



16 June 2020

Victorian legislation lifts moratorium on conventional gas

The passage of the Petroleum Legislation Amendment Bill 2020 through the Victorian State Parliament today sets the scene for a resumption of onshore gas exploration in the state, which should lead to more gas supply flowing to Victoria's homes and businesses.

Australia's oil and gas industry congratulated the State Government and Opposition in supporting the lifting of the onshore conventional gas moratorium from June 2021.

APPEA Chief Executive Andrew McConville said the legislation passed today was a step in the right direction to help ensure that Victoria has ongoing secure supplies of natural gas.

The Australian Energy Market Operator has forecast shortfalls in Victorian gas supply as soon as 2024 if more supply is not developed. Shortages could happen earlier if winter demand is high.

"Victoria is a state that relies heavily on gas. Around 80 per cent of Victorian homes are connected to natural gas, and an average household in Victoria uses nearly twice the amount of natural gas as a household in any other state in Australia," Mr McConville said.

"Thousands of manufacturing jobs in the state also rely on a stable supply of gas. This legislation should give some comfort that Victoria's manufacturing base, and the local jobs it generates, should continue to have a source of viable supplies of domestically produced gas for years to come.

"It's also good for jobs in regional local communities – from the local butcher to civil contractors and transport operators."

Mr McConville said the lifting of the moratorium aligned with Victoria's Renewable Energy Target and its position on reducing emissions.

A report released by the Department of Environment, Land, Water and Planning in 2017 highlights that traditional sources of baseload power are likely to be replaced by natural gas generation.

"Under every scenario modelled for the Victorian Government, natural gas has an increasing role to play in delivering stable, cleaner energy to Victoria," Mr McConville said.

Crucially, the Amendment Bill follows a rigorous consideration of scientific research compiled through the Victorian Gas Program by the Lead Scientist.

"The comprehensive scientific research undertaken by the Victorian Gas Program assessed the risks, benefits and impacts associated with onshore conventional gas. It confirms what other inquiries and industry itself has been demonstrating for decades – natural gas production is safe and sustainable," Mr McConville said.

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