

**From:** Jeremy Klitzing [REDACTED]  
**Sent:** Friday, 10 July 2015 4:28 AM  
**To:** EPC  
**Subject:** Unconventional Gas Inquiry - Brief Submission

I respectfully submit my thoughts for the inquiry's consideration.

**Benefits:**

The extraction of unconventional gas in Victoria will create jobs during the construction phase but there will be relatively few jobs during during the production phase. The number of jobs in the decommissioning/restitution phase I expect could be highly variable: the production companies will have little interest in this phase and will see it as a cost to minimized or avoided completely.

Jobs being in rural and regional areas is part of the positive of the jobs benefit.

Royalties to Victoria are another significant benefit.

**Costs;**

If water tables are damaged the costs and number of jobs could be significant but then again I'm unsure if damaged water tables can be repaired. In this case it would suit the production companies for the problem to be ignored and the cost either of restitution or lost productivity (through loss of access to water) be borne by the wider community. This is not a welcome situation but there is a long history of the community and state bearing long-term costs whilst benefits being harvested by the miner.

The construction boom then followed by a "bust" will dislocate communities with housing being unaffordable during the boom then a collapse in rentals after the boom. This is evidenced by the experience in WA communities.

**Risks:**

The potential for damage to water tables is real. Australia being worlds driest inhabited continent makes the the costs of any water table damage that much worse.

The world price of gas is currently trending downward as unconventional and new conventional sources come on stream. This trend is likely to continue for some time as demand drops with a separate trend towards renewables.

Extraction of this gas will add to greenhouse gases and climate change.

**Summary:**

This inquiry must balance the benefits of increased jobs and state revenue against potential long-term costs and loss of production and amenity. The benefits could be eroded because of the gas price trend whilst the costs remain the same. It could be stated as "There are downside risks to the upside but no upside to the downside".

I recommend leaving this gas in the ground as an asset that can possibly be used responsibly in the future when extraction is better understood and safer. Hydrocarbon stores will become more valuable in the future to not just be burnt.

I apologize for this poorly presented submission but am typing it on my smartphone whilst overseas but wanted to lodge my thoughts to the inquiry.

Respectfully

Jeremy Klitzing

