**

**1.51 That the Commonwealth Government legislates to ensure national food security by developing a new law which implements the goals of the National Food Plan, provides statutory recognition of the Australian Council on Food and provides mandatory exclusion zones for resource development on important food-producing land.**

**Senator Glenn Lazarus**

**Chair**