

Coalition Senators' dissenting report

1.1 Coalition Senators do not agree with the Committee's conclusion that the current regulatory processes do not sufficiently take into account the value of the environment as a valuable resource or the regulation regarding the use of water by extractive industries.

1.2 The effectiveness of the water trigger legislation was independently reviewed in April 2017.¹ The Independent Review of the Water Trigger Legislation (the review) concluded that the water trigger is an appropriate public policy response to the potential risks associated with coal seam gas and large coal mining. This review also found that there were no recommendations regarding legislative changes to the water trigger legislation.

1.3 Coupled with this independent review, the Department of the Environment and Energy (the Department) conducted a post implementation review of the water trigger legislation to address the requirements of the Office of Best Practice Regulation. The Department concluded that an adaptive strategy for the ongoing implementation of the water trigger was the most prudent approach to manage the risks associated with the inter-connectedness of ecosystem services, coal seam gas and large coal mining developments as they relate to water resources. There was no finding of a need to expand this legislative framework.

1.4 Coalition Senators do not agree with the recommendation to introduce a nation-wide moratorium on hydraulic fracturing activities. Australia is blessed with a diverse range of energy resources, including conventional and unconventional gas. The development of our gas resources supports Australian industry and Australian jobs. Numerous inquiries into unconventional gas development have come to the same conclusion – that the industry can be developed safely with appropriate regulation. The coal seam gas industry has been operating in Queensland for more than 20 years.

1.5 The risks associated with unconventional gas exploration and development can be mitigated and managed with rigorous, outcomes-focussed regulation and evidence based policy backed by scientific research.

1.6 The recommendation to cease the approvals for new coal mining projects and to work to phase out all existing coal mines is not supported. Australian coal is one of the highest quality in the world and we produce it more efficiently than most. That puts our coal sector, and thousands of Australians who work in it, in prime position to benefit from the increased demand for energy resources; providing jobs, energy security, royalties and essential regional economic contribution.

1.7 The Australian Government fully supports the Australian coal sector given the industry's significant and ongoing contribution to the Australian economy. The Coal Industry contributes around \$5 billion annually in royalties, and accounts for over

1 Commonwealth of Australia, *Independent Review of the Water Trigger Legislation*, April 2017.

51,000 direct jobs. Importantly, the majority of these jobs are located in regional areas.

1.8 Australia has significant reserves of thermal coal, used for generating electricity, and metallurgical coal, which is an essential ingredient in making steel. Indeed, over 61 per cent of Australia's electricity is generated from coal and over 68 per cent in the National Electricity Market. The ABS figures released on 2 August 2018 show that Australia's coal exports totalled \$60.1 billion in 2017-18, up 11 per cent on the previous year.

1.9 Our resources industry operates within a robust regulatory environment, and our resources expertise is world class.

Senator Jonathon Duniam
Deputy Chair
Senator for Tasmania