

# Media Release



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## **Social license needed before drilling commences**

The South Australian Dairyfarmers Association today agreed with the Prime Minister Malcom Turnbull's conclusion that natural gas companies need a social license to drill for gas in some of the most pristine and premium farmlands in the world.

Comments by the Prime Minister, who recently visited the south east of South Australia confirm that social license must exist before any further steps are taken. This is in line with the recent budget allocation for Bioregional assessments and for Energy for the Future which are a clear recognition of dairy farmer concerns about the risk to farmer's land and water resources posed by unconventional gas development.

"While we appreciate the need to secure energy supplies into the future we cannot risk a hard-fought for reputation as being one of the globe's best farming districts. As farmers, we appreciate the need to have affordable and predictable energy but the balance must be struck between that demand and our premium production region and our reputation." SADA President John Hunt said today.

The South East is an economic powerhouse for the state when it came to dairy and livestock production, with the region so highly productive because of its rainfall and vast underground water reserves. The risk of any gas well leakage or failure is extremely concerning. The risk of consumer reaction in our domestic and overseas markets is also troubling.

Parliament of South Australia Natural Resources Committee report of November 2016 stated "Without social license, unconventional gas exploration/development should not proceed in the South East of South Australia. The committee found that social license to explore/develop unconventional gas does not yet exist in the South East of South Australia."

Social license is permission granted by trust and trust is earned. What we have seen from many of these gas producers, particularly in places like Queensland is an expectation that the Government will simply lever open the farm gate for the gas company. This has led to a decay in trust that will be very difficult to repair. The companies promoting unconventional gas need to now do more than merely reassure people that there is no risk of an adverse consequence. Proponent companies have not yet come even close to that benchmark and unless their approach changes then there will always be pushback.

For more than a century South Australia as a state has etched out its reputation for premium and it is not something that should be traded lightly. Any adverse outcome will hurt our brand and could do so irreparably.

Mr Hunt said, "There is scant in this for the farmer. There is little compensation and upsides are few and far between. Potential downsides are abundant and tangible. As the head of one of South Australia's peak industry bodies the silence from these companies has been deafening. This isn't how social license is achieved.

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