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APPEA welcomes Victoria's decision to lift moratorium

APPEA welcomes the Victorian Government's decision to lift the moratorium on onshore conventional natural gas exploration and development.

The decision paves the way for the resumption of exploration of possible natural gas resources in Victoria, which over time could lead to more gas supply flowing into the Victorian gas market.

APPEA Chief Executive Andrew McConville congratulated the Victorian Government's consideration of evidence compiled through the Victorian Gas Program by the Lead Scientist.

"The comprehensive scientific research undertaken by the Victorian Gas Program assessed the risks, benefits and impacts associated with onshore conventional gas. It confirms what other inquiries and industry itself has been demonstrating for decades – natural gas production is safe and sustainable," Mr McConville said.

"The government's decision to lift the moratorium is a step in the right direction to help ensure that Victoria continues to have ongoing supplies of natural gas into the future. The Australian Energy Market Operator (AEMO) has forecast shortfalls in Victorian gas supply as soon as 2024 if more supply is not developed. Shortages could happen earlier if winter demand is high.

"Victoria is a state that heavily relies on gas. Around 80 per cent of Victorian homes are connected to natural gas, and an average household in Victoria uses nearly twice the amount of natural gas as a household in any other state in Australia.

"Thousands of manufacturing jobs in the state also rely on a stable supply of gas."

Mr McConville said the lifting of the moratorium aligned with Victoria's Renewable Energy Target and its position on reducing emissions.

"As a low emissions fuel, natural gas has an important role to play in helping Victoria reach its emissions reduction targets," Mr McConville said.

A report released by the Department of Environment, Land, Water and Planning in 2017 highlights that as other sources of baseload power no longer become viable, they are replaced by natural gas generation capacity.

"Under every scenario modelled for the Victorian Government, natural gas has an increasing role to play in delivering stable, cleaner energy to Victoria," Mr McConville said.

The moratorium, which came into effect in early 2017, was followed by an extensive period of scientific investigation and community consultation led by the office of the Victorian Lead Scientist and a stakeholder advisory group.

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