



DAVID MORRIS MP
Member for Mornington

Lifting the Gas Exploration Moratorium – About Time!

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Mr MORRIS (Mornington) (16:03): I am actually delighted to rise to support legislation that implements an important part of a very strong Coalition energy agenda.

This is legislation that, as we have heard and as we know, is long overdue. Unfortunately it does delay the cessation of the moratorium on the extraction of gas for a further 12 months. That is certainly something that I would rather have not seen. But beyond that limitation, it is I think a very, very important part of the agenda that this side of the house has proposed on energy.

In recent winters we have seen record gas prices. This year, because of the pandemic, we have far more people at home, far more people burning gas.

Yet again this year they are paying record high prices. But it seems the view of the government is: you cannot rush these things. Why not take another 12 months? Why not expose the community, the Victorian community, to ongoing sky-high prices for gas for another year?

The fact is gas prices have doubled—more than doubled—since this government came to power. In December 2014 the price of gas was \$3.33 a gigajoule. In December 2019 the price was \$7.50 a gigajoule. Now, that is a whopping 125 per cent increase on this government's watch— 125 per cent—a fivefold increase in just five years.

So while I am very pleased that the government has decided to implement this coalition policy, I do certainly regret that it has taken them so long to get to this point.

Indeed I am angry that having taken the decision, it is going to take another 12 months to fix the problem—another 12 months when my community and communities right across the state are paying through the nose for gas unnecessarily. It is simply not good enough.

So what does this bill do? Well, it is relatively straightforward.

It ends the moratorium on 1 July next year. The member for Warrandyte proposed an alternative to that, and if time permits, I will come back to it.

It provides the opportunity to hear submissions from the Victorian community in the making of certain decisions under the act—public input is always useful, and I think that is an important change—and it introduces a range of unspecified, in the bill at least, social, environmental and economic factors to be considered. It also provides, under the Offshore Petroleum and Greenhouse Gas Storage Act 2010, effectively a domestic preference for consumers. So really, not a lot of meat in the bill itself, but what it does is very, very important for this community.

We have had five years of uncertainty. We have had five years of indecision. Now we are taking baby steps.

The coalition policy has been on the table for three years. It has been there since 2017, yet it has taken this government another three years and a \$43 million report to reach the same conclusion—and in practical terms in those three years we are no further advanced.

In August 2015, almost five years ago, the Auditor-General tabled an inquiry into the gas extraction framework, and in his foreword he said:

... the regime has too few environmental controls, weak consideration of the competing interests for the land involved and potential social impacts, a lack of early community engagement and too much ministerial discretion. The profusion and complexity of the regulatory system—which spans 58 Acts plus a host of regulations, codes of practice, guidelines and the like—severely compromise its transparency, clarity, efficiency and effectiveness.

In other words, the framework that we had was not fit for purpose—not fit for purpose in August 2015.

Nothing has changed. What has the government been doing? Why have they waited until the legislation is brought in, belatedly, and the process has started to fix the cot case that the Auditor-General identified five years ago? Four and a half years on, nothing has been done.

The last government speaker and some others have referred to environmental issues, and I wanted to go down that path as well. I want to make the point that this policy has had an environmental cost as well as a financial cost.

We know that the ability to utilise gas for electrical generation is a critical part of the transition to renewable energy, a critical part of emissions reduction. Standing here, I have said this before: in an ideal world I think we would all immediately make that transition. We would go straight to renewables. But we know the world is not there yet. The world is simply not ready for that jump.

If we were to try and do that, the economic carnage would be catastrophic, and particularly under the current financial climate globally as a result of the pandemic it would be genuinely catastrophic. Gas, while it is still a fossil fuel, is an important part, an absolutely critical part in my view, of that transition.

By dragging their feet on this policy the government have effectively delayed the implementation of an initial transition to gas generation and arguably—and I would make that argument—delayed the reduction in emissions as well.

I also want to make some comments about fracking—or hydraulic fracturing.

We have heard a number of government speakers make some comment on this issue, and

in terms of the desirability of hydraulic fracturing we are unanimous I think—certainly government and opposition are unanimous—we do not support it.

But we need to remember that in the state of Victoria there are 23 permits to extract gas using hydraulic fracturing—23 permits. Each and every one of those permits was issued by a minister who is a member or was a member of the Australian Labor Party—each and every permit was issued by a member of the ALP. So let us not be rewriting history in this room. It is Labor that has been on the side of extracting gas using fracking—not the Liberal Party, not the National Party. Only the Labor Party has permitted fracking in the state of Victoria.

Finally, on the environmental issues, this is a government that is actively encouraging construction of a massive floating storage and regasification facility—a 290-metre-long facility—to be permanently moored, or for the duration of its life, at Crib Point, in the middle of a Ramsar wetland, one of the most environmentally sensitive bodies of water in the state.

So we have got a government that claims the high ground when it comes to environmental issues, but we need to remember that that government have issued 23 fracking licences, they have dragged their feet on the gas issue—which has potentially been at a significant cost to emissions reduction—and they are happy to allow a massive gas factory to be moored in the middle of a Ramsar wetland. I think we need to remember those things.

The member for Warrandyte has flagged a number of amendments, particularly advancing the date at which the moratorium cessation applies—I think that is a desirable outcome. I recognise it cannot be tomorrow, but the sooner the better.

He has proposed a condition which would allow for landholder consent before extraction activities can commence—I think that is a worthwhile change as well—and he has further proposed a change with regard to royalties so that royalties go to the landowner as well as to the Crown.

I welcome the government's belated conversion to adopt coalition policy. It is the right outcome, it is long overdue and it should and must be implemented as soon as possible—but I do support the bill.