

COAG Energy Council

Gas Supply Strategy Implementation Plan

Consultation Paper

1. Introduction

The Council of Australian Governments (COAG) Energy Council (the Council) released the Australian Gas Market Vision in 2014, which outlined a commitment to improve the ways the Australian gas market operates, as well as to investigate opportunities for greater cooperation between jurisdictions on supply issues.

Subsequently, the Council released the Gas Supply Strategy (the GSS) in December 2015 to help address the supply issues raised in the Council's Gas Market Vision. The Strategy sets out the Council's commitment to improving collaborative efforts between jurisdictions on scientific and regulatory issues associated with onshore gas. It identifies the following opportunities for collaboration:

1. Improving information on gas reserves and production potential.
2. Improving public availability and accessibility of rigorous science and factual information.
3. Consideration of leading practice regulatory frameworks that effectively manage the risks and address issues for all conventional and unconventional gas resources.
4. Supporting leading practices in industry to support responsible development.

The Council is using this consultation paper to guide development of an implementation plan for the GSS. The Council invites stakeholders to provide feedback on the key opportunities for collaboration between state and territory jurisdictions and the Australian Government.

An appropriate list of actions will be developed to provide concrete measures for the implementation of the GSS.

This consultation paper focuses on the proposed new collaborative actions. Implementation of the GSS will be at the discretion of each jurisdiction. This approach reflects that communities in each jurisdiction have different needs and goals.

Included in this consultation paper are questions to help guide your feedback on the development of the GSS implementation plan.

2. Role of COAG Energy Council and state and territory jurisdictional members

The GSS recognises there is more that can be done collectively to assist individual efforts to determine the role that gas in unconventional reservoirs can play within

individual jurisdictions. Specifically, the strategy commits each state and territory to greater collaboration on improving information resources, and sharing knowledge of scientific, technical and regulatory issues.

A number of state and territory jurisdictions are already undertaking actions for the responsible development of gas in unconventional reservoirs and taking advantage of the opportunities for collaboration. Individual jurisdictions will determine their level of participation and how they will use the outcomes of this strategy. However, Council members will continue to share information and experiences, regardless of individual Government policy positions. This consultation paper reflects the Council's desire to achieve an Australia-wide understanding of these jurisdictional actions and identify additional opportunities for collaboration.

This approach will ensure that there is no duplication of actions and that any new work adds to and complements what is already underway or completed.

3. What is out of scope?

Existing actions that are already being implemented or are already committed to by individual jurisdictions are not open for consultation. However, knowledge of these actions may inform suggestions for future actions.

4. How has the landscape changed?

Since the release of the Gas Market Vision, there have been considerable developments in the gas sector.

Australia's domestic gas market is undergoing a period of rapid transformation due to the combination of tightening domestic supply and international factors, including the effect of LNG exports and low global oil prices. Given the important role of gas to the Australian economy, it is important that gas in unconventional reservoirs is responsibly developed.

5. How to make a submission

All feedback must be sent via email to energycouncil@industry.gov.au.

The closing date for feedback is 20 May 2016.

A summary of stakeholder views will be published and put forward to COAG Energy Council officials for consideration, and will guide the development of the final

implementation plan. We anticipate that the final implementation plan will be considered by Ministers at the COAG Energy Council meeting in mid 2016.

If you have any questions about this consultation process, please contact the COAG Energy Council Secretariat on 02 6243 7788.

6. Key documents

- COAG Energy Council Gas Supply Strategy
- COAG Energy Council December 2015 meeting communique
- Australian Gas Market Vision

7. Implementation plan outcomes

COAG Energy Council officials expect to realise the following outcomes from the GSS implementation plan:

- Better informed decision-making and community discussion and debate on gas development activities.
- Reduced reporting costs by utilising open data principles to better leverage collective gas-sector data holdings.
- Improved accessibility and usability of relevant data that is of interest to the industry, community, regulators, researchers and governments.
- Improved and extended knowledge of environmental impacts and opportunities of gas projects for the benefit of the industry, community and public.
- Informed stakeholders on the rigorous regulatory (assessment and compliance) activities by government.

7a. How will we do this?

There are three phases in the development of the GSS implementation plan:

- Phase one: consultation on this discussion paper and drafting an implementation plan.
- Phase two: Council's approval. This is aimed for the mid-year COAG Energy Council meeting.
- Phase three: actioning items in the implementation plan.

The intention is that the implementation plan will be delivered within a timely period, nominally within 18 months. Specific timeframe commitments will be articulated in the final plan as endorsed by COAG Energy Council.

7b. A transparent and accountable approach

The implementation plan will be reviewed and updated prior to each Council meeting. Regular updates on the implementation process will be provided to the Energy Council, with key points published on the Council's website.

Consultation Guiding Questions

Implementation plan outcomes and actions

What do you want to see as an outcome(s) from the Gas Supply Strategy implementation phase?

Do you have additional action ideas that are consistent with the GSS's objectives and which could be included in the implementation plan? When suggesting a new action idea, please provide the following information:

- rationale for the action*
- key performance indicators*
- deadlines for completion of the action any interim milestones, and*
- any other relevant information for the Council and Council officials' consideration.*

7c. Improving information on gas reserves and production potential

To help increase the level of information available to stakeholders regarding Australia's gas resources, reserves and production potential, as well as improving access to that information, officials propose that the Council undertake the following collaborative actions:

- Agree on detailed geoscience data standards that support inter-operability of data management systems, reduced submissions costs, and enhanced data search and integration capability for exploration study analysis and interpretation.
- Agree on a statistical dataset that can be shared and compiled for the publication "*Coal Seam, Shale and Tight Gas in Australia: Resources Assessment and Operation Overview*", including expansion to cover all onshore gas resources, reserves, drilling activity, well performance, and production data.
- Agree on a focus to share data, information and work-flows for approvals in relation to the use and production of water by the resources industry.
- Agree to share information that increases the efficiency and effectivity in assessing, protecting and understanding regional impacts.
- Ensure that pre-competitive science and geological programs, including petroleum and water, continue to be developed in consultation with industry and other relevant stakeholders.
- Look at opportunities to develop programs that focus on characterising interactions between hydrocarbon and water resources to increase

stakeholders' knowledge and inform decisions on potential development and regulation.

- Look at options to develop a database to provide a mechanism for jurisdictions to share a nationally agreed set of statistical data on industry activity, including the addition of environmental data to improve public availability of baseline environmental and monitoring results.

All of these actions will take place in the context of first understanding what work is already underway in State and Territory jurisdictions so that this may be leveraged and gaps identified and addressed.

Consultation Guiding Questions

What other actions may be useful and why?

Which scientific and geological issues should be looked at as a priority?

If a database was to go ahead and was to include baseline environmental and monitoring data, what types of data would be of interest to you and should be considered for inclusion?

7d. Improving public availability and accessibility of rigorous science and factual information

To help support further research collaborations between industry, government and universities, officials propose that the existing Gas Industry Social and Environmental Research Alliance (GISERA), which undertakes research in Queensland and New South Wales, is expanded to a national basis. Other jurisdictions are able to join the GISERA and all research outcomes are publicly available via the GISERA website. This means all stakeholders can benefit from the research outputs. Government, industry and other members are welcome to seek to join and contribute funding for new research to commence under the GISERA at any time. More information about the GISERA can be found at www.gisera.org.au.

To help answer community questions about the potential health impacts of industry developments, officials propose to recommend an independent national review of health impacts in relation to gas in unconventional reservoirs.

A frequently asked question (FAQ) document is also proposed to be developed, to provide a set of factual answers to common questions consistently being asked. Officials propose to create a forum, including the National Centre for Groundwater Research and Training, the Office of Water Science, Geoscience Australia and state and territory based regulators to consider and publish agreed facts and answers to

FAQs. It is proposed that this FAQ document is reviewed and kept up to date to coincide with the Council meeting schedule to ensure that all the information is accessible to stakeholders in one place.

To facilitate continuous learning from community engagement experiences, Council would continue efforts to encourage better community engagement, particularly in respect to land access case studies and community acceptance research through sharing communications tools and resources that have proven to be successful.

All of these actions will take place in the context of first understanding what work is already underway in State and Territory jurisdictions so that this may be leveraged and gaps identified and addressed.

Consultation Guiding Questions

What information gaps are there relating to rigorous scientific and factual information?

Are there other organisations that are independent and trusted to carry out such research?

Can you provide examples of positive ways that governments have undertaken stakeholder consultations or workshops in your local community? For example, do you prefer to receive information and/or talk to government officials via public hearings, one-on-one meetings or information booth-style events?

What topics would you like further engagement from governments on?

7e. Consideration of leading practice regulatory frameworks that effectively manage the risks and address issues for all conventional and unconventional gas resources

A forum of Government Officials is proposed to discuss the pursuit of Australian standard(s) on relevant onshore gas issues, including the need for recognition of competencies across jurisdictional borders. This forum could help jurisdictions learn more about domestic and international expertise on regulatory developments, social, natural and economic matters. It is proposed that the forum outcomes would, at a minimum, be shared with the Council.

A forum is also proposed to share learnings and develop information products about land access, communication protocols and frameworks for dispute resolution.

To enable the transparent comparison of assessment and approvals processes, officials propose to share work-flow diagrams to document the robustness and equivalence of upstream petroleum licensing and activity approval processes across Australian jurisdictions.

For the update of the *National Harmonised Regulatory Framework for natural gas from coal seams*, a review of the recent, relevant Australian, state and territory reports will be undertaken to identify common issues and recommendations that could be addressed in and/or point to further work that could be done at a national level. The Framework can be found at:

<http://coagenergycouncil.gov.au/publications/national-harmonised-regulatory-framework-natural-gas-coal-seams>.

Consultation Guiding Questions

How could the National Harmonised Regulatory Framework for natural gas from coal seams be enhanced?

What specific topics should the forums cover?

7f. Supporting leading practices in industry to support responsible development

The National Energy Resources Australia and METS Ignited (Mining Equipment, Technology and Services) growth centres are currently developing 10 year sector competitiveness strategic plans to guide priority industry-led actions for responsible growth, including for gas. The sector plans are being informed by extensive stakeholder consultations undertaken by the growth centres. Whilst METS Ignited has been established to concentrate on the mining supply chain, they also acknowledge the growing gas supply chain industry and that many METS firms also supply the gas sector. Therefore, firms in the gas supply chain are encouraged to participate in both National Energy Resources Australia and METS Ignited. Further information on the growth centres can be found at www.business.gov.au/advice-and-support/IndustryGrowthCentres/Pages/default.aspx.

Consultation Guiding Questions

What other agencies or government programs are currently being used to assist technology development within the onshore gas industry?

What types of onshore gas development initiatives and/or related projects do you think would benefit from an industry-led approach facilitated through the National Energy Resources Australia or METS Ignited growth centres?

Draft Gas Supply Strategy Implementation Plan – Initial timeline for actions

No	Workstream	2016		2017			
		H1	H2	Q1	Q2	Q3	Q4
1a)	Increasing cooperation in the provision of well targeted pre-competitive geoscience information						
1b)	Sharing information about drilling activity and well performance						
1c)	Improving certainty around supply availability by reporting on resources, reserves and production data						
2a)	Supporting more research and alliances between the community, academia, industry and governments						
2b)	Developing and maintaining information on key issues that can be used by each jurisdiction to increase community understanding						
2c)	Improving public availability of baseline environmental and monitoring results						
2d)	Further sharing of information about costs and benefits, risk management and opportunities in relation to social, natural, economic environments and governance						
2e)	Continuing to learn from community engagement experiences from jurisdictions (internationally and domestically) and share related						

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	communications tools and resources that are proven to be successful						
3a)	Continuing to share experiences and engage with domestic and international expertise on regulatory developments, social, natural and economic matters						
3b)	Supporting and facilitating exploration, development and production approval frameworks that include processes for meaningful stakeholder consultation and balanced consideration of landholder views						
3c)	Continuing to share learnings about land access, communication protocols and frameworks for dispute resolution						
3d)	Continuing to encourage industry to ensure they have a social licence to operate						
3e)	Updating the <i>National Harmonised Regulatory Framework for Natural Gas from Coal Seams</i> to reflect new scientific knowledge						
4a)	Support technology development						
4b)	Promote industry collaboration through opportunities such as the Growth Centres Initiative						

COAG EC and working group work	State/Territory Government work	Australian Government work	Other collaborative work
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