

2nd September 2015

Hon David Davis MLC (Chair) and Committee Members
Environment and Planning Committee
Parliament of Victoria
Spring Street
EAST MELBOURNE, VIC 3002

Dear Mr Davis and Committee Members,

RE: Parliamentary Inquiry into Onshore Unconventional Gas Mining in Victoria

It is with great interest that I have read the Interim Report from the Inquiry. I note that Chapter 5 identifies issues to be further considered by the Committee. If possible, I would also appreciate the following questions being included/considered that are particularly relevant to TOF #4 and go to the core rationale for the Inquiry:

1. A fundamental question is: **Do we NEED to explore for unconventional gas in Victoria and is it necessary to meet our future energy needs?**

On page 6, Section 2.2 in the first paragraph of your report it states: "*it is widely expected that reserves of conventional natural gas will run out in coming decades and this is driving the exploration for the more difficult to access and costly to produce, 'unconventional' natural gas*" (as quoted from P. Reith (2013) "Gas Market Taskforce Report"). It is contended that what is actually driving the desire to explore for unconventional gas is that gas companies are able to get more money for our gas reserves because of world parity pricing and gas reserves in the ground are now worth more money to export them. Extracting this gas will not reduce the domestic gas price nor will it increase supply for Victoria as the resource is to be exported:

<http://www.heraldsun.com.au/business/fracking-will-not-keep-local-gas-prices-from-rising/story-fni0dcne-1226755357248>

2. **What is the current estimate of offshore conventional gas reserves?**

Geosciences Australia has said there is a 30-year supply of conventional gas in Victoria. Doesn't this allow sufficient time for other non-invasive forms of energy to be introduced so that we are not reliant on gas? It is noted that gas consumption has already started to fall (refer to Melbourne Energy Institute Report submitted to this Inquiry).

3. **Are the unconventional gas reserves in Victoria, if extracted, to ONLY be used in Victoria? How will the extraction of unconventional gas assist gas users in Victoria if the gas is to be exported overseas?**

If onshore gas is destined for overseas markets, this will not provide Victoria with a source of natural gas for its use. This is a finite resource with gas wells expected to last for 10 years so this is not a solution for our energy needs.

Thank you for your consideration of the above.

Yours sincerely

Debbie Carruthers