

GMB CONGRESS 2015

CEC STATEMENT ON “FRACKING” (HYDRAULIC FRACTURING FOR SHALE GAS)

Introduction

1. Congress 2014 passed a motion (Composite 22) calling for the receipts from extracting and selling shale gas to be 100% publicly owned for the benefit of the nation. That decision was consistent with longstanding GMB policy on public ownership of energy and utilities, which the CEC believes is the most effective way to ensure the reliability and security of supply necessary to meet the nation’s domestic and business energy needs at an affordable price.

2. However, the CEC recognises that since Composite 22 was passed in 2014, there has been intense public interest in the subject of fracking for shale gas. Hydraulic fracturing, known as “fracking”, involves shattering rock strata by forcing in a mixture of water, sand and chemicals to release gas (shale gas). Opponents of the process say that environmental risks include water and air pollution, whereas supporters point to the reduction in gas prices that benefits consumers (as in the USA for example) because of the increased supply of gas.

3. Fracking is an issue which has lately aroused a great deal of emotion and polarised opinion in the UK. Unfortunately, as a result, much of the debate which should be taking place has been shrouded in myth, misunderstanding and misinformation.

4. On the one hand, in its zeal to attract investors and paper over the cracks in its energy policy, the coalition Government has adopted a gung ho approach to fracking which has seen huge publicly funded subsidies thrown at private companies to encourage them to proceed without caution. On the other hand, local protest groups concerned about the prospect of exploratory drilling in their neighbourhoods have seen their ranks swelled by environmental activists who are fundamentally opposed to the use of any fossil fuels whatsoever.

5. The CEC believes that both of these positions is equally unjustifiable. This statement therefore sets out the CEC’s current position on fracking, set within the context of the balanced energy policy that GMB has always maintained. It calls for motions 337 and 338 to be referred, as both motions are at odds with the Union’s policy position agreed at Congress 2014, and also reflect the confusion that the emotion that currently surrounds fracking has led to (see paragraph 13 below). The CEC is asking Congress to grant the time necessary to monitor developments around fracking and shale gas in order to conduct a thorough and comprehensive analysis that will inform its stance on this crucial issue.

Gas will remain crucially important in meeting Britain's future energy needs

6. The CEC recognises that the challenge of climate change is undoubtedly real, and believes that there is not enough concrete action taking place across the globe to tackle the threat that climate change poses. We cannot ignore the science, nor be selective in picking quotes from scientific reports. Unfortunately, many participants in the climate change debate do exactly that – denying the need for any form of energy generation other than that from renewable sources, and failing to acknowledge or grasp the basic facts about energy supply and usage in Britain.

7. As both the International Panel on Climate Change (IPCC) and the independent UK Committee on Climate Change (CCC) have recognised, gas has an important part to play in Britain reducing our carbon emissions. The simple truth is that the UK will be using gas for many decades to come. Over 80% of homes in the UK are heated by gas. Gas is about four times cheaper than electricity. The price differential between gas and electricity is set to become even wider, so it is simply unrealistic to believe that the British public, still hurting after the massive economic crisis of recent years, are going to tear out their gas boilers and heating systems and replace them with electricity, and then watch their bills go up fourfold.

8. The CEC believes that the debate about fracking must be based upon complete honesty about the economic realities of gas. Without an adequate supply of gas being maintained in the decades to come, as Britain seeks to develop a viable low carbon economy, the future faced by the people of this country is a massive increase in expenditure running into many thousands of pounds, each and every year. In fact, the future role of gas could be even more crucial in lowering CO emissions in Britain, through the development of micro combined heat and power units to produce heat and electricity for homes. Fuel cells which have zero carbon emissions will have a huge role to play in the future, and these will need gas too.

9. The massive problems posed by climate change are serious, and will not be solved by posturing or burying our heads in the sand. Tackling the climate change crisis goes hand-in-hand with confronting the energy crisis that is increasingly engulfing Britain. This energy crisis manifests itself in a number of ways, including affordability, people's ability to heat their homes and cook their food, the social and economic impact of high energy prices, and the threat to the security of supply that is the result of successive Governments failing to get a grip of the long-term energy policy that the country desperately needs.

10. Security of supply is a particularly vital issue for British industry. The key manufacturing industries, such as ceramics, chemicals and engineering, to name just a few, need stable and affordable energy prices. These industries create and sustain a huge number of jobs, and these are often unionised jobs. We know that unionised work is safer, more secure and better paid. Our manufacturing industries must compete in global markets, yet the fact is that they are struggling to remain competitive, and a significant factor in that is energy prices in Britain. Our energy intensive industries need access to affordable, secure energy supplies. They need the certainty that Britain's energy mix will meet their needs. They, like Britain's households, need gas to be part of that energy mix.

Where should Britain's gas come from?

11. The issue for Britain isn't therefore whether we will use gas or not. We will. The real issue is where we will get our gas from, and who should take the moral responsibility for extracting and supplying the gas we use. This question goes to the very heart of the debate about fracking, but it does not seem to feature strongly in the current arguments. The CEC believes it should, and that GMB's approach to fracking should be rooted in our trade union values of social and economic justice, and based upon the need to exercise a moral responsibility.

12. In order to determine a long-term, responsible and viable position on fracking, the CEC believes there needs to be a comprehensive and objective cost-benefit analysis of the future role of fracking, within the context of how best to ensure the supply of gas that Britain will need for decades to come.

13. Motion 337 asks "why are we using gas extracted from shale"?. This is not correct. Fracking has been in common use in the North Sea since the late 1970s, and in about 200 onshore oil and gas wells since the early 1980s. However, fracking for onshore shale gas was first proposed in 2007 and to date has only been used once, by the company Cuadrilla, in 2011. This process was suspended in 2011 following safety concerns because of two small earthquakes, and although a report in 2012 concluded that fracking for shale gas could continue under stricter monitoring, it is not currently taking place. There is some public confusion about this, because several companies have exploration licences which allow them to carry out drilling to assess the potential feasibility of extracting shale gas reserves.

14. As onshore fracking in the UK is not currently being undertaken, the full facts and evidence of the potential costs and benefits of shale gas extraction in this country are not yet available. An informed and objective debate about fracking needs to take place before Congress could consider adopting a position that, if anti-fracking, would effectively constrain our ability to carry out one of our core activities as a trade union – representing gas workers. In addition to the important questions about whether fracking will deliver sufficient supplies to reduce consumer prices and mitigate the need to import gas, and (if so) at what cost to the environment, some questions need to be posed that do not feature strongly in the current polarised debate between opponents and supporters of the process:

- Is it acceptable for Britain to import gas from countries where the safety, environmental and regulatory standards are lower than in Britain?
- Should gas be imported from states where there is no civil society, no right to protest and where workers are denied basic trade union rights?
- Is it kinder to the environment for gas to be transported for thousands of miles across continents and oceans before we use it here in Britain?
- If exploratory drilling reveals a plentiful supply of UK shale gas reserves, is it not a moral duty for Britain to take responsibility for providing for our own gas needs from those supplies, rather than importing gas from elsewhere?

- If fracking does go ahead, should the profits from this go to line the pockets of private investors?
- Should trades unions adopt an anti-fracking stance that would leave workers in the shale gas industry open to health and safety risks and exploitation by their employers?

GMB and the Gas Industry

15. GMB has its roots in the gas industry. Our union began by fighting for the rights of unskilled labourers who toiled for long hours in an industry that was dirty and dangerous. For 125 years, we have influenced the development of this great industry and the gas infrastructure which has delivered reliable heat and fuel to British homes and businesses. We no longer represent the most wretched and downtrodden, stacking the satanic furnaces of old, but some of the most highly skilled workers in the country. For 24 hours a day, 7 days a week, our members in the gas industry work hard, in all weathers, to keep the gas that heats and powers our nation flowing safely and securely.

16. However, our members in the modern gas industry have the skills, safety standards, pay and terms and conditions that they now enjoy because for over a century GMB has organised gas workers to win continuous improvements for themselves and their families.

17. GMB's position on fracking must therefore be consistent with the need to organise the shale gas industry if it does develop, as well our duty to protect the future of the UK gas industry and the thousands of GMB members it currently employs. Can and should GMB stand by and allow a new arm of the gas industry to develop and ignore the need to organise and protect the workers it employs?

18. If onshore fracking for shale gas does develop from its current exploratory status into an industry which will be supplying a significant proportion of the gas that Britain needs, GMB will need every ounce of our organising expertise and commitment to safeguard the workers in the industry. The CEC believes that anything less than protecting these workers from exploitation in a fledgling industry, as we did with gasworkers 125 years ago, would be a betrayal of our history and moral responsibility.

19. GMB has a great history in the gas industry and we know that gas has an important future too. If it does transpire that this future will involve extracting Britain's reserves of shale gas to meet the nation's energy needs, in a manner that is less environmentally damaging and morally reprehensible than importing it, the CEC believes that GMB must stand battle-ready to organise and represent these gas workers and secure the possible pay, safety standards and terms of employment for them. We are a trade union, and that is what we do.

Conclusion

20. For the reasons outlined above the CEC is asking for:

- Congress to support this CEC statement, recognising that gas will continue to play a crucial role in the development of the low carbon economy and as part of a balanced energy mix, and that recruiting and organising gas workers has been a core activity for GMB for 125 years;
- Congress to authorise the commissioning of a CEC Special Report, to be presented to Congress 2016, encompassing a thorough cost-benefit analysis of the role of shale gas in meeting Britain's future gas requirements. The report will address the environmental, social, economic, industrial and safety impacts of fracking for shale gas. If the report concludes that the onshore shale gas industry is set to become a significant part of the energy sector, it will explore how GMB can seek to influence the development of the industry and recruit and organise the workers it will employ.