

Chapter 1

Introduction

1.1 On 12 November 2015, the Senate resolved to establish the Select Committee on Unconventional Gas Mining to inquire into and report on or before 30 June 2016 on matters relating to the following:

The adequacy of Australia's legislative, regulatory and policy framework for unconventional gas mining including coal seam gas (CSG) and shale gas mining, with reference to:

- (a) a national approach to the conduct of unconventional gas mining in Australia;
- (b) the health, social, business, agricultural, environmental, landholder and economic impacts of unconventional gas mining;
- (c) government and non-government services and assistance for those affected;
- (d) compensation and insurance arrangements;
- (e) compliance and penalty arrangements;
- (f) harmonisation of federal and state/territory government legislation, regulations and policies;
- (g) legislative and regulatory frameworks for unconventional gas mining in comparable overseas jurisdictions;
- (h) the unconventional gas industry in Australia as an energy provider;
- (i) the current royalty and taxation arrangements associated with unconventional gas mining; and
- (j) any related matter.¹

Conduct of the inquiry

1.2 The committee advertised the inquiry on its website, and wrote to organisations and individuals inviting submissions by 14 March 2016. The committee continued to accept submissions past the submissions closing date.

1.3 The committee has published 298 submissions, and has held three public hearings. A list of submitters to the inquiry is at Appendix 1.

1.4 The committee held public hearings in Dalby, Queensland, on 17 February 2016, in Narrabri, NSW, on 29 March 2016, and in Darwin, Northern Territory, on 12 April 2016. A list of the public hearings conducted and witnesses is at Appendix 2.

1 *Journals of the Senate* 126, pp 3378-3380.

1.5 The committee would like to thank all the organisations and individuals that have contributed to the inquiry. The committee would also like to acknowledge the work of the Parliamentary Library in assisting with background research.

Previous inquiries

1.6 Unconventional gas mining, particularly coal seam gas (CSG) mining, has been examined as part of the following recent Commonwealth and state parliamentary inquiries:

- Victorian Legislative Council Environment and Planning Committee, which reported on 8 December 2015;²
- Senate Environment and Communications Committee Legislation Committee inquiry into the Landholders' Right to Refuse (Gas and Coal) Bill 2015, which tabled its report in September 2015;³
- Senate Select Committee into Certain Aspects of Queensland Government Administration related to Commonwealth Government Affairs, which tabled its final report in March 2015;⁴
- New South Wales Legislative Council General Purpose Standing Committee (No. 5) which released its final report on coal seam gas in March 2012;⁵ and
- Senate Rural Affairs and Transport References Committee, Management of the Murray Darling Basin Interim report: the impact of mining coal seam gas on the management of the Murray Darling Basin, November 2011.⁶

Structure of the report

1.7 This interim report sets out evidence received by the committee through submissions and public hearings conducted, and will address the majority of the terms

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- 2 Victorian Legislative Council Environment and Planning Committee, *Inquiry into unconventional gas in Victoria*, <http://www.parliament.vic.gov.au/epc/references-committee-inquiries/article/2633>.
 - 3 Senate Environment and Communications Committee Legislation Committee, *Landholders' Right to Refuse (Gas and Coal) Bill 2015*, September 2015, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Gas_and_Coal.
 - 4 Senate Select Committee into Certain Aspects of Queensland Government Administration related to Commonwealth Government Affairs, *Report*, March 2015, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Certain_Aspects_of_Queensland_Government_Administration/Certain_Aspects_Qld_Admin/Report.
 - 5 New South Wales Legislative Council General Purpose Standing Committee (No. 5), *Final report – Coal seam gas*, May 2012, http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/29AE48525CFAEA7CCA2578E3001ABD1C?open&refnavid=CO4_2.
 - 6 Senate Rural Affairs and Transport References Committee, *Management of the Murray Darling Basin Interim report*, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Completed%20inquiries/2012-13/mdb/interimreport/index.

of reference. The committee notes that it has not received significant evidence in relation to terms of reference (d), (e) and (i) and therefore has not reported on those terms of reference. The committee also notes that limited evidence was provided in relation to terms of reference (c) and (g), and on this basis has reported to a limited extent on these terms of reference.

1.8 The committee notes that this is an interim report and should it have the time to do so, will report on these matters in a future report.

1.9 Chapter 2 provides background information on unconventional gas mining and sets out:

- the status of unconventional gas mining in Australia;
- what unconventional gas mining is and where it occurs, including information on coal seam gas mining, shale and tight gas mining, hydraulic fracturing ('fracking') and underground coal gasification; and
- the unconventional gas mining industry as a job creator and employer.

1.10 Chapter 3 examines:

- the domestic regulatory framework for unconventional gas mining;
- harmonisation of federal and state/territory government legislation, regulations and policies; and
- some information on how unconventional gas mining is regulated in international jurisdictions.

1.11 Chapter 4 addresses term of reference (b), and will particularly set out evidence received relating to:

- landholders' rights in relation to unconventional gas mining;
- potential impacts on human health;
- the potential impact on agriculture, including supply chain integrity and domestic and export capacity;
- the potential impact on water quality and quantity; and
- the social impact of unconventional gas mining.

