



Speech by

**Dr Alex Douglas**

**MEMBER FOR GAVEN**

Hansard Tuesday, 23 November 2010

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## **NATURAL RESOURCES AND OTHER LEGISLATION AMENDMENT BILL (NO. 2)**

**Dr DOUGLAS** (Gaven—LNP) (10.01 pm): DERM, far from creating harmony in the management of natural resources between property owners and government, has much to answer for. Whether it is by design, neglect, lack of corporate knowledge or bloody-mindedness, we have a system that is built on confrontation and hierarchial stewardship without any regard for outcome and without a compromise approach. This from two departments: one with a natural history of very much working with stakeholders—that being the department of natural resources, previously known as DNR—and in more recent times the now very different Department of Environment and Resource Management.

It really does seem that the worst of all cultures have collided and joined as one. All the best features have been erased. It is very much in contrast with the opening statement of the minister, stating that the department has stewarded 'a smart regulatory environment in Queensland'. Smart implies innovative, forward-thinking solutions made in an environment of trust and taking on board practical advice. If DERM and Labor are really that smart, why would they be proposing to outlaw the use of a product known as BTEX when they know it is not used in the process known as fracking in the coal seam gas industry here in Australia and in particular Queensland?

**Mr Moorhead** interjected.

**Dr DOUGLAS:** The member for Waterford should listen to this. They know it is not used because science dictates that (1) its use here is very limited due to the very salty nature of the water containing the gas; (2) its use overseas determined that it was/is toxic; (3) it is naturally occurring and is essentially found in trace amounts in naturally occurring petroleum products; and (4) all Australian CSG companies and UCG companies have said now in public statements that they 'do not use BTEX nor have ever done so'.

Inducible hysteria and misinformation are too weak a description—talk about close but no cigar. It is a gross exaggeration. This is from a department where science would be presumably a prerequisite for a job application. Is it possible that this is a recurring problem of social scientists being employed in preference to real scientists? That is what we have been talking about here tonight—science. The difference being one group has to prove their research on the basis of independent, repeatable experimentation and honest publication of valid complete results, whereas in the other case that does not always occur. If, then, the scientists in DERM do not tend to use that process, then they are not that smart. If someone in DERM had talked to their colleagues in the boiler room down below when they thought this one up, they might have thought that they had made a mistake. Or is this really 'a politically motivated Commonwealth environmental pause', as was quoted by Matthew Steven in the *Australian* on 23 October 2010?

Science will show that the oil companies primarily do not use BTEX because it is water soluble, it quickly degrades with exposure to sunlight in surface water ponds and the chemical structure of our CSG water renders its use costly and ineffective. This is old knowledge. Only ConocoPhillips and Origin have been accused by virtue of their own self-reporting of the sample finds. They do not use, nor have ever

used, the product commercially in Australia, but it does occur naturally on lubricants used by the gas company Arrow—now owned as a subsidiary. Eight wells were implicated. None have ever used the product commercially. There are 4,000 such wells in Queensland alone. No BTEX was found in Cougar Energy's Kingaroy UCG power generation project. Only benzene and toluene were found in the plant samples. CSG must not be confused with UCG, because the two technologies are completely different with completely different environmental outcomes.

Additionally, as reported by Matthew Paull in *Gas Today*, which is a technical journal, on 11 August 2010—

Water alone is not the most effective carrier of sand, and some chemicals (other than BTEX) are used in fracking to create a gel to suspend the sand as it is pumped into the coal seam ... These chemicals make up less than 1 per cent of the fracking fluid, and the risk to public health at these levels is negligible.

That was a quote from APPEA Queensland Director Matthew Paull, and all responsible scientific and medical authorities confirm this exact detail.

This whole part of the bill is a nonsense to send messages to green voters that Labor are listening to them. But, far from doing anything other than grandstanding, they are signing deals that have now hit the \$60 billion mark. Bligh and Labor, beyond just counting the money, can feel the texture of those plastic notes against the skin. We have the ultimate hypocritical double act of good cop/bad cop here with—

**Ms Jones:** You just undermined your own shadow minister.

**Dr DOUGLAS:** Just listen to this, Minister—this is a scientific argument. Let us work through it. We have Minister Robertson, in soft measured tones, saying how careful he is and Treasurer Fraser, as reported in the *Australian* on 23 October, saying that this is a 'a once in a generation opportunity to provide a generation of employment'. He failed to say that he is hoping that it will save his bacon so that we might read about it in the paper one day. But wait—Minister Kate Jones, who has already spoken here tonight, ordered a quick turnaround of the second batch of tests: 'Australia Pacific LNG have assured the government today that there is no evidence of exposure to landholders.' Do not hold your breath. The minister demanded extra testing and independent testing: 'There has been no environmental harm.'

Members, this is all pseudo scientific rubbish. This crazy government would have us all believe that they did not know BTEX was not being commercially used nor was scientifically viable here. This one comes in the executive summary, and do not let anyone tell you pork pies that they do not read past the executive summary. BTEX is not used because the science of separation that is used in Australia requires essentially a different product. For those who actually need to know a little about the science, BTEX is water soluble or water miscible and, if it were to be used in this process, it would have to be more hypertonic than it is due to the hypertonicity of the water contained within the coal here in Australia. As such, its efficiency declines in this environment, but it is water soluble. Effectively too much substrate has to be used. Therefore, it is scientifically uncommercial. It is different from the overseas environment because the groundwater is either isotonic or hypotonic. Therefore, it lasts longer and its efficacy is greater.

What is really fascinating is that the department does know all this information and has produced it in its own literature. I, too, would like to refer all members back to the statement by the shadow minister earlier where he referred to the CSIRO documentation that was government endorsed. Like the minister, the department clearly knows, yet the minister's conflicting statement about BTEX in his second reading speech banning petroleum products—that is, benzene, toluene, ethylbenzene and xylene (BTEX)—seems to ignore the fact that these are commonly found in diesel and other petroleum products. These are regularly, and have been historically, used for pumps which may occasionally contaminate aquifers and wells. These petroleum compounds are naturally occurring aromatic hydrocarbons and still make up a significant component of petroleum. In not one well within five kilometres of each of the eight sites where BTEX traces were found was BTEX actually found.

Additionally, it seems the most likely answer was that petroleum as a lubricant for drilling equipment was spilt into the water that was being pumped into the wells as part of the fracking procedure. That procedure is known as hydraulic fracture stimulation. Members were talking about that earlier. It occurred at high pressure to allow efficient gas production. An article from the *Australian* of 23 October states—

The company that supplies Origin with those chemicals maintain that the agent does not contain BTEX.

Santos made similar claims. Just to give members a heads-up, benzene is what gives petrol its octane rating. That is what makes our cars get going.

Rather than give everyone a science lesson—I will not go on—I point out that this is really a beat-up. BTEX has never been used, is not being used and is not planned to be used. Everyone seemed to know except the minister and Labor. Smart State—no, this is foolish and misleading. Proper scientific scrutiny reveals this for exactly what it is. It was a pretence to satisfy green naivety.

I am not sure what it is costing, but hopefully the world knows what a lot of hot air all this is and sees it for exactly what it really is—a beat-up to appease everyone from the academically challenged to

watermelons and, sadly, now some of those terribly well-meaning farmers who think Drew Hutton might be able to do something for them. I sincerely hope that a weak federal government, so dependent on Green so-called independents, who put gay marriage ahead of national income and sovereign risk, can see its way clear to work through all this. Tony Burke's 300 conditions have been approved and allowed to proceed. Heaven forbid what Kogas actually thought. That is Santos's major customer.

There really are five major LNG projects that might eventually consolidate into two or three LNG hubs. This is very big business—big royalties, big employment. It is nation building. This BTEX issue is a disgraceful inclusion in this bill that seeks to timidly placate Labor's key preference allies. It is just too pathetic to swallow.

We in the LNP support most of the bill, but adding this rubbish to it is absolutely foolish. To make such broad based statements in legislation that is in fact totally useless is to debase the process and make the legislation irrelevant. By all means, let us find out more about aquifers and their possible diesel contamination. Let us workshop the scientific data and map it to give farmers, governments and companies the ability to be supplied with useful data. But we must never get caught up in this crazy world of 'wink, wink', 'nudge, nudge', say anything, say something irrelevant and really do nothing.