



Colac Otway
SHIRE

Our Ref: D15/46769 AM

10 July 2015

Environment and Planning Committee
Parliamentary Inquiry into Unconventional Gas in Victoria
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

To the Environment and Planning Committee

Submission to Parliamentary Inquiry into Onshore Unconventional Gas in Victoria

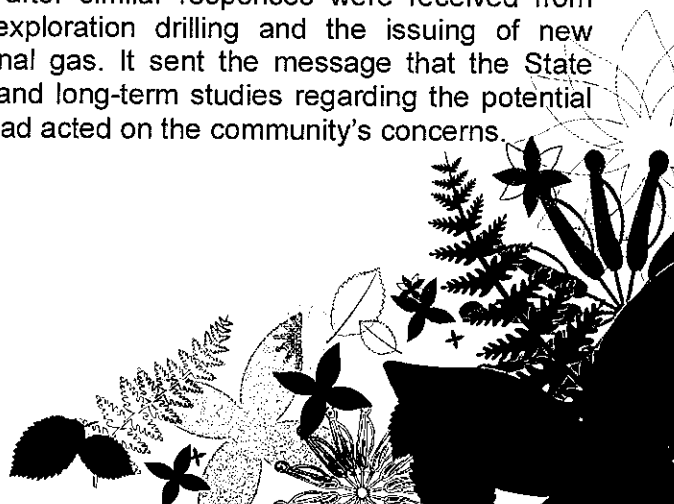
Council welcomes the opportunity to make a submission to the Parliamentary Inquiry into onshore unconventional gas, and will use this medium to voice its concerns regarding the environmental, land productivity and public health risks it sees the industry poses. Council will also use this opportunity to urge the Victorian Government to assess the costs and benefits of pursuing this industry in Victoria in comparison to investing in the renewable energy sector, which we feel would provide a safer, more sustainable future. Council would, however, like to note that the very short timeframe of the submission period has made it difficult to provide a comprehensive response.

Colac Otway Shire Council is situated in the Otway basin – one of two areas in Victoria with the highest potential for onshore unconventional gas. The Shire is heavily dependent on its agricultural and tourism industries, and contains regionally and nationally significant environmental values. Council's vision is for a sustainable community with a vibrant future, and it therefore has a duty of care to ensure these industries and values are protected and enhanced, and that its community's health and well-being is optimised. It is therefore very pertinent for Council to engage in the issue of onshore unconventional gas and its potential future in Victoria.

In April 2012, Colac Otway Shire Council expressed strong concerns about the potential for coal seam gas exploration in the Otway basin, and unanimously passed a motion to call on the Victorian government to introduce a moratorium on coal seam gas, and carry out an investigation on the industry's environmental, social and economic impacts on communities. Council welcomed the moratorium that was introduced by the Victorian government in August 2012 after similar responses were received from communities across the state, which covers fracking, exploration drilling and the issuing of new exploration licenses for all types of onshore unconventional gas. It sent the message that the State Government recognised the lack of reputable information and long-term studies regarding the potential environmental and health risks posed by the industry, and had acted on the community's concerns.

Colac Otway Shire
PO Box 283
Colac Victoria 3250
E: inq@colacotway.vic.gov.au
www.colacotway.vic.gov.au

Customer Service Centre
Colac: 2-6 Rae Street
Apollo Bay: 69-71 Nelson Street
P: (03) 5232 9400
F: (03) 5232 9586



In late 2013 the moratorium was extended until July 2015 to allow for a more robust Parliamentary Inquiry to take place; a move which was again supported by Council. Since this time, Council has received a declaration from the residents of two townships within its boundaries, stating that they are committed to ensuring their region remains gasfield free, and other communications from residents who also feel very passionately that this industry should not be permitted to have a future within this region.

The industry has also received negative local media attention, indicating there is consensus that Colac Otway Shire residents are strongly against any onshore unconventional gas exploration and development. In line with the Terms of Reference, Council therefore offers the following concerns for appropriate consideration as part of the Parliamentary Inquiry.

Impact on the agricultural industry

As a rural Council, Colac Otway Shire is heavily dependent on its agricultural industries, including farming, cropping and dairying, which have supported its population for many years. There is also a smaller boutique market for organic produce, wine, honey and blueberries, among others, and microbreweries are also gaining momentum. It is estimated that these agricultural industries bring \$167,971,000 to the Shire annually, contribute to the tourism industry and together with forestry and fishing, employ 12% of the employed resident population.

When considering the potential coexistence of onshore unconventional gas activities with these existing land uses, Council has strong concerns about the literal footprint that unconventional gas extraction, transport and production requires, and the potential for groundwater quality and security to be jeopardised during the process. For example, due to a low gas flow rate or permeability, a high density of coal seam gas wells is required in one area to make a venture viable. Teamed with the network of linking tracks required for transport and maintenance, such production would fragment the productive agricultural land upon which we depend. The shorter productive lifespan of coal seam gas wells in comparison to conventional gas wells (with each well only estimated to be functional for 10-15 years compared to 50 years), makes such a proposition even more unworthy of consideration; a short-term venture leaves a highly fragmented landscape post-extraction, with the residual impacts left in the hands of farmers and other land managers.

Some forms of unconventional gas production require hydraulic fracturing; a contentious practice which is known to require very large amounts of water, and has caused contamination of groundwater in Queensland and overseas. In the face of climate change, water security is a crucial issue from an environmental, agricultural and social perspective, and any industry which has the potential to use large volumes of water and/or contaminate ground water should be thoroughly scrutinised. As a Shire containing regionally significant water catchments, Colac Otway is keenly aware of the threats onshore unconventional gas presents to our water resources, and sees the potential risk as too great for the potential benefits the industry could present.

Impact on the natural environment and tourism industry

Colac Otway Shire contains a unique diversity of environmental values, some of which are regionally and nationally significant. The Great Otway National Park and its surrounds cover much of the southern half of the Shire, and in addition to housing significant water catchments, are home to species which are protected under the federal *Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)*, such as the endangered Spot-tailed Quoll *Dasyurus maculatus maculatus*, and regionally-significant species such as the Otway Black Snail *Victaphanta compacta* which is only found in this area and is listed as Threatened under the Victorian *Flora and Fauna Guarantee Act 1988*. The northern parts of the

Shire also support remnants of Natural Temperate Grassland of the Victorian Volcanic Plain, which is listed as a Critically Endangered community under the *EPBC Act*, and a myriad of associated endangered flora and fauna. The value of these areas must be protected, not only for biodiversity, but for the tourism opportunities they present. Council feels that onshore unconventional gas exploration and development presents an unacceptable risk to these values, especially given the existing performance standards and impact mitigation requirements.

As a gateway to the Great South Coast, Colac Otway Shire has some of the most picturesque scenery in the State, which along with its unique flora and fauna draws local, interstate and international visitors to the area. These visitors bring an estimated \$133,500,000 to the Shire annually, and support a growing tourism industry that currently employs 8.5% of the employed resident population and is expected to expand. Council itself is investing heavily in advocating and facilitating regional development, including in the tourism industry. The impacts that onshore unconventional gas exploration and development could have on these unique environmental values, the aesthetics of the region, and the tourism industry which depends on them, are therefore of real concern to Council.

Impact on public health

Council has a duty of care to represent its community's interests, and advocate and facilitate appropriate development that will protect the livelihood of that community. The immediate and residual public health risks associated with onshore unconventional gas activities are therefore another key area of concern for Council. In addition to the unquantified short and long-term physical health impacts of the industry, Council would like to highlight the potential for indirect health issues to arise should this industry be supported.

The human health benefits of contact with nature have been well-documented, and the impact of decreased land productivity on farmers are obvious. The physical impact of a network of gas wells, the water required during production, and the short-term nature of the productivity of those wells means that for little gain, the health and aesthetics of the environment - natural and/or agricultural - is compromised. In addition to this, the legal rights of property owners when approached by gas companies are often not well-understood, which can generate enormous stress, as can the potential impact - imagined or realised - on property values. Council feels that these issues pose a real threat to the mental health of our residents - especially those working in the agricultural industry - and is concerned that the required long-term research has not been conducted to mitigate these and related risks.

Council is also concerned that if not avoided, these impacts could have significant flow-on impacts to the overall health, prosperity and development potential of the Shire, which would create enormous challenges for Council. Council therefore believes that rigorous, long-term, independent scientific research is required before the industry could be permitted to develop in Victoria, and is of the strong opinion that the resources and time required to conduct such research and develop appropriate performance standards and monitoring and enforcement protocols would be far better invested in the renewable energy sector, which unlike the onshore unconventional gas industry, could provide long-term energy sources and a sustainable future for our community, without the negative impacts on the environment, agriculture, tourism or public health.

The logic of redirecting investment to the renewable energy sector

Council understands the need to provide a competitive source of energy that is affordable for domestic consumers. However, this need must not override the need to pursue options that have a sustainable future in Victoria. The investment required to understand the short and long-term risks associated with

onshore unconventional gas, both known and unknown, and then develop and implement effective regulation of the industry would be better directed to the renewable energy sector, which has many well recognised advantages. With enough investment, these clean options could become the competitive, affordable energy sources that we need, and could coexist with existing land uses with a fraction of the impacts on the environment, agriculture, and tourism compared to onshore unconventional gas production. Such investment would create jobs, and avoid the public health risks – physical and mental, and immediate and residual - that are so inherent with the fossil fuel industry.

These views align with Council's Environment Strategy which identifies the need for Council to advocate on behalf of the community in relation to issues such as sustainable energy production and the protection of groundwater reserves, and reflect those concerns expressed by Councils across the broader region and the state as a whole.

Council's concerns with allowing the onshore unconventional gas industry to have a future in Victoria can therefore be summarised as follows:

- **The literal footprint of the industry, the amounts of water it requires, and the potential for the processes involved to contaminate groundwater present an unacceptable risk to the agricultural industry and the region's water catchments, especially in the face of climate change and dwindling water supplies.**
- **The potential impact on the unique environmental assets within our region, and subsequently the tourism industry which is dependent on these assets, presents an unacceptable risk to the future of the region.**
- **There is a clear lack of rigorous, long-term, independent scientific research on the physical and mental public health risks (both immediate and residual) associated with unconventional gas exploration and development, and the flow-on effects of these impacts to the health and prosperity of communities.**
- **The resources and investment required to conduct appropriate research into these impacts, and to then develop and implement effective regulation of the industry, would be better directed to the renewable energy sector which has many well-recognised advantages, is ready to be developed, and could quickly provide a sustainable and healthy future for our community.**

Once again, Council is thankful for the opportunity to provide the above concerns for consideration, and looks forward to hearing how they have been addressed in the outcome of the Parliamentary Inquiry later this year.

Yours faithfully,



SUE WILKINSON
Chief Executive Officer