



# **NATURAL RESOURCES COMMITTEE**

## **FRACKING**

District Council of Robe Council Chambers, Robe

Wednesday, 16 September 2015 at 9:45am

**(OFFICIAL HANSARD REPORT)  
PARLIAMENT OF SOUTH AUSTRALIA**



**WITNESSES**—*continuing*

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## MEMBERS:

Hon. S.W. Key MP (Presiding Member)  
Hon. R.L. Brokenshire MLC  
Hon. J.S.L. Dawkins MLC  
Hon. G.A. Kandelaars MLC  
Mr J.P. Gee MP  
Mr C.J. Picton MP  
Mr P.A. Treloar MP

## ALSO PRESENT:

Mr M.R. Williams MP

## WITNESS:

RALTON, ANGUS, Owner, Refined Surfaces

770 The PRESIDING MEMBER: Mr Ralton, you were here when I read out the Presiding Member statement, so I don't need to go over that. Again, so that we can actually recall what Mr Ralton has to say it would be good if people who need to have a conversation go outside and have it, as we need quietness in the gallery. Thank you.

Mr Ralton, would you like to introduce yourself and also proceed with your contribution this morning.

Mr RALTON: My name is Angus Ralton. Ladies and gentlemen, I thank you for the opportunity to address this issue with you. I stand before you today (or sit) to raise my concerns in regard to the proposed unconventional gas mining activities in the South-East of South Australia.

My wife and I live in Penola and run a business in the construction industry. Our residence is on the south-eastern border of the town and we have a direct line of sight to Jolly-1, which is approximately two to three kilometres away. As we were not informed of the impending action, we were shocked to learn what was going on. The 24-hour noise whilst drilling, light pollution and the rotten egg gas smell that came from the site were, to say the least, unsettling, and led to many nights of interrupted sleep, but more invasive into our lives was the uncertainty that this activity brought with it.

As everyone is aware, intensive hydraulic fracking uses a lot of chemicals, a lot of water, a lot of truck movements and will industrialise an otherwise agricultural landscape. I did not move to Penola to live in an industrial zone, and my wife, who is already sensitive to chemicals, will be in a living hell if this proposal is allowed to eventuate.

Leading on from this, apart from the widely reported health effects and environmental concerns, which I am sure you're all aware of, are our concerns regarding our property and business. We have heard reports from towns in the Darling Downs region where property prices have crashed and businesses have folded due to the negative impacts this type of activity has brought. Tourism, gone; clean, green lifestyle and agriculture, gone; businesses, gone; and property becoming worthless, instead of the nest egg for our future that we and others envisaged.

If this is what we have in store for us, I have to ask myself as a responsible operator, employer and husband: should we move? Why risk building our house in the South-East when we are facing this very likely possibility if fracking in this region is given the go-ahead? Why risk continuing to build our business here if we can only see a future of inevitable loss due to forces outside our control?

If I am asking these questions, how many others are thinking the same thing? These are the questions and this is the stress and the strain that we are feeling as a result of this proposed activity. As far as investment in the region is concerned, as much as it saddens me I would have to in good conscience tell anyone considering moving to the South-East or starting a business here to move with caution and maybe wait until this issue is settled with a degree of finality.

Again, I say, if I am thinking these things, how many other people are thinking the same thing? Ask yourselves: would you risk your financial future, your lifestyle, if it were your choice? Be thankful you can choose—a lot of people in this area would not have the same luxury. We hear from the petrochemical and mining companies that the gas is critical to the needs of local businesses, but what of other avenues?

In research I discovered that Kimberly-Clark Australia is aiming to reduce its use of gas by capturing waste heat in the exhaust of the gas turbine, using it as a replacement for the gas. With the new co-generation facility, it expects to provide 100 per cent of the mill's steam, 92 per cent of the mill's electricity and 85 per cent of the drying heat for the line that makes Viva, Cottonelle and Kleenex products. So, again, I will ask you to ask yourselves: hang on, if Kimberly-Clark Australia is looking at ways to futureproof its industry, reduce reliance on fossil fuels and cut costs, how many others are doing the same?

With more and more emerging renewable power generation technologies becoming available, would it not be more prudent and more economically responsible and more socially responsible to do the same? I am sure that there would be just as many jobs created without the associated risk, plus it would be an ongoing, evolving, perpetual industry, unlike hydraulic fracking for gas.

In closing, if we pursue hydraulic fracking for gas in the South-East of South Australia we would be destroying what we are trying to build, what we are trying to better. I ask of all those involved in the decision-making process concerning this issue: ask yourselves honestly what you would do if you were me, if you were in my position. Search yourselves honestly and ask yourselves whether the risk is acceptable to so much. In short, ask yourselves whether you want to be remembered as the ones who could have stopped it instead of the ones who did. Thank you.

771 The Hon. R.L. BROKENSHIRE: Mr Ralton, you have been very open in your written and oral submission, but you're a building company and so you make your—

Mr RALTON: Yes, building construction, yes.

772 The Hon. R.L. BROKENSHIRE: Building construction. I gather you've given consideration to the fact that you may be one of the potential winners if fracking was to occur because where fracking has occurred in places like Queensland there has been significant construction, housing, building, industrial—

Mr RALTON: I agree; I think that's a short-term vision though.

773 The Hon. R.L. BROKENSHIRE: That's my question: you're saying that even though you could potentially get a significant short-term big windfall gain, that that would be offset by the risk. Is that what you're saying? You've considered that?

Mr RALTON: I don't believe that would offset the risk enough. I think the long-term impacts would far outweigh those short-term gains.

774 The Hon. R.L. BROKENSHIRE: One supplementary: other businesses that you associate with, do they talk to you about the potential growth of their businesses?

Mr RALTON: I haven't heard of anybody speaking about the potential growth of their business, it's been more the concern of the longer-term impacts to the sustainability of this region, as a business case for the entire region not just for mining.

775 Mr PICTON: Can I just ask, in terms of your property is it a house or is a rural property?

Mr RALTON: We've actually built a large shed and we live in one part of it before we build our house.

776 Mr PICTON: How big is the property?

Mr RALTON: Two acres. We're actually in town.

777 Mr PICTON: But you're sort of on the edge of the town?

Mr RALTON: Right on the corner.

778 Mr PICTON: Have you noticed anything since after the drilling finished?

Mr RALTON: No.

779 Mr PICTON: So, there hasn't been any noise or emissions or anything?

Mr RALTON: No, not that I can tell, no.

780 The Hon. G.A. KANDELAARS: Given that natural gas has been produced in the South-East since the 1980s, have you had any impact from that and do you see any positive benefits that have occurred for the South-East as a result of that?

Mr RALTON: I'm not sure, but I think the natural gas has been around for maybe even longer than that in the sense of what you call natural gas. As far as economic impacts from that directly, I wouldn't be able to tell you if I've noticed any noticeable impact for people who actually live around here. Most of those companies are based in the cities, the profits go to those areas and there's a small amount of people who would be employed locally. As far as stacking it up against any other local industry, it doesn't measure. Natural gas, as far as I understand, is not around anymore, they've sucked it out, that's why they're turning to the unconventional gas. Otherwise, what would be the need? Then we wouldn't be here.

781 The Hon. G.A. KANDELAARS: There is the potential that wells drilled by Beach will actually be used to extract conventional —

Mr RALTON: Well, if they're extracting conventional gas then, again, I'd say this is about fracking, it's not about conventional gas. So, it's another inquiry, it's another conversation.

782 The Hon. G.A. KANDELAARS: I gather in your submission you talk about a moratorium on fracking both within the region and further. How far do you see that further moratorium being extended?

Mr RALTON: I believe the Goyder Line would be a good start because you're looking at farming land underneath that line. As previous submissions have alluded to, like food security, I think it's way too important to risk.

783 Mr PICTON: Can I just lastly ask: you've mentioned you have a construction business. What sort of things do you build?

Mr RALTON: We actually work for builders, so we don't actually build houses or places per se, we work on surfaces, floor and wall tiling, working within the construction industry. So, yes, there will be plenty of work for us if it comes down, as Robert said before, but, like I said, I do not believe the long-term risk and the damage long-term would outweigh the short-term bounce economically. I think in the long-term economically it would be a bad business case.

784 Mr PICTON: So, you subcontract to the larger construction firms?

Mr RALTON: Correct.

785 Mr PICTON: Who are biggest construction firms in the region?

Mr RALTON: Mitch Williams knows that we have worked for Lend Lease, for Badge Construction and, luckily, we did not work for Tagara. We have worked everywhere from Adelaide to Melbourne, Sydney to Brisbane.

786 Mr PICTON: So you work widely, not just in this region?

Mr RALTON: Yes, and we employ two people at the moment and we are looking to grow to a third.

787 The PRESIDING MEMBER: I thank you very much for your submission. We really appreciate the time you have put in. If you have some documents we have not already received as

evidence, we need to do that formally. I will ask Gerry and John to move and second that we have received those documents. Can you tell us the titles of those documents?

Mr RALTON: Yes, one is 'The owner loses everything as the downturn claims business', 'A country pub counts the cost of a mining downturn', and, this one is from Kimberly-Clark in relation to the machinery they have put in place.

Moved by Hon. G.A. Kandelaars.

Seconded by Hon. J.S.L. Dawkins.

Carried.

788 The PRESIDING MEMBER: Thank you very much, that is added information for our inquiry. Thank you everybody: it is wonderful to see you all. You might think that sounds strange coming from a parliamentary committee, but the interest, support and hospitality we have received in this area has been exceptional, so thank you very much. I think you deserve a clap from us.

THE WITNESS WITHDREW