



21 November 2013

## More delay and uncertainty as Victoria rebuffs gas market review

Today's decision by the Victorian Government to ignore Gas Market Review Taskforce advice to take **immediate** action to facilitate new gas supplies and make the most of eastern Australia's sizeable natural gas resources creates considerable uncertainty around the entire eastern Australian gas market.

APPEA Chief Operating Officer – Eastern Australia, Paul Fennelly said: "The decision taken by the Victorian Government is an extraordinary rebuff of the gas market review that will further delay diversifying the development of natural gas resources in that state and it will result in higher than necessary energy prices.

"The message to companies seeking to do business in Victoria; seeking to source natural gas, create jobs, revitalise rural communities, add to government revenue streams and provide additional income to farmers, is unfortunately crystal clear.

"The Victorian Government is paying more attention to short-term politics than science-based evidence and is clearly not displaying enough focus on attracting investment and building the economy, nor the consequences of failing to do so.

"Protracted decision making processes mean no decision will be made to progress Victoria's onshore gas industry for at least another two years. It's an unacceptable outcome given it can take companies up to five years to get projects through approval processes to commission.

"Industry has established a safe record of operation both here and overseas and has been reliably meeting energy needs of decades.

"There is no reason why Victoria can't allow unobtrusive exploration drilling to determine the extent of resources available. Victoria remains the only state in Australia with a moratorium yet a state like Queensland for example is forging ahead with projects worth \$60 billion that have to date created 30,000 jobs.

"Industry has the science and the experience to develop natural gas resources under the strictest highest environmental standards possible and we strongly support the need to protect water resources as enshrined in the recommendations of the review."

Mr Fennelly said hydraulic fracturing or 'fracking' is a well-tried and understood process which has safely taken place to improve gas flow in Australian wells for more than 40 years.

The Taskforce noted:



**“Clearly there is a lot of exaggeration about fracking. Independent advice to the Taskforce from Geoscience Australia and other sources provided compelling evidence that fracking should be allowed.”** (Source: Victorian Gas Market Review Chair, The Honourable Peter Reith)

Mr Fennelly said APPEA would seek a meeting with the Victorian Government as soon as possible to discuss the ramifications of today's decision on eastern Australia's gas market supply.

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