



Inquiry into Unconventional Gas in Victoria

Environment and Planning Committee

Parliament of Victoria

Submission

July 2015



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1 Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide the Environment and Planning Committee with a submission to help inform its inquiry into unconventional gas in Victoria. As the statutory peak body for local government in Victoria, the MAV works to represent and advance the interests of all Victorian councils.

Due to the short period of time allowed by the Committee to provide a response, this submission has only benefited from limited input from our members. We ask that the Committee consider providing longer periods of time for the preparation of submissions in future inquiries so that interested parties are able to provide more considered and comprehensive responses.

In preparing this submission, the MAV has drawn extensively on work done by the City of Greater Geelong, Surf Coast Shire Council, Colac Otway Shire Council and Bass Coast Shire Council. These and a number of other Victorian councils, including Glenelg Shire Council, Moorabool Shire Council, Moyne Shire Council, Moreland City Council, South Gippsland Shire Council, Yarra City Council, Port Phillip City Council and Indigo Shire Council have passed resolutions that either call for the extension of the moratorium on unconventional gas extraction or outright oppose exploration and extraction activity within their municipality.

Onshore unconventional gas exploration and extraction activity has also been raised as a key issue of concern for local government at a number of MAV State Council meetings. In May 2014, the State Council resolved that the MAV oppose any exploration for and extraction of coal seam gas within Victoria. In October 2014, the State Council resolved that the MAV should strongly advocate to the State that unconventional gas exploration should not occur unless social and environmental impacts are definitively demonstrated not to be detrimental; an appropriate level of community support is evident; and there is an appropriate regulatory framework in place to ensure protection of the natural environment, local communities, rural industries and private property rights. It is important to note that both of these resolutions were supported by the entire local government sector.

2 Local government's concerns about unconventional gas

Victorian councils and their communities have a range of concerns about onshore unconventional gas. Councils that have exploration permits that apply in their municipality have experienced extremely high levels of interest and advocacy from their communities due to concerns about the various negative and irreversible impacts mining could bring. The City of Greater Geelong, for example, received 449 submissions in response to a request for feedback on unconventional gas extraction and, more particularly, the hydraulic fracturing ("fracking") process. Of these 449 submissions, all but two were opposed to onshore gas extraction and the use of fracking. Similarly, in Surf Coast Shire around 300 people attended a forum on onshore unconventional gas held by the Winchelsea Business and Tourism Association. A number of



communities in Surf Coast Shire, Colac Otway Shire, Bass Coast Shire, Baw Baw Shire, Wellington Shire, South Gippsland Shire and East Gippsland Shire have declared themselves 'gasfield free'.

Councils have a range of concerns about onshore unconventional gas activity in Victoria, including:

1.1. Environmental concerns

- The inadequate independent assessment of the potential adverse environmental impacts of unconventional gas exploration and extraction, including:
 - the local and cumulative impacts of gas extraction on water supply and quality;
 - the risk of contamination of groundwater and the potential contamination of underground aquifers;
 - the management of waste water;
 - loss of access to groundwater for other users (including farmers);
 - the risk of land contamination;
 - the risk of air contamination;
 - the risk of induced seismicity; and
 - the extent of methane leakage (also known as "fugitive emissions").
- The risks associated with fracking including potential chemical spills, contamination of land and water, the triggering of seismic activity and land subsidence.
- The lack of certainty about the long-term impact of unconventional gas production on the environment.

1.2. Health and social concerns

- The inadequate independent assessment of the potential social and health impacts of unconventional gas exploration and mining, including competing demands on social and natural resources and challenges to existing rural community identities and ways of life. The CSIRO has identified that while there are both positive and negative impacts, spatially most negative impacts are accrued locally and may not be offset by the positive impacts that accrue at larger regional scales.
- Aside from the public health impacts that result from the various environmental risks identified above, there are also concerns about the mental health impacts that might derive from anticipated or actual unconventional gas exploration or extraction activity.
- Councils are concerned about landowners' rights versus industry land access rights; the potential negative impact on property values; the long-term impacts on land and the costs



and difficulties of land rehabilitation; and the lack of tangible benefits to landowners and the local community.

- The potential negative impacts on local amenity and quality of life, and the operational impacts of mining development including dust, noise and light.

1.3. Economic concerns

- The areas in Victoria identified as having the highest potential for unconventional gas have very strong, established and beneficial tourism and agricultural sectors. There is concern that unconventional gas activity will do irreversible damage to both sectors and lead to unacceptable loss of land for food production and loss of pristine and unique recreation and conservation areas.

1.4. Renewable energy concerns

- There is concern that pursuit of onshore unconventional gas in Victoria will become another deterrent to the development of a vibrant and strong renewable energy sector in Victoria. Local government supports renewable energy sources and wants the State to focus its investment on the renewable energy sector.

1.5. Regulatory Framework concerns

- There is concern that the current regulatory framework may not be adequate to ensure protection of the natural environment, local communities, rural industries and private property rights. Regulators may not have the capacity to properly oversee the operations of industry.
- There is significant concern that there is a lack of credible, independent, and authoritative information that the State and the community can trust. The reach and influence of industry worries many community members.

3 Conclusion

The MAV opposes any exploration and production of onshore unconventional gas in Victoria pending definitive evidence that:

- the social and environmental impacts of such activity will not be detrimental;
- there is an appropriate level of community support; and
- there is a robust, rigorous and best practice regulatory framework in place to ensure protection of the natural environment, local communities, rural industries and private property rights.

The MAV calls on the Victorian Government to focus its efforts on developing Victoria's renewable energy sector.