

COS Council Papers – May 2015

Rate Capping

The Colac Otway Shire Council submitted a submission to the Essential Services Commission (ESC) Victoria expressing its concerns with the proposed rate capping and encouraging the ESC to explore other alternatives given that it has been well documented that the Consumer Price Index is not a true measure of the annual increase on council's operations.

Customer Service Results

Council's customer assist team were ranked second nationally in a mystery shopping benchmarking report for local government. Between January and March this year customer service specialist firm CSBA undertook the random calls to test four areas; greeting skills, manner, enquiry resolution skills and communication skills. The results are benchmarked against the previous year's score and the local government sector. Council's customer assist team in Colac and Apollo Bay not only increased their score by 30 points, they placed second out of 56 councils in Australia. Even more outstanding is the fact that when compared to 220 organisations across the country, they ranked eighth, which is a credit to the team's professionalism and high level of skills.

Service Snapshots

A new quarterly 'service snapshot' was launched on 18 May 2015. The snapshot aims to illustrate the wide range of services that Council provides. It is hoped that this snapshot will result in a better understanding of the range and volume of services that Council provides as well as be another way to deliver important news and information about the projects and initiatives being undertaken across the Shire.

GOR Marathon – 15 and 16 May 2015

This annual 2 day running festival involved over 6,000 runners compete across 5 events with the majority of runners tackling the Half Marathon from Kennett River to Apollo Bay.

Events Workshop

The Colac Otway Shire is offering a free Traffic Management Course to service clubs and community groups within the Shire. The Traffic Management Course will be delivered by Associated Training Consultants on 2 June 2015 at the Colac Saleyards. Attendees who successfully complete the one day training will receive a Traffic Management Licence allowing them to control and direct traffic at not-for-profit community based events as well as directing traffic at commercial events under the supervision of an accredited traffic management company. In offering this training opportunity the Council aims to support local event organisers in managing traffic at their events and to build relationships between groups and clubs within the community.

Routine drainage works

Carried out in Wye River and Separation Creek in April.

Domestic Wastewater Management Plan (DWMP)

Documents prepared by consultant firm Whitehead and Associates are currently being finalised by Council and other parties such as the water authorities and the EPA.

Great Ocean Road Master Plan

The Great Ocean Road Region Master Plan Project Committee has continued work on the Strategic Master Plan for the Great Ocean Road region. The Project Committee presented a draft of the plan to the Great Ocean Road Regional Tourism (GORRT) Board in April. The draft Master Plan will be released for stakeholder consultation throughout May with the aim of finalising the Master Plan by the end of June. Copies of the plan will be distributed to key stakeholders and is available in full on the Great Ocean Road Regional Tourism website: www.greatoceanroadtourism.org.au

Community Fire Refuges

Council is working with various State Government agencies to secure funding for the construction of Community Fire Refuges in Lavers Hill and Forrest. There are no suitable sites in these towns for Neighbourhood Safer Places to be established by Council but a Community Fire Refuge could be constructed to provide protection for people in the event of a major bushfire. Community Fire Refuges are very expensive so they need to be built to allow multiple uses (e.g. CFA or SES shed) so that the

facility has ongoing benefits for the local community aside from when it is needed in a bushfire. A meeting has been organised with Craig Lapsley, Victorian Emergency Management Commissioner, on 18 June 2015 to discuss these issues.

ONSHORE NATURAL GAS EXPLORATION

AUTHOR: Stewart Anderson ENDORSED: Doug McNeill
DEPARTMENT: Sustainable Planning & Development FILE REF: F14/6163

Purpose

The purpose of this report is to provide information to Councillors about the issues associated with unconventional onshore natural gas exploration in the Otways and recommend actions that should be taken by Council.

Declaration of Interests

No officer declared an interest under the Local Government Act 1989 in the preparation of this report.

Background

Unconventional onshore natural gas includes coal seam gas, shale gas, and tight gas; the difference is in the type of sedimentary rock in which the gas is found, and how the gas is stored. Extracting onshore natural gas requires a process called hydraulic fracturing, commonly known as 'fracking'. Fracking is a technique that involves pumping a fluid consisting of water, sand and selected chemicals under high pressure into the rock containing gas. The fluid creates narrow fractures in the rock and the sand grains hold the fracture open to provide a pathway for the gas to flow from the surroundings to the gas well for extraction. Conventional natural gas extraction involves tapping into gas reserves at a greater depth and is typically undertaken offshore. Currently there is no unconventional gas extraction such as coal seam, tight or shale gas production in Victoria.

The unconventional onshore natural gas extraction industry has been developing in Queensland over the past 20 years or so, and more recently has expanded to NSW. It has been in operation overseas for a longer period of time.

Due to strong community concerns about the potential environmental and health impacts of onshore gas production, in particular coal seam gas, production is not yet established in Victoria. Alarming reports have come out of the USA, the UK, and now Queensland regarding the impacts of fracking and the many unknown risks, and a lack of detailed credible information and long-term studies is contributing to stakeholders feeling ill-equipped to develop an informed opinion about the industry, its methods, and the impacts.

In April 2012, Colac Otway Shire Council expressed strong concerns about the potential for coal seam gas exploration in the Otways and unanimously passed a motion to call on the Victorian government to introduce a moratorium on coal seam gas, and carry out an investigation on the industry's environmental, social and economic impacts on communities. After similar responses from communities across the state, a moratorium was introduced by the Victorian government in August 2012 which covers fracking, exploration drilling and the issuing of new exploration licenses for all types of unconventional onshore natural gas. This was introduced to allow time for more information to be gathered on the potential environmental and health risks posed by the industry.

In late 2013 the moratorium was extended until July 2015 to allow for a more robust Parliamentary Inquiry to take place. It is possible that the moratorium will be lifted once the findings of the Inquiry are handed down. So far, an Interim Report on the Community and Stakeholder Engagement Program has been produced but the complete findings of the Parliamentary Inquiry are yet to be released.

In the meantime however, a ban on the addition of BTEX (benzene, toluene, ethylbenzene and xylene) chemicals in hydraulic fracturing fluids has been legislated. This is significant because the use of these chemicals has been one of the main health concerns consistently raised in relation to onshore natural gas exploration.

Issues / Options

The Otway basin is identified as one of two areas in Victoria with the highest potential for unconventional gas (coal seam, shale and/or tight gas). For this reason, it is important that Council continues to engage in this issue. Concerns raised within our municipality about the unconventional onshore natural gas industry align with those expressed in the broader region, and across the state as a whole.

The Interim Report on the Community and Stakeholder Engagement Program for Onshore natural gas summarises initial findings from across Victoria. The main themes of the concerns being raised by the community include:

- The view that existing reserves are adequate to provide enough time to transition to renewable energy resources;
- The view that the costs and risks last for generations, and outweigh the benefits which are very short-term and experienced by those not impacted by the physical development;
- Concerns regarding the substantial and long-lasting impact on the landscapes in which the development occurs (including the natural environment, agricultural areas, residential areas and areas used for tourism);
- Concerns regarding the potential impact on the environment, including use and contamination of underground aquifers;
- Concerns regarding public health including mental issues deriving from anticipated or actual development, and impacts on the character of the community;
- Concerns that there is limited understanding of the potential risks and their management;
- Concerns regarding the capacity of regulators to manage the development and operations of the industry;
- Concerns with the amount of community consultation and knowledge to date.

Similar concerns are reflected in the officer report presented to City of Greater Geelong (CoGG) on 14 October 2014, which details the primary concerns its community has with onshore natural gas development. After receiving a significant amount of feedback about the issue when undertaking a community consultation process for their new Environmental Management Strategy, CoGG took submissions on the issue, and in particular the practice of fracking for one month. They received 449 submissions, 447 of which were opposed to onshore gas extraction and in particular the process of fracking.

The primary concerns raised within these submissions have been broadly categorised as follows:

- Contamination of air, land and water;
- Groundwater impacts;
- Health concerns;
- Decrease in property values and other land uses; and
- The need to utilise renewable energy.

While Colac Otway Shire has not called for public submissions on the matter it is likely that the same concerns raised through the survey conducted by CoGG and Parliamentary Inquiry community engagement sessions (one of which was held in Colac) would be raised in our community highlighting the likely adverse impacts coal seam gas development would have on the existing industries which underpin our local economy, including farming, grazing, timber production and eco-tourism.

This expectation was confirmed at a recent community meeting held in Birregurra when Councillors were presented with a declaration in writing from a group of community members stating that the Birregurra and Warncoort region be 'Gasfield Free'. Councils both within our region and across the state demonstrated strong support for the introduction of the moratorium, and those parties have also pushed for its extension. The City of Greater Geelong, Surf Coast Shire Council and Moyne Shire Council have all continued to voice their concerns about onshore natural gas development.

To support local government concerns, the G21-Geelong Region Alliance Board recently wrote to the Minister for Energy, Resources and Industry to voice support for the onshore natural gas parliamentary inquiry, and offer recommendations for what the Parliamentary Inquiry should consider and how it should be undertaken. Proposal It is proposed that Council seek an extension of the moratorium on the

exploration of unconventional onshore natural gas and further support the development of renewable energy sources to replace fossil fuels in the provision of heating, cooling and power.

Community Engagement

The community engagement strategy follows the recommendations of the Colac Otway Shire Council Community Engagement Policy of January 2010, which details five levels of engagement – inform, consult, involve, collaborate and empower. The method selected for the proposal in this report would be to inform the community and include information being put on Council’s website and released through local media outlets.

Implementation Council does not play a formal role in the process of issuing licences for the exploration of unconventional onshore natural gas. Accordingly, this matter does not have a direct link to Councils operational policies or plans. However, Council recognises the communities concerns on this matter and has a role in advocating on behalf of the community.

The proposed approach aligns with the previous position taken by Council in 2012 and will be implemented by writing to the State Government and stating Council’s position along with approaching the MAV to determine its interest in leading a collaborative advocacy approach on this issue. Conclusion Hydraulic fracturing is known to require very large amounts of water, and cause contamination of groundwater resulting from the extraction process.

Colac Otway Shire is heavily dependent on its agricultural and tourism industries, both of which have been identified as industries at risk of being negatively impacted by onshore natural gas extraction. The Otways have nationally and regionally significant environmental assets which must be protected and house regionally significant water catchments, which we cannot afford to jeopardise particularly when faced with the challenges of climate change.

There are real concerns about the short and long-term health implications of the unconventional natural gas extraction methods, and Council has a duty of care to represent its community’s interests. Given Council’s renewable energy focus and involvement with the multi-municipality Climate Resilient Communities project it would also be appropriate to question why the development of industries dependent on finite resources are being entertained when the investment required could be redirected to the development of the renewable energy industry, which has many well recognised advantages.

Accordingly, it is recommended that Council takes a similar position to other Councils in the region and also highlights the need and opportunity to redirect investment in non-renewable energy resources to support the development of the renewable energy sector, which has a long-term future that does not jeopardise the health of our environment and communities.

Recommendation(s)

That Council:

1. Writes to the Victorian Government advising that Colac Otway Shire supports an extension of the moratorium on unconventional natural gas extraction until such time that the environmental, social and economic issues raised by the community can be effectively addressed.
2. Writes to the Victorian and Federal governments requesting support for the development of renewable energy sources to replace fossil fuels in the provision of heating, cooling and power.
3. Approaches the Municipal Association of Victoria to determine its interest in leading a collaborative advocacy approach on this issue across the local government sector.