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TRANSCRIPT

Program Transcript

Read the transcript of Matthew Carney's report "The Gas Rush", first broadcast Monday 21 February 2011.

Reporter: **Matthew Carney**

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KERRY O'BRIEN: The next El Dorado for miners and governments around Australia; a growing clamour of angry protest from the bush.

Welcome to Four Corners.

Australians are now inured to news of mining bonanzas as resource-hungry nations rush to buy up our coal, our iron ore, our offshore natural gas.

Now there is a new resource kid on the block - the coal seam gas industry, with Queensland leading the way. Companies there have already committed \$31 billion to develop projects approved by the state and Federal Governments. Another massive Queensland project requiring a further \$35 billion to develop has already been given state approval, with a Federal Government decision due by tomorrow.

The move is on across every mainland state. The potential profits are huge. Governments crave revenue and job creation. As always, there's another side to the coin. Much of the drilling is taking place on farmland and while many farmers have signed up, others are saying they've been kept in the dark and conned; that drilling sites are springing up like topsy all over their farms, some with significant gas leakage, and that Australia's greatest underground water resource, the Great Artesian Basin, will be contaminated and depleted.

This is shaping into a classic battle of David and Goliath, as Matthew Carney reports.

MATTHEW CARNEY, REPORTER: The coal seam gas rush is on and the biggest in the business are going to build 40,000 wells that will transform rural Queensland forever.

A vast spider web of industrial infrastructure will crisscross some of the state's prime farming land. The impacts will be massive and to get a sense of what's to come we've come to the most mature gas fields in south-east Queensland. There are already 3,000 wells here.

In the middle of it all is Katie and Scott Lloyd's farm, about halfway between the towns of Chinchilla and Tara.

They've been living and breathing coal seam gas for 10 years. Queensland Gas Company - or QGC - was the first to come with three wells.

Origin Energy followed with 18 more. But when QGC came back with plans for another 30, that's when the Lloyds realised they had a battle on their hands.

KATIE LLOYD, CHINCHILLA FARMER: There's no rights at all. Basically the, you know, the Government owns the resources and they're encouraging these, you know, companies to come in and get that resource out on behalf of them, essentially.

SCOTT LLOYD, CHINCHILLA FARMER: They employed, yes, sneaky people and people who could tell white lies one day and they'd tell you, sweet talk you one day and tell you a blatant lie in the face the following day.

MATTHEW CARNEY: They did stop QGC from turning their beef farm into a fully developed gas field, for now.

KATIE LLOYD: We've got a lot riding on um on this property and it's, you know, we're passionate about what we're doing, and I think, I think we're owed a bit of disclosure about what our future holds.

Katie says dealing with Origin is better, but it's a relationship they don't want.

KATIE LLOYD: Now we're confronted you know with wells, with gravel roads, with signs, everywhere, and that's - yeah, it's a different, it's a different landscape to what we have always been used to.

MATTHEW CARNEY: Gas workers are constantly around. Katie says they've lost control of their property.

Scott Lloyd works as best he can around the gas operations. What really worries him is the accelerated drop in his water table since the companies arrived. His cattle are totally dependent on bore water drawn from the Great Artesian Basin.

At this one, the level has fallen 10 metres, though the gas companies dispute his findings.

SCOTT LLOYD: We've only got five metres left available to pump and then...

MATTHEW CARNEY: So you've lost two thirds of your standing water essentially?

SCOTT LLOYD: That's correct, yeah. So if we, if it continues to decline at the rate we are, we've probably only got, you know, two years, two to three years water left here. So it's pretty scary, yeah.

MATTHEW CARNEY: What's happening under the Lloyd's farm is a highly technical process to extract coal seam gas. To get it, a well has to be drilled between 300 and 1,200 metres through aquifers to coal beds deep underground.

The gas is trapped within the seams and held in place by water pressure. To release the gas, first the water has to be pumped to the surface, then the gas can flow.

Sometimes, depending on the geology, hydraulic fracturing or fraccing of the coal seam is required. What this means is that a mixture of water, sand and chemicals are blasted into the coal beds to crack and hold open the seams allowing the gas to flow.

KATIE LLOYD: So this whole road will now be completely owned by gas farmers.

MATTHEW CARNEY: The Lloyds, like most farmers, fear the Great Artesian Basin, Australia's greatest underground water resource, will be contaminated and depleted.

Katie says they're determined to stay on but down the road their neighbour has just sold up. He felt had no choice - Queensland Gas put 77 wells on his property.

(To Katie) So they had to move off the land?

KATIE LLOYD: Yeah, they felt that they had to for sanity I suppose, and things, it would've just been too difficult to live here and carry out their day to day lives and businesses.

(Excerpt from activist's home video)

FARMER: There's one there, pan around there's another one, look off in the distance out there there's another one. They want to put these through our homes like this - not acceptable.

(End of excerpt)

MATTHEW CARNEY: Part of the problem for the farmer was that the gas wells on his property were seriously leaking. So he invited in these local activists to test and film the wells.

(Excerpt continued)

FARMER: See the winds blowing pretty hard.

(Sound of equipment beeping)

(End of excerpt)

MATTHEW CARNEY: In fact more than half were leaking as this footage shows. It was methane gas and highly explosive.

(Excerpt continued)

(Sound of equipment beeping)

FARMER: Right I've seen enough. Listen to that puppy sing man. He's actually holding it out. That's an example of a very dangerous gas well.

(End of excerpt)

MATTHEW CARNEY: QGC always maintained its wells were safe and did not leak.

(Excerpt continued)

FARMER: Oh my god. Once again, look at that, there we go.

(Sound of equipment beeping)

That's our highest reading ever.

ACTIVIST: OK mate, I'm getting out of here right now.

FARMER: Dude, do it again.

ACTIVIST: No, that'll do today. I've seen enough mate. Now it really is dangerous.

(End of excerpt)

MATTHEW CARNEY: Another neighbour, who also does not want to be identified, has 48 wells on his property.

The gas companies say they pay fair and just compensation but the farmer only gets \$250 a year for each of these wells from QGC. It is estimated that each well on average makes the companies a million dollars a year.

KATIE LLOYD: You know that's insulting to say the least and this would be from someone who has toed the line from the outset and has worked, you know, with this company and you know that's what he's getting.

(Excerpt from Scott Lloyd's home video)

FARMER 2: This is Scott.

SCOTT LLOYD: Yep, and I've been locked out of my own bit of land.

Someone's denied access and in this case it's us denied access.

FARMER 2: So you brought a master key.

SCOTT LLOYD: (Laughs) The master key is a set of bolt cutters.

(End of excerpt)

MATTHEW CARNEY: On the Lloyd's property it's the same story. Two out three QGC wells are leaking. They told the company back in 2006 but it wasn't properly fixed.

(Excerpt continued)

SCOTT LLOYD: So what we've got here is a well that's leaking so much gas it's bubbling.

(End of excerpt)

MATTHEW CARNEY: They've been keeping a video diary because the leak is spreading. Originally it was just at the well head but now it's coming straight out of the ground all around the site.

(Excerpt continued)

SCOTT LLOYD: This is ridiculous. This is actually the worst one I've seen. FARMER 2: Is that right?

SCOTT LLOYD: Yep. I've seen a few.

FARMER 2: There's something seriously wrong here isn't there.

(End of excerpt)

MATTHEW CARNEY: After four years of complaints QGC is still trying to fix the well. This rig is hoping to plug it with cement.

After three weeks the operation was unsuccessful. QGC said they will try again but Katie and Scott Lloyd fear the well can never be fixed as they believe permanent damage may have been done to the Great Artesian Basin. As we go to air the gas is still leaking.

KATIE LLOYD: It's exhausting. It's, you know, emotionally, physically, financially draining on an individual. But I just think we've got, I just know that it's in our best interests to keep asking the questions, keep demanding answers to keep them all honest too. We've got too much to lose.

MATTHEW CARNEY: Four Corners sought QGC's participation in the making of this program but they declined.

In a written response they acknowledged "a minor seep of gas" and "apologised to the Lloyds for the delay" and said they'd be back this Wednesday to fix it. They added "the well poses no unacceptable safety risk".

Farmers are not the only ones up in arms. The strongest resistance against the gas giants is coming from an unlikely place further south - the Tara residential estate. Out here people live on 30 acre bush blocks with no town water or electricity.

People like Dayne Pratzky came here to get away from it all. They've pioneered a life out here but the problem is some of the richest coal seam gas reserves sit beneath them. Queensland Gas has already put in 12 wells and is planning for another 200. Pratzky says the community is determined to fight it.

DAYNE PRATZKY, CHINCHILLA LANDOWNER: The companies have got no idea on the on the buttons they're pushing on people. They just think because the Government says they can they can. Well have some bloody decency. Have some you know have some decency about you and realise people live here. It's not a gas field.

(On phone) Morning Michael.

MATTHEW CARNEY: The residents have taken matters into their own hands and have set up an informal alert network.

DAYNE PRATZKY (On phone to Michael): Okay, so the seismic testing I heard was taking place the other night at 1:00am in the morning, can you confirm that or not?

MICHAEL (On phone to Dayne): Well they might be running shot lines.

MATTHEW CARNEY: They're always on the lookout for tell tale signs that warn of things to come, to take action so they can delay or disrupt the start of drilling.

DAYNE PRATZKY: We have made a commitment clear that under no circumstances will we put up with anymore wells drilled in the estate so they need to, we need to police it.

MATTHEW CARNEY: Some are taking it even further. There's about a dozen video guerrillas operating in and around the Tara estate.

We were given this tape anonymously. Last year, because the companies didn't tell them what's in the fracking fluids, they decided to find out themselves.

This activist trekked seven kilometres to get here - a coal seam gas drilling rig. For three days he stalked the site waiting for the workers to go, then he entered.

The mission was to secure samples of the chemicals injected into the ground. Later, tests did reveal the presence of deadly chemicals in the samples. The companies say they're not used at dangerous levels.

The Tara estate residents say they've had enough and have started a campaign of direct action. This is one of the first. They've gathered here to prepare to march on QGC's headquarters in the gas fields.

DAYNE PRATZKY: Let's do this, let's make ourselves heard.

MATTHEW CARNEY: And support is building for the cause. Farmers like Lee McNicol are joining the convoy.

LEE MCNICOL, ROMA FORMER: It's the Government in their short-term pursuit of the almighty dollar have elected to suck it and see. And what they're wanting to suck is the Great Artesian Basin. We don't know how far they're going to lower it and there's no models out there that can predict it.

MICHAEL, FARMER: (Michael hits gate with his car.) Sorry mate! Sorry about that.

QGC EMPLOYEES: You have to move off here. This is...

MICHAEL: Nah mate. This is a blockade.

QGC EMPLOYEES: ...Property here.

MICHAEL: Nah mate, this is a blockade. (Shouting) You have to move out of our states!

Hang on I'm starting to wind up. (Gets out of car)

MATTHEW CARNEY: Outside QGC's headquarters emotions run high. Some believe they are fighting for their lives.

MICHAEL: We don't want a bloody gas field on top of where we live, do we? Do you? Do you want to live in a f***ing gas field? Do you?

MICHAEL'S FRIEND: Come on Michael, violence isn't the answer mate. (Michael hits gate with his hand.)

Mick, jump in the car. Settle down. You'll just destroy it for everybody.

PROTESTOR: We won't be able to live here because we got to breathe in your gas. I got three children, we got 30 acres what are we going to do, leave? Bastards.

MATTHEW CARNEY: The situation is brought under control and the protest continues. A letter is delivered at the entrance.

PROTESTOR 2: The Tara residential estates have been declared a gas free zone. All mining and gas activities are prohibited in residential areas.

LEE MCNICOL: These folks have invested their life savings in their investments here and I hope you appreciate that they've got nowhere to go and they want to live here sustainably and healthy into the future.

OGC REPRESENTATIVE: We certainly appreciate and respect the Tara residents' concerns but other than that no comment, thank you.

MATTHEW CARNEY: While we were in Queensland, QGC released its environmental authority applications - plans for the next and much bigger phase of its development for LNG export.

ROBBIE HAYLOR, FARMER: So there's one, there's six wells in that area and then the pipeline down the middle.

MATTHEW CARNEY: Scores of farmers are finding out for the first time if their properties are going to be affected.

VERONICA, LAFFEY, DUCKLO FARMER: So our property - can I use your pen Robbie?

MATTHEW CARNEY: Veronica Laffey, who hoped for organic certification for her farm, has just found out she'll get two wells and a holding pond.

VERONICA, LAFFEY: It's really frustrating. You, know, we have taken on the responsibility and the debt associated with our farming business and we are powerless to stop people accessing it and abusing it, yeah.

MATTHEW CARNEY: Further down the road towards the town of Tara, Anne and Robert Bridle are taking a big hit.

They've spent their lives building up a productive and profitable beef and grain farm on 30,000 acres.

What they found out is QGC could put up to 500 wells on their property in the middle of their feedlots and just 200 metres from their home.

ROBERT BRIDLE, 'TALBINGO' STATION, DALBY: We've set our business up to be progressive and productive and profitable for our benefit, our children's benefit, our staff, our community's benefit and this is, this will put a full stop on us proceeding in the future.

ANNE BRIDLE 'TALBINGO' STATION, DALBY: If these companies have the right of way to do what they do on that, in the plans they're putting, then we are, we're signing the death warrant on our business.

ROBERT BRIDLE (To Anne): That was never presented, that was just a fluke of chance that we found that and became aware of their activity.

MATTHEW CARNEY: The Bridles claim they've been deliberately kept in the dark about the gas plans. When Queensland Gas came knocking in 2009 they showed them this map. It only had a gas pipeline on it.

But that was just the foot in the door, now they've discovered QGC did have this detailed map since 2007. It shows the extent of their proposed wells.

MATTHEW CARNEY: So they knew in that meeting in 2009 what they were going to do?

ROBERT BRIDLE: By the dates on the maps, they must've known.

ANNE BRIDLE: They knew.

ROBERT BRIDLE: We- you can't dispute the dates that are printed on the maps.

MATTHEW CARNEY: QGC told Four Corners that they had spoken to the Bridles and "explained that full development plans would be provided

after exploration and appraisal drilling".

The Bridle's called in their lawyer Peter Shannon to look over the plans. He represents landowners and says it's a common story. Farmers feel like they have been misled and told the impacts will be minimal.

PETER SHANNON, DALBY LAWYER: The whole process has been immoral in my book. There has been a lot more knowledge than has been portrayed. There is this huge imbalance. They are asking agriculture to bear the cost of the implementation of the industry by deception.

MATTHEW CARNEY: Last July Anne Bridle heard about a fracking gone wrong on a neighbour's farm. She decided to investigate and found the major aquifer had been contaminated with salty and toxic water. The gas companies said this could never happen. Bridle says QGC tried to cover up the incident.

ANNE BRIDLE: They didn't tell the Government. They didn't tell me as a nearby landholder that has a water entitlement and using water, and they didn't tell, as far as I know, the landholder on whose land the well is situated.

MATTHEW CARNEY: In response QGC said it "unintentionally provided a route for water in the aquifer, as well as the coal measures to enter the well."

QGC says it did provide "full briefings and updates" since "mid-2010" but that was 13 months after the incident.

But the saga was not over. Anne Bridle had to find out what chemicals QGC had used to frack and see if they contaminated any cattle.

Eventually the Government supplied this list with the company's safety data sheets. Anne Bridle noticed that the safety data sheet for the chemical THPS was American, incomplete and 10 years out of date. It did not contain critical information.

So Anne Bridle got the up to date Australian safety data sheet for THPS and what it revealed shocked her. It was highly toxic and warned "can cause chemical pneumonia and death". It advised "DO NOT discharge into sewers and waterways."

Yet Queensland Gas blasted 130 litres of THPS down the well.

(To Anne Bridle) The potential health effects are pretty extreme and they're not disclosing them.

ANNE BRIDLE: Correct. That's why we're so worried. I haven't gone to the- I haven't gone down the path of checking all the other sheets that they supplied to see what the date is on them and how current they are.

You can look at the top of the well but you can't see what's under the ground. You don't know what's happened down there.

MATTHEW CARNEY: Bridle says QGC still cannot confirm they've sealed the aquifer at the site and fixed the problem.

As a result of her probing the Queensland Government is investigating the incident. Stephen Robertson is the minister responsible.

STEPHEN ROBERTSON, QLD MINISTER, NATURAL RESOURCES & MINING: Well, again, that investigation is underway and based on the completion of the investigation I would expect the environmental regulator to take whatever action is necessary.

MATTHEW CARNEY: Dr Mariann Lloyd-Smith is an advisor to the Federal Government body known as NICNAS. It assesses and regulates the use of industrial chemicals.

She's been studying QGC's environmental authority applications and has found the plans contain many more out of date and incomplete safety data sheets - basic but critical information that explains the risks involved.

MARIANN LLOYD-SMITH, SPECIALIST IN CHEMICAL MANAGEMENT: I've had a look at the application and what is of concern - the manufacturer's safety data sheets, or the material safety data sheets they include, they are certainly not the Australian standard and as such

they are in breach of both the Queensland Act and the national code for material safety data sheets.

MATTHEW CARNEY: Dr Lloyd-Smith is also concerned that most of the fracking chemicals do not have to be assessed by the national regulator NICNAS before they are used.

MARIANN LLOYD-SMITH: Of the 23 most commonly used compounds in fracturing fluids, the national regulator, NICNAS, has only assessed two of those 23 and of the two that they have assessed, they weren't assessed for their use in fracturing fluids.

So you can basically say of the 23 major chemicals used in this process, they have not been assessed by any national regulator.

MATTHEW CARNEY: She's alarmed because many of the chemicals in use, like glycols and bactericides, are highly toxic and dangerous.

MARIANN LLOYD-SMITH: They are being released to the environment, released to the environment, you can't bring them back. As we've heard, up to 40 per cent of the chemicals they use will remain within the structure of the seam and can move through the groundwater.

This is of major concern and certainly my personal opinion is that we need a moratorium on fracturing chemicals until a complete assessment has been undertaken by our national regulator.

MATTHEW CARNEY: OGC told Four Corners that it "does not believe that it, or any of its contractors, has breached the act".

(To Stephen Robertson) Every one of them has data sheets that are foreign, out of date, incomplete.

STEPHEN ROBERTSON: These are environmental applications?

MATTHEW CARNEY: That's right.

STEPHEN ROBERTSON: Then the necessary authorities, whether it be coordinator general or the Environmental Protection Authority, part of DERM, would be assessing them closely and making appropriate determinations as a result.

MATTHEW CARNEY: Why wasn't this picked up?

STEPHEN ROBERTSON: I can't answer that question at this point in time but happy to find out.

MATTHEW CARNEY: John Hillier was the Queensland Government's principal hydrologist for 13 years. He now works as a private consultant.

He's concerned about the long term impact the coal seam gas industry will have on the Great Artesian Basin.

JOHN HILLIER, FORMER PRINCIPAL HYDROLOGIST, QUEENSLAND: We may not even know that we've got leakage down there for 20, 30, 40 years. So we can have a lot of damage to a big resource that we don't even know about.

MATTHEW CARNEY: Hillier also believes that with the rush on to get the 40,000 wells into the ground there will be mistakes and miscalculations, more leaks, more fraccs gone wrong.

JOHN HILLIER: It's like a lot of things. The regulation has gone back to the industry. You look after it and make sure it's done properly. In the old days, 20, 30, 40 years ago, an inspector used to attend every cementing of every bore in the Great Artesian Basin in Queensland.

MATTHEW CARNEY: So without that, what do you think the potential is, looking at the future?

JOHN HILLIER: I think that they'll be- that 95 per cent of them will be constructed to a satisfactory standard. They will all be attempted to construct to a satisfactory standard, and I think there's likely that somewhere around 5 per cent probably won't quite make that and could have problems throughout the operational life and even when they're plugged and abandoned.

MATTHEW CARNEY: It's not only farmers and scientists who believe the price for the coal seam gas expansion could be damage to the environment but the Federal Government's very own department.

Last September The Water Group in the Environment Department warned of significant impacts and concluded for some areas "effects of the coal seam gas developments are considerable with at least 1,000 years passing before this part of the Great Artesian Basin will return to pre coal seam gas levels."

It also stated the real amount of ground water the companies would use had been vastly underestimated. The real figure could be as high as "45,00GL - 22 times more than predicted by the proponents".

To deal with the concerns, the Federal Environment and Water Minister Tony Burke says he's set strict limits on water extraction in the Great Artesian Basin. On that basis he gave the go ahead for the \$31 billion Santos and QGC LNG projects.

TONY BURKE, MINISTER FOR ENVIRONMENT & WATER: My conditions say so test them all and then apply the rules based on what each test says for each seam and if every seam comes out with connectivity, then re-pressurisation or re-injection of water, no matter how expensive, will end up being the pathway that is followed and that's exactly what should happen.

MATTHEW CARNEY: And in Queensland the government has put in place 1,200 regulations it says will also protect the environment and landholders from the gas giants.

STEPHEN ROBERTSON: We've put in place a stringent regime of laws and regulations designed to ensure the highest levels of environmental protection.

Yes we want see this industry develop, it's important for Queensland future both in terms of wealth and job generation, but it can't come at the cost of our environment and that's the point that I have made to reassure landholders that we are not going blindly down this alley to see this development of this industry.

We are at all steps along the way making sure it's done safely and sustainably.

BELINDA ROBINSON, PETROLEUM PRODUCERS & EXPLORATION ASSOC: This industry is an industry that is pretty keen to be around for a long time. If it's going to be around for a long time, if in fact it's going to be protecting the substantial investments that have been made it needs to be very confident that its environmental footprint, its safety footprint and so on are as minimal as possible.

MATTHEW CARNEY: But many farmers see the new laws only as regulation on the run and not preventing damage in the Great Artesian Basin.

Col Davis reckons attempts to control the industry are too late for him. To prove the point he shows us this bore.

COL DAVIS, FARMER: Making a bit of a sound so it will be right for a fire.

MATTHEW CARNEY: A couple of years ago Col noticed his water bores becoming more gassy. This one stopped bubbling water and now only blows gas.

Ian Hensen has come to Col's to assess the damage. Hensen has been a water bore driller in the area for 33 years. For him, the explanation is simple.

IAN HANSEN, WATER BORE DRILLER: The gas is coming from, the water in this hole is coming out of the coal and the sandstone and the gas would've always been there. So there's no problem with that.

But what is happening as these coal seam companies are lowering the water table, as you lower the water table it takes the pressure off and that lets the gas release so that that's where the problem is, is lowering the water table.

MATTHEW CARNEY: Coal seam gas is not confined to Queensland. About 40 resource companies have targeted every state in Australia. In Victoria, Gippsland has been marked for exploration. In Western Australia they are sinking test wells in the Perth Basin. New South Wales already has 300 wells.

It seems it's up for grabs in New South Wales. A plan to drill wells right next to Sydney's drinking water source at Warragamba Dam has been exposed. And in the heart of the city at St Peters, Macquarie Energy are preparing to sink their first well just 200 metres from homes.

MATTHEW CARNEY: The Hunter Valley community of Broke is another impact zone. The locals have had to get up to speed fast about coal seam gas. What they know so far scares them. Gas wells have been popping up in the middle of vineyards and next to the local school.

SPEAKER AT COMMUNITY MEETING: They say there's around about \$700 million worth of gas under the Hunter...

MATTHEW CARNEY: Australian Gas Light Company - or AGL - has put in five exploratory wells and the company won't tell them how many more will come.

SPEAKER AT COMMUNITY MEETING: They can't be trusted. They're on the gold rush for coal seam gas.

MATTHEW CARNEY: They believe a gas field will destroy their famous vineyards and thriving tourist industry.

But help is on hand.

SPEAKER AT COMMUNITY MEETING: Ladies and gentlemen this is Dayne Pratzky, also known as the 'Fracman'. Dayne...

(Applause)

DAYNE PRATZKY: They will lie to you; they will tell you whatever you think you need to hear to get into your neighbourhood. Do not let them in. No more wells. No more drills. That's it, it's finished.

From here on in, you need to make the stand, draw the sand in the line and that's it, no more. You tell them no more and when they turn up with their drill rigs, you all turn out, like you have here today

MATTHEW CARNEY: What has already angered Broke residents is this. They said AGL dumped 120,000 litres of dirty, salty, waste water from a test bore into a paddock the company owned mid last year.

The residents fear it contaminated the groundwater.

An AGL insider has decided to speak with Four Corners for first time about the incident.

AGL INSIDER (Voiceover): It became too much to handle or too costly to handle so opted to pump it into the paddock.

It shocked me because it was wrong. I asked the drillers who started the pump? And they said "Oh f***, I'm not going to own up to that".

MATTHEW CARNEY: AGL rejects these allegations and in a written response said it released the water "in accordance with our water bore licence".

And that, "the contamination claims have been given no credence" by the Government.

At 6 o'clock in the morning, the Broke residents marshal and get on the bus to confront AGL and its shareholders in Sydney

PAUL O'TOOLE, BROKE RESIDENT: Today we expect to really get under AGL's skin, bring it to them, right in the centre of the city, let people see that, you know, there's a massive angry community out there about their their lies, their bullying and the madness that is coal seam gas mining.

MATTHEW CARNEY: They know it's a race against time. Current legislation in New South Wales does not specifically deal with coal seam gas.

BROKE RESIDENT: We just don't want them around and we have property and they just, as they say, just come along and just do as they please and they shouldn't be allowed to do that at all.

BROKE RESIDENT 2: We're extremely angry at the way we've been treated by AGL, the fact that they won't answer questions, the fact that they give us false and misleading answers.

BROKE RESIDENT 3: Generally that sort of industry should not be in an area which has been dedicated to growing grapes and wine for tourism. They will destroy the area.

MATTHEW CARNEY: The protestors want AGL to be more transparent, to release their plans for the Hunter Valley.

DAYNE PRATZKY: It's time to move. AGL, go to hell.

ALL PROTESTORS: AGL, go to hell. AGL, go to hell. AGL, go to hell...

MATTHEW CARNEY: They're also demanding the New South Wales Government put a moratorium on coal seam gas until all the facts are known and strong legislation is in place.

ALL PROTESTORS: AGL, go to hell. AGL, go to hell. AGL, go to hell...

MATTHEW CARNEY: The protestors have some serious support from the big end of town.

David Clarke has a winery and restaurant in the hunter. He's also a chairman of Macquarie Bank.

MATTHEW CARNEY: So this is not normally something you do?

DAVID CLARKE, WINERY OWNER: I've done it once before down at high rise development down at Double Bay.

MATTHEW CARNEY: But usually you're on the other side I would think, yeah?

DAVID CLARKE: Yeah often (Laughs).

ALL PROTESTORS: AGL, go to hell. AGL, go to hell. AGL, go to hell...

MATTHEW CARNEY: The Broke residents want to inform the AGL shareholders about what the company is doing. Dayne Pratzky on the megaphone says they're going to hit the directors where it counts.

DAYNE PRATZKY: I know the board of directors is standing right there looking right at us. You're risking your money AGL. You will not drill in the Hunter Valley. No coal seam gas!

ALL PROTESTORS: No coal seam gas!

DAYNE PRATZKY: No coal seam gas!

ALL PROTESTORS: No coal seam gas!

DAVID CLARKE: There's a concept called a social licence to operate and I think it's a concept where big companies who are involved in community assets have the trust of the community or they don't have the trust of the community and to my mind AGL has not won the trust of at least the Broke community.

SPEAKER, HUNTER VALLEY PROTECTION ALLIANCE MEETING: And I would just like to back up Bev, she forgot to mention to Cobra mine, north-west of Mudgee...

MATTHEW CARNEY: The groundswell of opposition is growing. A once disparate bunch of farmers, greenies, businessmen and lawyers, all affected landowners, are banding together to forge a new political force.

John Thompson, resident of Broke, is leading the push.

JOHN THOMPSON, HUNTER VALLEY PROTECTION ALLIANCE: And if we get together and we make a strong message to the people of this nation, a strong message to our governments, change will happen. And it will happen and we will stop this and we will get the balance back on our lives

MATTHEW CARNEY: Sixty groups from all over Australian are represented here and they decide to attack on several fronts. More protests and direct action to mobilise public opinion, explore all legal avenues, and first up on the political front, the New South Wales elections. They're backing about 20 Independent candidates to push for change.

JOHN THOMPSON: By moving this to a national level and getting a level of consensus and agreement on our goals and messages is absolutely huge. This is going to change the nature of the game dramatically. We'll become a force to be reckoned with.

MATTHEW CARNEY: Back on the farm in Queensland, Katie and Scott Lloyd are also determined to stay on and fight, and for the sake of their kids and others they want answers.

KATIE LLOYD: We all know, we're not stupid, we all know that there's, you know, a lot of money to be made out of this industry and in its current form let's just get it in at any cost.

I mean what's a few you know farmers, communities, lifestyles, their health, you know? And that's unfortunately how it how feels for many at the moment.

KERRY O'BRIEN: As you heard in Matthew Carney's story, the company QGC chose not to be interviewed on camera, but submitted lengthy written answers to questions instead. We have published those answers in full on our website at abc.net.au/4corners, as well as a detailed response from AGL.

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