



THE HON IAN MACFARLANE MP

MINISTER FOR INDUSTRY

04 JUN 2014

PO BOX 6022
PARLIAMENT HOUSE
CANBERRA ACT 2600

MC14-000441

Dr Dennis Jensen MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Dr Jensen

I refer to your letter of 27 March 2014 with reference to a petition submitted to the Standing Committee on Petitions regarding coal seam gas (CSG) and other unconventional gas development.

Natural gas, including CSG, has an important role to play in Australia's energy future. The use of CSG as an energy source is long-standing and already accounts for around 35 per cent of domestic gas production in the eastern states. Its role both as a domestic energy source and for export is set to increase in the foreseeable future.

State and territory governments have primary responsibility for onshore development and are the main regulators of CSG and other unconventional gas activities. State and territory responsibilities include setting conditions to ensure resources development is undertaken in a responsible and sustainable manner.

The Australian Government continues to work with states and territories to identify opportunities to improve regulatory approaches for CSG and other unconventional gas. Underlying this work is the Australian Government's resources and energy policy, which commits to three co-existence conditions that must be met before CSG development proceeds: access to agricultural land should only be allowed with the farmer's agreement; there is no long-term damage to the underground water resources; and agricultural production is not permanently impaired. Given these conditions serve as a strong foundation for responsible CSG development, the government does not support introduction of a moratorium.

Thank you for bringing the concerns referenced in the petition to my attention.

Yours sincerely

Ian Macfarlane

Phone: (02) 6277 7070 Fax: (02) 6273 3662