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Time Victoria steps on the gas

Victorian families and businesses are Australia's number one users of natural gas. Victoria is also the only state in Australia to ban new investment in developing its onshore gas resources, leaving more than 1.8 million customers exposed to unnecessarily higher gas prices.

APPEA will today call on the Victorian parliamentary inquiry into onshore unconventional gas to support sensible policies based on the best possible scientific evidence and the needs of Victorian families and businesses.

"Inquiry after inquiry has found that a properly regulated natural gas industry is safe and delivers real benefits to regional communities," APPEA Chief Operating Officer Eastern Australia, Paul Fennelly said.

"Further inaction or a continuation of policies that undermine the development of onshore gas projects, will only impose costs on the community, in jobs, economic growth and higher energy prices."

The 2013 Gas Market Taskforce highlighted that:

Victoria has enjoyed cheap and reliable gas for many years but those days are fading fast. Prices are rising, known conventional gas resources in Bass Strait will not last forever and there are prospects of onshore gas.

Victorians should be under no illusions. Rising gas prices will have a negative impact on Victoria's manufacturing base. Jobs and investment are at risk. Costs of living will rise and could rise for longer if not addressed...the only sensible course of action is for the Victorian Government and other eastern states to promote production of additional gas supply.

"Australia's long-established gas industry has the engineering know-how and expertise to safely produce this cleaner energy source under a sensible regulatory regime that manages risks, both real and perceived," Mr Fennelly said.

"As an industry we must do more to let communities know how gas is safely produced, what technology is used and how investment benefits regional economies.

"But we can't do it alone. Political leadership is required to establish a Gas Fields Commission – similar to the Queensland model – which fosters dialogue and understanding between government, industry, regional communities and farmers.

"Exploration bans must also be lifted immediately so companies can at least determine what gas resources may be available for commercial development."



APPEA submits the Committee should recommend that Victoria:

- Establishes an independent Gas Fields Commission or similar model to lead community engagement and education in relation to unconventional gas;
- Immediately removes moratoriums on onshore gas exploration and hydraulic fracturing;
- Adopts the risk-based approach to regulation set out in the COAG National Harmonised Regulatory Framework for Natural Gas from Coal Seams and adapts it to underpin regulation for unconventional gas; and
- Incorporates the principles of the COAG Multiple Land Use Framework in its policies to manage co-existence.

In making its recommendations, the Inquiry could also refer to the findings of Australian and international reports into unconventional gas and hydraulic fracturing including those of the NSW Chief Scientist and Engineer, the Australian Council of Learned Academies and the United States Environmental Protection Agency.

APPEA's submission to the Inquiry can be found at <http://www.appea.com.au/wp-content/uploads/2015/07/APPEA-Submission-Inquiry-Unconventional-Gas-Victoria.pdf>

Media contact: Chris Ward 0408 033 422 or cward@appea.com.au