

Inquiry into Unconventional Gas in Victoria

Committee Hearing - Wednesday 23 September 2015

Southern Grampians Shire Council has passed two motions relating to Unconventional Gas exploration.

At its meeting in May 2014, the first Southern Grampians Shire Council resolution relating to unconventional gas:

- Confirmed Council's commitment to the full disclosure of the social, environmental and economic impacts of unconventional gas mining through a transparent and open consultative process
- stressed the importance of protecting the State's food and fibre production, water aquifers and liveability, noting the current and potentially increased food and fibre production in the rural areas of the Great South Coast group of Council
- commended the State Government's moratorium on hydraulic fracturing, stressing the importance of carrying out scientific studies to understand and respond appropriately to the potential impacts of onshore gas mining on Victoria's surface and groundwater.

In June 2015, the following resolution was adopted:

That Southern Grampians Shire Council formally declares itself unconventional gas free in response to community concerns on the impact on water resources essential for communities and agriculture.

Discussion

The protection and careful management of the Southern Grampians water resources are important to the sustainability of our communities and our agricultural communities and other industries requiring quality water resources.

There are possible significant risks to agricultural productivity, environmental values, human health and social wellbeing from unconventional gas extraction. These risks are not yet fully understood; particularly with regard to the impact in south west Victoria which relies heavily on ground water to support agricultural production and water supply for human consumption, noting the importance of food and fibre production to the economy of the Great South Coast region.

Southern Grampians Shire is dependent on agriculture which is the largest employment sector in the Shire. Agriculture accounts for around 80% of land use in the Southern Grampians Shire and 20% of employment (DSE, 2008). Agriculture in the Shire boasts a total product of over \$220 million per annum with nearly half a million hectares of agriculture land under production and a net operating profit of around \$210/ha, compared to \$121 for the State. (SGSC Economic Development Strategy Background Report).

The Council has invested heavily in undertaking a land capability study across the Shire to identify the potential for diversification and intensification of agricultural industry. This study which includes a climate change lens out to 2070 shows that this region has untapped potential and is

comparatively well placed to continue to support the global food production. Therefore, in the context of the analyses described in this report, it is clear that Southern Grampians, in particular, and the South-west Region of Victoria, in general, have all the conditions to be a significant player in ensuring that the envisaged growth potential in agriculture can be realised.

One of the obvious natural advantages in the region is the plentiful ground water availability to support this. The consideration of the impacts of unconventional gas needs to be considered taking in the long-term impact on this vital resource, not just the short term opportunities. The average life of an unconventional gas well is 10-15 years. The financial gains for the region in relation to employment, increased commerce in local towns, access payments to landowners and donations to community organisations from the gas mining companies may be significant but the potential adverse impacts have the potential to be much longer lasting. The State Government will also receive royalties from gas mining but the long term costs could dwarf this should the precious water supply be contaminated.

The impacts of unconventional gas extraction will cross local government boundaries in south west Victoria and across the state. A bioregional response across the region covered by the Great South Coast group of Councils would provide the best opportunity for a fully considered response to these potential risks.

Whilst commending the scientific studies and full and transparent community engagement program being undertaken Southern Grampians Shire Council has resolved to formally declare itself as unconventional gas free in response to the potential impact on water resources essential for communities and agriculture.

Given the potential economic, social and environmental risks, it is recommended that the State Government ensure the protection of this vital economic resource and the best way to ensure this is not to jeopardise the natural assets that play such a vital role in global food production.