

## **Additional comments by Government Senators**

1.1 Gas both conventional and unconventional is a vital source of energy to Australia and to the world particularly our northern neighbours. Australia's future energy security and its economic growth will be driven through diversity of supply with unconventional gas playing an increasingly vital role in our future energy mix. Australia is currently the world's third largest, and by 2020 will be the world's largest, exporter of liquefied natural gas (LNG).

1.2 Domestically, 24 per cent of all energy consumed in Australia is gas. On the east coast more than 40 per cent of this gas comes from unconventional sources. Around 98 per cent of this originates in Queensland.

1.3 State and Territory Governments have primary responsibility for the development of unconventional gas with the immediate legal frameworks deriving from State and Territory legislators. The Australian Government has an overarching role in the development of energy policy in the context of other important Commonwealth legislation such as the *Environment Protection and Biodiversity Conservation Act 1999* (the EBPC Act) and regulatory and scientific framework such as the *National Harmonised Regulatory Framework for Natural Gas from Coal Seams*.

1.4 Furthermore, the Commonwealth Government works with state and territory governments through the COAG Energy Council on an active gas sector reform program. This program recognises that there are community concerns around the possible risks and impacts of unconventional gas development. These concerns need to be taken seriously, and more work is needed to address community concerns and strengthen regulatory approaches, particularly in those states which do not yet have an active industry. However, experience has shown that existing regulatory frameworks can support communities, various industries and governments to effectively meet land access challenges, expectations and opportunities; and advance Australia's sustainable development goals in agricultural production, mineral resource development, biodiversity and heritage conservation.

1.5 The Government Senators adopt and support the Australian Government's submission to the Committee being Submission 123.

1.6 The Commonwealth's *Domestic Gas Strategy* and the Government's *Agricultural Competitiveness White Paper* identifies the following strategies and principals in the development of unconventional gas:-

- Conducting research through its environmental and scientific agencies, including the Department of Environment, the CSIRO and Geoscience Australia;
- Supporting the expansion of the Gas Industry Social and Environmental Research Alliance (GISERA) model in New South Wales;
- Supporting the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC);
- Supporting the Industry Growth Centres Initiative;

- Access to agricultural land should only be done with the farmer's agreement, and farmers should be fairly compensated;
- There must be no long-term damage to water resources used for agriculture and local communities; and
- Prime agricultural land and quality water resources must not be compromised for future generations.

1.7 Government Senators observe that much of the evidence called for more improvement in the regulatory framework to ensure the unconventional gas industry operates in a responsible manner. The Government and Government Senators strongly support the principle of continuous improvement of regulatory frameworks to support the responsible development of these resources.

1.8 The Government Senators believe that the State and Territory legal frameworks have the Constitutional jurisdiction to manage this industry as is already occurring in NSW. The approval processes in each State and Territory must take into account the risk to agricultural land and local communities as is their Constitutional responsibility, as is the responsibility for securing compensation to other land users for breach of the licence or permit conditions by gas miners.

1.9 The Commonwealth Government is clearly already working with the States and the Territories in the overarching management of this important industry as is verified by Submission 123.

1.10 Managed well, unconventional gas has an exciting future providing a significant contribution to Australia's Gross National Product through vital energy supply and many meaningful and well paid jobs.

1.11 Government senators note that this is the committee's interim report, and should the committee have the time to do so, further examination of the issue relating to unconventional gas mining activity in Australia should occur.

**Senator the Hon David Johnston**  
**Senator for Western Australia**

**Senator Joanna Lindgren**  
**Senator for Queensland**