# Snapshot: Mid West Onshore Energy Industry (2019)



#### World around us

- 1. Oil prices are reasonably strong world wide but domestic gas prices in WA are low
- 2. The balance of fossil fuels vs alternative substitutes in society is becoming a mainstream political and social issue
- 3. Numerous scientific and political enquiries across the world have been conducted into the onshore energy industry and fracking showing minimal impacts if properly regulated. These findings are not being well communicated to the broader community
- Perceived poor environmental records from energy industries in the USA and eastern Australia continue to negatively impact on attitudes to the industry in WA – many of the positive stories have not been imported of communicated correctly
- Industry and government continue to struggle to find ways to address the 10 common questions raised by stakeholders (see reverse side). <u>This has</u> been a finding for the past five years.

#### <u>Industry</u>

- 10. Representative bodies for the onshore energy industry are inadequately funded and tend to focus on the larger offshore energy industry
- 11. Reduced exploration and activity in the onshore energy industry (govt policy, costs, gas price)
- 212. There is a new perception amongst most stakeholders that industry should be doing more consultation in the local community and broader Midwest region (e.g. Geraldton).
  - 13. There is a perception that industry consultation only happens when it wants something or has stuffed up
- $\sqrt{14}$ . Many good success stories (jobs, energy security, successful safe decommissioning, environmental record) but these are not well communicated
  - 15. There are inconsistent approaches by industry to "how" community engagement is undertaken in the Mid West.
- **(3)**16. Many of the benefits of the industry are not well explained to the <u>local</u> community.

#### MEPAU/AWE

- 720. MEPAU stakeholder representatives are highly respected and trusted by all stakeholders and are a critical <u>linchpin</u> for the company in stakeholder relations
- 21. MEPAU has the best stakeholder relations program for the industry in WA positive landowner interactions, community roundtables, community open days, coordinating Expos, 1on1 discussions and interviews, bus tours and local employment
- 22. The stakeholders in the local community are keen to meet senior MEPAU personnel
- 23. Updates on the Waitsia project status could be more frequent
- 24. MEPAU's emphasis and understanding of the critical importance of stakeholder management has declined since taking over AWE
- 25. MEPAU physical presence in the Shire of Irwin could be improved.

#### Green Interest Groups

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- Original campaign targeted "fracking" but this has moved to opposition against fossil fuels, aesthetic impacts, drinking water impacts and chemical usage
- 31. Emotive video documentaries tell stories of people effected by industry. Still no industry equivalent
- 32. Tactics of bullying and passive aggressive behaviour have started to work against these groups.

### Community

- 40. In the Shire of Irwin, anecdotal evidence suggests that the majority of people are supportive of the energy industry. This assumption could be tested
- 41. The community believe that face-to-face interactions from industry and government have been far more successful in building trust and openness than easier communication strategies such as media releases, websites and handouts
- 42. There is a desire for the industry to increase communicating to children in schools
- 43. There has been renewed interest about the chemicals being used by industry
- 44. Legacy well sites and facilities requiring decommissioning have again become a concern
- 45. Potential water impacts from the industry remain a big concern for the community
- 46. There is some concern that community consultation has dropped off from industry and that industry only consult when they want something
- 47. Perception with some stakeholders that the cumulative effects from the onshore industry are not well understood or focussed on by regulators
- 48. Information complexity continues to be passed to the community most company and government websites are hard to navigate, language used is inconsistent or complex, There is no one centrally designed portal where the community can source information
- 49. The community is not well educated in the broader use of petroleum in society.

#### Government

- 50. Government departments are recommending industry to undertake more stakeholder engagement. However, the key issue of "how" good stakeholder engagement should be implemented (e.g. face-to-face, workshops) is rarely discussed or valued
- 51. Findings from the 2018 parliamentary HFS inquiry have yet to be implemented. This is causing some uncertainty in the industry
- 52. There are a number of Govt Departments who are responsible for the industry from approvals through to monitoring. This process is not well understood by the community or even within government. There is also a big difference between which government department is responsible for exploration and production phases of the industry. This also causes confusion
- 53. Recent policy changes involving the use of fracking will make exploration activities using this technology extremely difficult in WA
- 54. Desire from key stakeholders for Government to show leadership in developing a definitive integrated energy strategy (i.e. coal, gas, renewables, uranium)
- 55. Community is unclear of the role of three tiers of Governments (i.e. Commonwealth, State and local government) in developing and implementing key policy in this industry (e.g. council bans on industry, energy security policy at state level, carbon tax)
- 56. There has been an ongoing sensitivity within industry and government to use the term "Fracking" (or similar terminology). This word is now owned by special interest groups.

#### All stakeholders: Environmental and Social

- 60. Value protection of water quality e.g. from well integrity (long term), chemicals used and volumes of water used in the process
- 61. Want a clear approvals process and confidence the industry is being well regulated
- 62. Clean-up and rehabilitation process are considered very important
- 63. Industry needs to communicate more often and with better mediums (F2F, video)

## Positive feedback V

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Top 5 most significant issues – Kris Barnes opinion



- 1. What are the potential benefits of the industry to me? E.g. direct and indirect jobs, family employment, sponsorship, infrastructure?
- 2. What are the chemicals used by the industry?
- 3. When will projects come into production and will industry commit to using local people and local businesses?
- 4. Relative to other landuses in the region (i.e. agriculture, mining, light industry), how do the impacts to the environment from the onshore energy industry compare?
- 5. Why should local residents accept the risks associated with the onshore energy industry when there is already plenty of gas in other parts of the state?
- 6. What does a full production field look like? Is it 10,000 wells?
- 7. What is fracking, what are the risks and how are these controlled?
- 8. When are historic sites going to be decommissioned and rehabilitated?
- 9. What's the difference between fracking in WA vs other parts of the world where there is a perception of considerable environmental damage and health impacts?
- 10. What wells in the Mid West region will require fracking in either the exploration or production phase?