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Shorten tackles Andrews over conventional gas exploration

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Bill Shorten has clashed with Victorian Labor Premier Daniel Andrews, urging him to reconsider the state's opposition to conventional gas exploration as he revealed new measures aimed at securing domestic supply.

Despite pressure to overturn its permanent ban on fracking, and its decision to extend a moratorium on conventional onshore gas exploration to mid-2020, the Andrews government has refused to shift its policy.

Ahead of the Victorian election in November, the federal Opposition Leader yesterday took aim at the Andrews gas ban, and singled out restrictions on gas resource development in NSW.

Mr Shorten said Australia had “enough gas in the ground to make sure we can not only look after Aussie jobs but also have a very good export industry”.

“I do think that states need to reconsider their moratoriums on conventional gas exploration,” he said. “I notice it is a NSW Liberal government who don’t want some of the gas exploration ... But I think we need to reconsider opposition to conventional gas extraction in Victoria.”

Victorian Treasurer and Resources Minister Tim Pallas yesterday hit back, saying the Andrews government would be guided by the “science” and was investigating its potential gas resources. He said there would be no compromise on the state’s fracking ban.

“We’re letting the science do the talking on this, which is why Victoria’s Lead Scientist is currently undertaking a comprehensive program of geoscience and environmental research, using the latest technology and research methods to get the clearest picture yet of the state’s potential gas resources, while under a Labor government fracking remains banned,” Mr Pallas said.

A Newspann survey for *The Australian* last month showed 51 per cent of Labor voters - supported restrictions being lifted on gas exploration to help lower energy prices; 36 per cent opposed removing moratoriums.

In April, Northern Territory Chief Minister Michael Gunner lifted the moratorium on fracking but NSW, South Australia, Tasmania, Victoria and Western Australia have full or partial moratoriums and restrictions on gas development.

Australian Petroleum Production and Exploration Association chief executive Malcolm Roberts said the position of the Andrews government was “leading Victoria into an energy crisis”.

He said Victorian households used much more gas than residential customers in any other state, while the manufacturing industry was badly exposed to higher prices. “The increasing reliance on Queensland gas means Victorians will pay a \$2 to \$4 premium just to transport gas. The more local supply diminishes, the more expensive gas will become,” Mr Roberts said. “The state government has no solution. Its political strategy means it is deliberately making the situation worse.

“Victoria safely produced onshore gas for 20 years but the government has banned all onshore gas activities.”

Mr Shorten yesterday said he would ensure export controls for the gas sector, introduced by the Coalition in 2017, would be made permanent and strengthened so they could be triggered if prices rose beyond a benchmark set by the competition watchdog.

The Labor policy would also include a national interest test that would make domestic

use a key factor in approval for new LNG facilities, a strengthening of “use it or lose it” provisions to boost development of gas reserves and stronger powers for the ACCC to crack down on anti-competitive behaviour.

Resources Minister Matt Canavan said Labor was imitating the Coalition’s policy. He warned the inclusion of a price trigger could deter investment and failed to address tightening supply in Victoria.

“Shorten’s policy hasn’t lasted 24 hours,” Senator Canavan told *The Australian*. “The Labor policy didn’t even mention the unscientific gas bans at a state level. At his press conference he suggested we should reconsider those same bans. Labor’s clearly not ready for government if they can’t even come clean about what their position on gas production is.”

Shell Australia chairwoman Zoe Yujnovich said the “key to keeping downward pressure on prices ... is for additional supply to be opened up through lifting state restrictions on gas development”.

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