

Senate Select Committee on Unconventional Gas Mining Surf Coast Shire Council Submission

Introduction

Surf Coast Shire Council welcomes the Senate Select Committee on Unconventional Gas Mining (the Committee) and provides this submission to assist the Committee in its Inquiry.

Council advises the Select Committee that

- There is currently one existing exploration permit for unconventional gas in the Shire – PEP 163 - which was due to expire on 18 October 2015 but was renewed by the state government late last year.
- There has been very strong community interest and concerns expressed in our community regarding the potential for unconventional gas in the Surf Coast Shire. Several communities in the Shire have declared themselves ‘frack’ or ‘gasfield’ free and unconventional gas forums held in the Shire have attracted large numbers of the public.
- Council has made a number of resolutions on this matter and in March 2014 wrote to the Victorian Premier calling for a suspension of all exploration and mining of unconventional gas until a robust, transparent and independent regulatory framework is established, a full peer reviewed research study of the impacts had been undertaken and there has been ‘full and genuine consultation’ with communities across Victoria.
- Council resolved at its June 2015 meeting to provide a submission to the Victorian Parliamentary Inquiry into Unconventional Gas in Victoria. A written submission was provided on 9 July 2015 and Council’s Mayor and Chief Executive officer presented to the Inquiry’s Torquay Public Hearing on 12 August 2015.

Background about the Shire

The Surf Coast Shire is located 1.5 hours’ drive south west of Melbourne’s CBD and 20 minutes south west of Geelong’s CBD. The Shire is home to nine distinct townships: Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea.

- The Shire’s towns and rural hinterland support over 3,000 businesses driving an economy worth almost \$1 billion annually. The economy is unique, dominated by niche sectors such as surfing and nature based tourism. Construction retail and health also play a key role. These sectors combine to create a distinctly different economy to that of Geelong and surrounding regions, playing a key role in delivering regional economic diversity.
- Sustainable agriculture and tourism related pursuits in the hinterland are emerging, and offer the potential to help drive economic growth while at the same time recognising the natural environment’s aesthetic value.
- The Shire’s clean, natural landscape of world famous beaches, national parks and scenic rural hinterland is the critical factor in attracting approximately 2 million visitors annually who expend over \$510 million visiting Surf Coast Shire.

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Concerns relating to unconventional gas

Council advises the Select Committee that it is concerned about potential economic, environmental, health and social impacts including that:

Economic Concerns

Surf Coast Shire's economy is unique and distinct with the surf sector and tourism playing critical roles in economic growth and job creation. Further, the rural hinterland (which includes agriculture) is an emerging growth sector within Surf Coast Shire with several niche businesses in accommodation, food tourism, sustainable agriculture and broad hectare farming playing a more prominent role. These businesses also play an important role in developing a 'identity' for the Shire as a destination. These key industries are highly synonymous with the natural environment and in some cases comprise internationally recognised natural assets such as the Great Otway National Park, Bells Beach Surfing Recreation Reserve and The Great Ocean Road.

- The surf industry when considered as a specific industry sector and measured against other sectors in Surf Coast Shire is the most significant contributor to the economy on several fronts:
 - Of the 7,561 full time equivalent jobs in Surf Coast Shire 2,034 can be attributed to the surf industry (26.9% of total employment).
 - Direct employment accounts for 1,532 full time equivalent positions in Surf Coast Shire which is over 500 more than the next biggest employing sector (construction).
 - The surf industry generates 26.5% of industry value add activity in Surf Coast Shire.
 - Direct industry value-add contributions total \$155 million which is 50% larger than the next biggest contributor (ownership of dwellings).
 - The surf industry accounts for over 28% of all incomes generated in Surf Coast Shire.
 - Home of the Bells Beach Rip Curl Pro, one of the world's most recognised surfing events.
- Tourism also plays a vital role in the Surf Coast Shire economy. In the year end September 2014 over 1.96 million visitors came to Surf Coast Shire directly expending over \$500 million. Outdoor nature based pursuits such as beach visits, sightseeing, bushwalking and rainforest walks comprised over 1.6 million visitor activities underpinning the critical role the natural environment plays in attracting day, overnight and internal visitors. Expenditure from these visitors generates over 1,100 full time equivalent jobs at the time of the most recent Census.
- Further to visitation, Surf Coast Shire is home to a number of signature events including the Falls Festival, Cadel Evans Great Ocean Road Race, Amy's Gran Fondo, Bells Beach Rip Curl Pro, Surf Coast Century and Great Ocean and Otway Classic Ride. These events are internationally recognised (and in some cases attract significant support from the State through Victorian Major Events Company) and headline a mass of events that bring visitors from across the globe. The events play a vital role in sustaining businesses throughout the off peak periods and are

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predominantly nature based involving running, cycling and surfing. A key attraction for these events is the pristine natural environment, striking coast line and rural hinterland.

- The rural hinterland is emerging as a key economic pillar for Surf Coast Shire. Food tourism, sustainable agriculture, broad hectare farming and lifestyle options for professionals all form part of a hinterland area that is generating high return on investment and value add outcomes. As a result of strong population growth, Surf Coast Shire has an identified need to create over 3,000 additional jobs by 2031. The rural hinterland will play an important role into the future in job creation through environmentally compatible outcomes.
- Council believes the above industries (which form the foundation of our current and future economy) are not compatible with a large scale extractive industry such as unconventional gas. Further, this type of industry places at risk the thousands of jobs generated through the surf, tourism and rural hinterland sectors.

Environmental concerns

- There has been inadequate independent assessment of key potential adverse environmental impacts of unconventional gas exploration and mining including the local and cumulative impacts of gas extraction on water quality and quantity, the risk of contamination of groundwater, potential contamination of underground aquifers, the management of waste water and loss of access to groundwater for other users.
- There is a particular concern about using hydraulic fracturing because of the use of toxic chemicals, potential chemical spills, contamination of land and water, the triggering of seismic activity and land subsidence.

Health and social concerns

- There has been inadequate independent assessment of the potential social and health impacts of unconventional gas exploration and mining.
- The CSIRO has identified various social issues arising from unconventional gas mining, particularly where the gas fields are on agricultural land. Issues include competing demands on social and natural resources and challenges to existing rural community identities and ways of life.
- The CSIRO has identified that while there are both positive and negative impacts, spatially most negative impacts are accrued locally and may not be offset by substantial positive impacts that accrue at larger regional scales. There is community concern that potential costs greatly outweigh any benefits, last for longer and are borne by local communities.
- Local amenity and quality of life may be adversely impacted by potentially large scale mining development, and operational impacts including dust, noise and light.

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Regulatory Framework concerns

Our Council, along with many other Councils and the MAV State Council's view is that current regulatory framework may not be adequate to ensure protection of the natural environment, local communities, rural industries and private property rights.

Community Concern

- Five shire communities have declared their opposition to unconventional gas (Deans Marsh, Bambra, Moriac, Mt Moriac and Paraparap)
- A public forum and expert panel about unconventional gas held in Winchelsea in May 2014 attracted approximately 300 people

Over 140 people attended the state government's Open Day in Torquay on 19 June 2014.

Based on the known impacts of unconventional gas operations in other parts of Australia, Council and its community is very concerned that this activity could undermine the Surf Coast's clean and natural image that our local economy depends upon.

Council's position

Council in its previous resolutions on this matter has made clear that it would like to see much greater consideration of the impacts of unconventional gas activities on public health, the environment, agriculture and food security, local communities and tourism. Until these impacts are fully understood, and able to be managed effectively, Council believes the State Government should not be authorising onshore gas development. This view is now included in Strategy 1.1.4 of The Surf Coast Shire Council Plan: *"Council to continue to advocate to all relevant political parties to extend the current moratorium on fracking to all other unconventional gas exploration and development extraction methods, unless and until there is a clear community mandate to proceed."*

Furthermore, at its June 2015 meeting Council resolved to oppose the exploration and mining of unconventional gas within the Shire and advocate this position to the Inquiry. The full resolution from the June 2015 meeting is that Council:

1. Note the final Report on Community and Stakeholder Attitudes to Onshore Natural Gas in Victoria and the upcoming Parliamentary Inquiry into this activity.
2. Oppose the exploration and mining of unconventional gas within the Shire.
3. Seek support from the Victorian and Federal Governments for the development of renewable energy projects in the Shire, including community renewable energy.
4. Advocate this position through a range of methods including through the proposed State Parliamentary Inquiry into unconventional gas, through meetings with relevant ministers, opposition leaders and peak bodies and through written submissions and consultation processes.
5. Keep the community informed about these activities and promote opportunities for community participation.
6. Write to the Premier and the Minister for Energy and Resources detailing Council's resolution.

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7. Advocate to the Minister for Energy and Resources not to renew exploration permit PEP 163 pending the outcome of the Parliamentary Inquiry.
8. Notify other Victorian councils of the resolution through the Municipal Association of Victoria.
9. Approve the summary of key matters (Appendix 7) to be included in Council's submission to the Parliamentary Inquiry into Unconventional Gas.

Council's recommendation to the Senate Select Committee

Council recommends that the Select Committee:

- Is encouraged to visit and talk with councils and local communities that may be affected by unconventional gas developments, including at Surf Coast Shire.
- Note and consider Surf Coast Shire Council's resolution made at its June 2015 meeting.
- Note and consider other councils' and the Municipal Association of Victoria's positions on unconventional gas