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More delays for Victoria's gas explorers

The Victorian Government's decision not to approve work and operational plans for onshore gas exploration drilling activities represents more delay to companies looking to bolster the state's energy supply.

APPEA Chief Operating Officer Eastern Australia, Paul Fennelly said: "The decision raises serious questions about whether Victoria is a state that truly welcomes investment in developing onshore gas supplies and the regional economic growth and job creation that comes with it.

"It comes at the same time Queensland has made important regulatory changes to provide greater certainty of tenure to explorers and increased flexibility in planning projects. Along with South Australia, Queensland is making big strides in developing a competitive regime for development of onshore gas resources."

Mr Fennelly said industry would continue to support the fact-based community consultation process outlined by the Victorian government: one based on science rather than misinformation.

"However, applications for work programs should be addressed on their merits and the gas industry's proven record of safe operation and strong community consultation over a number of decades should be given due consideration.

"We acknowledge that consultation with the community is critical. But it is disappointing to see emotional factors overriding scientific evidence and decades of operational experience."

Last year's Victorian Gas Market Taskforce report highlighted the urgent need for onshore gas development:

"Victorians should be under no illusions. Rising gas prices will have a negative impact on Victoria's manufacturing base. Jobs and investment are at risk. Costs of living will rise and could rise for longer if not addressed.

"The only sensible course of action is for the Victorian Government and other eastern states to promote production of additional gas supply. Alternative proposals, such as government reservations or subsidies will not address the essence of the issue either in the short or long term.

"The Report concludes that an onshore gas industry cannot only provide economic benefits to farmers, revitalise regional communities and create jobs but at the same time the gas industry can be managed to conserve our environment."* (Taskforce Chair The Hon. Peter Reith)

[*http://www.energyandresources.vic.gov.au/about-us/publications/Gas-Market-Taskforce-report](http://www.energyandresources.vic.gov.au/about-us/publications/Gas-Market-Taskforce-report)

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