

Response Reference: A5958183

9 July 2015



Keir Delaney
Secretary
Environment and Planning Committee
Legislative Council Parliament House
Spring Street
Melbourne VIC 3002

Dear Mr Delaney

Re: Inquiry into Unconventional Gas in Victoria

The Mornington Peninsula Shire (the Shire) would like to thank the Environment and Planning Committee for the opportunity to make a submission regarding unconventional gas in Victoria.

Victorian Auditor General's report

The Shire, on behalf of its residents, would like to share its concerns on the potential exploration and production of unconventional gas in Victoria. It has been recognised that the issues related to unconventional gas exploration and production are complex, technical, wide ranging and potentially contentious. The Shire supports the pending audit on the management of risks and impacts of unconventional gas exploration and production by the Victorian Auditor-General's Office which is expected to be tabled in August 2015 to act as the basis of any decision made by the Legislative Council Standing Committee on Environment and Planning relating to this issue.

The Shire would also like to provide commentary on several terms of reference listed by the legislative council, as follows:

(2) the environmental, land productivity and public health risks, risk mitigations and residual risks of onshore unconventional gas activities

The Mornington Peninsula Shire strongly advocates for the current moratorium on unconventional gas exploration and production to continue until risk that residents and businesses of the Mornington Peninsula may face is completely mitigated.

The research paper "*Unconventional Gas: Coal Seam Gas, Shale Gas and Tight Gas*" published by Parliament of Victoria has indicated many potential environmental risks in chapter 2. Groundwater on the Mornington Peninsula is well utilised with the maximum number of licenses issued by Southern Rural Water. The volume of water produced through coal seam gas operations would deplete groundwater and draw down the water table. This could potentially lead to issues including surface subsidence, considering the limit for sustainable use has already been reached, and inter-aquifer contamination. It has also been suggested that chemicals used during fracking could contaminate groundwater which could directly affect the beneficial uses to residents and the agriculture industry on the peninsula.

Associated above-ground infrastructure is also thought to have an impact on the environment due to clearing of bushland, fragmentation of important remnant

native vegetation, the spread of invasive species and the increased risk of bushfires. This which could potentially have a negative impact on public safety, native vegetation, biodiversity and threatened species, all of which the Shire and community groups such as Landcare groups actively work to maintain and protect.

(3) the coexistence of onshore unconventional gas activities with existing land and water uses, including –

- a) agricultural production and domestic and export market requirements;**
- b) the legal rights of property owners and the impact on property values; and**
- c) any implications for local and regional development, investment and jobs**

The diverse array of values of the Mornington Peninsula to the wider State of Victoria is recognised by the State in the Mornington Peninsula Localised Planning Statement. Approximately 70 percent of the Mornington Peninsula is outside the Urban Growth Boundary and includes highly valued coastlines, the Mornington Peninsula National Park, seven different ecological vegetation classes as well as agricultural areas within the Green Wedge Zone. The urban area is characterised by coastal townships and villages that add to the wider landscape values of the Peninsula.

The Green Wedge Zone has a purpose that includes:

- To provide for the use of land for agriculture;
- To recognise, protect and conserve green wedge land for its agricultural, environmental, historic, landscape, recreational and tourism opportunities, and mineral and stone resources;
- To encourage use and development that is consistent with sustainable land management practices;
- To encourage sustainable farming activities and provide opportunity for a variety of productive agricultural uses;
- To protect, conserve and enhance the cultural heritage significance and the character of open rural and scenic non-urban landscapes; and
- To protect and enhance the biodiversity of the area.

The Mornington Peninsula Green Wedge zone supports highly productive and high value agriculture with over \$830Million annual output. This productivity is in the most part attributed to a reliable water supply (including recycled water) and highly productive soils that support specific intensive horticulture as well volcanic soils that support high value crops such as berries, nuts and vines.

Exploration and production of unconventional gas and the associated environmental risks threaten the existing and permitted land uses in the Green Wedge Zone and the natural values of the Peninsula's parkland and rural areas as well as associated landscape values.

The Mornington Peninsula in its entirety sits within the Western Port Biosphere, a UNESCO listed site. The primary objective of the Man and the Biosphere Program is to achieve a sustainable balance between the goals of conserving biological diversity, promoting economic development, and maintaining associated cultural values. It is recommended exploration and production of unconventional gas be prohibited in the Western Port Biosphere.

(4) the ability of potential onshore unconventional gas resources contributing to the State's overall energy sources including –

- a) an ability to provide a competitive source of energy and non energy inputs for Victorian industries;**
- b) an affordable energy source for domestic consumers; and**
- c) carbon dioxide emissions from these sources**

The Shire has recently committed to a policy of carbon neutrality for council operations and is strongly in favour of investing in renewable energy sources rather than fossil fuels such as natural gas, whether it is from conventional or unconventional sources, to combat the risks associated with climate change.

Natural gas has been referred to as the “transitional fuel in the move to a lower carbon economy” as it is a less carbon intensive fuel compared with coal. It is understood that existing coal mines in Victoria cannot be shut down immediately; some may remain open for decades to come and because of this, Victoria should transition directly to renewable energy sources.

South Australia and the ACT have demonstrated that a transition to renewable energy can be initiated now, having set renewable energy targets of 50 percent by 2025 and 90 percent by 2020 respectively. Other examples supporting the potential transition directly to utility scale renewable energy include the opening of the Nyngan solar plant by AGL Energy in western NSW. The NSW Government contributed \$64.9 million towards the \$290 million plant as it was “strongly committed to the transition to renewable energy through projects such as this”. The recently signed contracts for the 240MW Ararat wind farm by a consortium including RES Australia, GE and Downer, with financing also coming from shareholders Partners Group and Canadian pension fund OPTrust is another example of industry moving towards renewables.

At this point in time, it has been argued that fugitive emissions in the form of methane may be present during coal seam gas operations, which unnecessarily increases the risk of climate change (if operations proceed). These risks can be avoided by investing in cleaner alternatives (renewable energy).

In summary, the Shire is strongly in favour of the following outcomes:

- Victoria transition to a low carbon future by investing in renewable energy rather than further exploiting fossil fuels;
- Any decision on the issue to consider the findings of the pending Victorian Auditor-General’s investigation into the risks and impact of unconventional gas exploration and production; and
- Unconventional gas exploration and production be prohibited so that there are no risks to the Mornington Peninsula or the wider UNESCO Westernport Biosphere.

Thank you for the opportunity to provide commentary on the review. Should any further information be required, please contact Chris Yorke [REDACTED]

This submission represents the views of council officers only.

Yours Sincerely

[REDACTED]
Sophia Schyschow
Manager - Renewable Resources
Mornington Peninsula Shire