



**Parliament of South Australia  
Natural Resources Committee**

**NRC tables final report on  
Inquiry into Unconventional Gas Development  
In the South East of South Australia**

**MEDIA RELEASE  
29 November 2016**

After two years of work, the Natural Resources Committee has concluded its inquiry into unconventional gas in the South East of South Australia and has made its final report available, Presiding Member Hon Steph Key MP announced.

“After review of all evidence and additional research, the committee has reached the position that social licence does not yet exist for the development of an unconventional gas industry in the South East,” said Ms Key. “This has been made starkly apparent by widespread opposition from the local community and it is the overarching finding of the inquiry.”

“This is not to say unconventional gas exploration and development should never occur in the region, but that in the committee’s view, obtaining social licence is a necessary precondition to such development occurring,” Ms Key said.

“Throughout the inquiry, all evidence the committee heard, both for and against unconventional gas development, has been in the context of myriad external forces including climate change considerations, production and export price, export demand, technological advances, renewable energy growth, and very notably, public opinion,” said Ms Key.

Interest in the inquiry remained at a high level since it began in December 2014, with frequent emails, calls and mail received from the public, community groups and industry.

Overall, 178 written submissions were received, many of which had an addendum, and 66 witnesses—including a large contingent of local South East residents and business people, South East local government representatives, and members of Parliament including the Member for Mount Gambier Mr Troy Bell MP, the Member for Hammond Mr Adrian Pederick MP and Hon Mark Parnell MLC—presented evidence in Adelaide and in the South East.

“The members of the committee would like to thank all those who took the time to participate in this inquiry,” said Ms Key.

See Page 2 of this release for the report recommendations. These and the committee’s findings are set out in full in the final report.

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**For further information contact the Natural Resources Committee’s Executive Officer  
on 08 8237 9442. View the report on the committee’s website,  
[www.parliament.sa.gov.au/Committees/Pages/Committees.aspx?CTId=5&CId=295](http://www.parliament.sa.gov.au/Committees/Pages/Committees.aspx?CTId=5&CId=295)**



## **Parliament of South Australia Natural Resources Committee**

### **Recommendations of the report Inquiry into Unconventional Gas Development In the South East of South Australia**

The Natural Resources Committee recommends that:

1. Without social licence, unconventional gas exploration/development should not proceed in the South East of South Australia. The committee found that social licence to explore/develop unconventional gas does not yet exist in the South East of South Australia.
2. While the specific process of hydraulic fracturing or “fracking” in deep shale, properly managed and regulated, is unlikely to pose significant risks to groundwater, other processes associated with unconventional gas extraction, including mid to long-term well integrity and surface spills, present risks that need to be properly considered and managed. Furthermore, groundwater use in any unconventional gas extraction processes in the South East should be considered in relation to the existing Limestone Coast Prescribed Wells Area Water Allocation Plan (WAP) and other relevant regional WAPs.
3. A review of the Petroleum and Geothermal Energy Act 2000 and relevant regulations would be appropriate, with particular consideration given to:
  - defining terms such as “consultation processes” and “risk” to provide more clarity to the public and other stakeholders in relation to regulated activities;
  - the development and integration of formal guidelines for community engagement and consultation to assist with negotiation processes and achievement of social licence;
  - the perception of a conflicted regulator/promoter, and hence the role that other state agencies and departments, such as the Department of Environment, Water and Natural Resources, the Environment Protection Agency and Primary Industries and Regions SA, might fulfil in managing aspects of exploration and development such as water use, community consultation, landowner rights and ongoing monitoring.
4. The potential for disruption to landscape and local community in exploration, construction and production phases of unconventional gas development should be addressed in agreements with landholders, state and local government prior to any significant works occurring.
5. A definitive proposal for unconventional gas development in the South East of South Australia should be produced before any further consideration can be given to potential economic benefits. This would enable social, economic and environmental impact studies to be undertaken to collect baseline data and inform consultation and community engagement processes. It was not possible for the committee to conduct or commission any economic analysis of prospects for an unconventional gas industry in the South East of South Australia without a definitive proposal but based on expert evidence received on recent developments in the global energy markets, the committee concluded that the window of opportunity for a South East South Australian unconventional gas industry may already be closed. This may change, depending on future events in the international market.

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