



Att: Keir Delaney
Environment & Planning Committee
Parliament House
Spring Street
Melbourne, 3002
VICTORIA

10 July, 2015

Re: Victorian Government Onshore Unconventional Gas Enquiry

Dear Keir,

Thank you for the opportunity to submit this for consideration by the Committee. We recognise the importance of the Parliamentary process and the benefit of robust and frank debate of this and other issues of importance.

As a small engineering consultancy based in Melbourne, with an interest in the oil & gas industry, we have been at the vanguard of this debate and the impact of the current moratorium on onshore gas exploration in Victoria.

The moratorium has had a notable impact on the wider gas industry in this state, with a significant pull-back in the number of active and viable projects. This is to the detriment of Victoria as we see our local engineering, design and construction capability eroded and lost to other states and overseas. This capability and technical knowledge is not easily recovered and threatens our ability to move toward the future use of both conventional and unconventional assets.

Furthermore, we firmly believe that it is imperative that any unconventional onshore gas is produced in a socially and environmentally responsible manner. This requires the application of a system of rigorous checks and balances to limit risks as far as practical. Similar checks and balances are already in place in high risk assets such as Victorian Major Hazard Facilities.

We consider that there is now a body of industry knowledge both locally and internationally that can be used to help understand and manage the potential risk and issues and that many best practice examples of developing and managing unconventional gas are available as benchmarks for future installations.

In addition to these checks and balances a system for transparency, rectification and compensation from any contamination / damage caused by unconventional gas exploration and production needs to be in place to provide certainty to the current land owners and community in general should such an event occur.

Moving unconventional gas to the next phase in Victoria will require both scientific rigour and strong stakeholder engagement as well as leadership from government. We believe with goodwill from all parties this is achievable.

Yours sincerely,

Michael Stansfield
Managing Director

Sean Fitzgerald
Technical Director

Geoffrey Constable
Projects & Alliances Director