

# COAG Energy Council Gas Supply Strategy

## Extended implementation plan

December 2018



## Introduction

In December 2015, the Council of Australian Governments (COAG) Energy Council (Council) released the Gas Supply Strategy (GSS) to help address supply issues raised in the Council's *Australian Gas Market Vision*. In August 2016, the initial GSS Implementation Plan for Collaborative Actions was released. In August 2017, the Council revised the GSS and its implementation plan to recognise onshore conventional gas more explicitly, and include offshore gas and underground gas storage.

The GSS sets out the Council's commitment to improving collaboration between jurisdictions on scientific and regulatory issues associated with onshore conventional and unconventional gas, offshore gas and underground gas storage. The GSS forms part of the Council's broader gas work plan, which includes downstream market improvements being actioned through the Gas Major Projects Implementation Team.

In August 2018, the COAG Energy Council agreed future implementation efforts should focus on the following themes and outcomes:

- **Pre-competitive geoscience** - Improve information exchange and sharing knowledge on onshore and offshore gas reserves and production potential, and potential underground gas storage sites.
- **Fostering public trust and confidence** - Improve cooperation between jurisdictions in responding to community concerns about potential local impacts of gas development.
- **Leading practice regulation** - Leading practice regulatory frameworks in place to guide regulators in managing risks, reducing red tape and addressing technical and public trust/confidence issues related to the development of onshore gas, offshore gas and underground gas storage.

Figure 1 illustrates the relationships between the intended short and medium term outcomes arising from future GSS implementation.

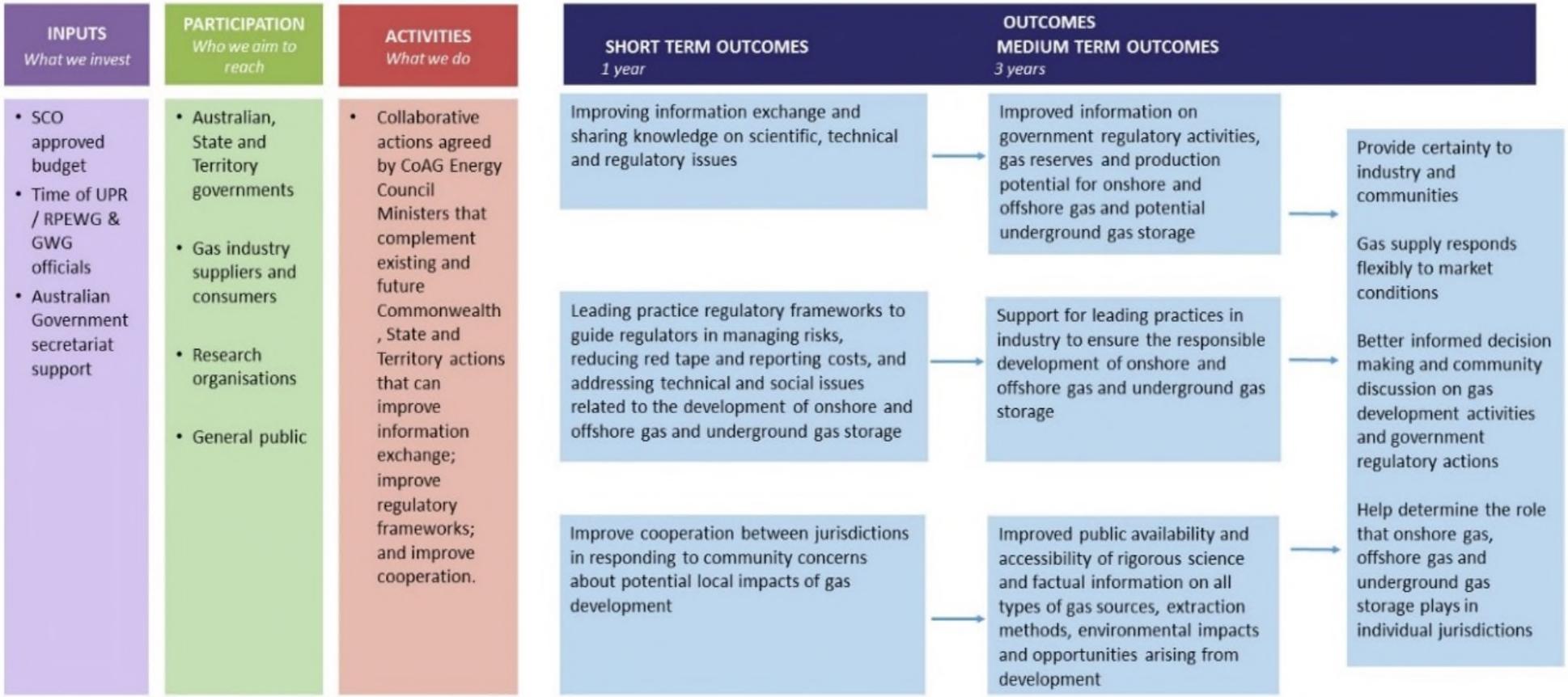
# COAG ENERGY COUNCIL GAS SUPPLY STRATEGY - Program Logic

## SITUATION: *What is the need?*

- Australia is forecast to experience potential shortages of gas supply and increased gas prices in the south east domestic gas market from 2019, due in large part to declining production from existing areas coupled with a lack of social confidence in the gas industry which is driving restrictions on exploration and development in some jurisdictions.

## OBJECTIVE: *What is the program aiming to achieve?*

- To ensure the nation's energy and manufacturing needs are met through maximising the benefit to the Australian community from the responsible development of gas resources.
- To improve community knowledge of, and trust in, regulatory frameworks and development of gas resources.



## **Implementation approach**

The initial implementation period for the GSS commenced on 19 August 2016. Following a review of GSS implementation in 2018, the Council agreed to extend the GSS implementation phase for a further two years. On 10 August 2018 the Council released its [\*Gas Supply Strategy Implementation Evaluation Statement.\*](#)

This extended implementation plan details how the Council will continue to work collaboratively on gas supply related issues until the end of 2020. The Council has directed its Resources Working Groups to proactively engage with relevant stakeholders as they progress implementation of GSS collaborative actions. A cross-jurisdictional steering committee is overseeing implementation of this plan. The Council will continue to receive regular reports on the status of implementation and may agree to additional collaborative actions at any time.

Council acknowledges that individual jurisdictions are implementing other actions to account for their local community needs. Current efforts are included in this plan and any additional future efforts will be recognised in the six-monthly GSS implementation progress reports to be published on the Council's website.

Further information about the current regulatory regime and/or additional actions in your State or Territory can be found via the following websites:

**Australian Government**      <http://www.industry.gov.au>

<http://www.ga.gov.au>

<https://www.environment.gov.au>

**New South Wales**              <https://www.planning.nsw.gov.au>

**Northern Territory**          <https://nt.gov.au/industry/mining-and-petroleum>

**Queensland**                    <https://www.dnrme.qld.gov.au>

**South Australia**                <http://www.energymining.sa.gov.au>

**Western Australia**            <http://dmirs.wa.gov.au>

**Victoria**                         <http://onshoregas.vic.gov.au>

**Tasmania**                       <https://www.stategrowth.tas.gov.au>

**GAS SUPPLY STRATEGY IMPLEMENTATION – EXTENDED PHASE – DECEMBER 2018 to DECEMBER 2020**

COLLABORATIVE ACTION	APPROACH	KEY PERFORMANCE INDICATORS	WORKING GROUPS INVOLVED <small>(Lead WG in bold)</small>	EXAMPLES OF ACTIVE JURISDICTIONAL COMPLEMENTARY ACTIVITIES	THEME / OUTCOME 1  Improve information exchange and sharing knowledge on onshore and offshore gas reserves and production potential, and potential underground gas storage sites.	THEME / OUTCOME 2  Improve cooperation between jurisdictions in responding to community concerns about potential local impacts of gas development.	THEME / OUTCOME 3  Leading practice regulatory frameworks in place to guide regulators in managing risks, reducing red tape and addressing technical and public trust/confidence issues related to the development of onshore gas, offshore gas and underground gas storage.
<p>1. Improve information to, and understanding of, community expectations on the social and environmental impacts of gas developments and improve the use and standard of base level trusted, neutral information within jurisdictions.</p> <p><i>Revised focus/approach for collaborative action #6</i></p>	<ul style="list-style-type: none"> <li>Further encourage/enable the national expansion of the Gas Industry Social and Environment Research Alliance</li> <li>Engage with CSIRO GISERA to identify issues of concern relating to onshore gas development to local communities, discuss research proposal ideas and facilitate site visits within their jurisdiction as appropriate.</li> <li>Consider co-investment in CSIRO GISERA research work that will occur within particular jurisdiction.</li> <li>Promote the outputs of GISERA and other trusted, independent research organisations to all levels of government and external stakeholders (for example via Departmental websites and social media channels).</li> <li>Encourage research to improve overall understanding of social and environmental impacts.</li> <li>Improve data and information sharing between jurisdictions and the efficiency of data and information collection from industry.</li> <li>Undertake six-monthly reviews of the GSS FAQs document available on the Energy Council’s website and prepare updates for SCO’s approval as required.</li> </ul>	<ul style="list-style-type: none"> <li>CSIRO GISERA research work expands from Queensland, New South Wales, South Australia and the Northern Territory into other jurisdictions.</li> <li>Jurisdictional announcement(s) of commitment to release baseline social and environmental information.</li> <li>Research reports promoted on government websites.</li> </ul>	<p><b>UPR</b> <b>RPG</b> <b>GWG</b></p>	<p><b>Northern Territory</b> <b>Scientific Inquiry into Hydraulic Fracturing Implementation Plan</b> - Strategic Regional Environmental and Baseline Assessment (SREBA)</p> <p><b>Queensland</b> Centre for Coal Seam Gas research at University of Queensland</p> <p><b>Queensland</b> GasFields Commission Queensland</p> <p><b>Queensland</b> Land Access Ombudsman</p> <p><b>Western Australia</b> Hydraulic Fracturing Inquiry</p> <p><b>South Australia</b> Roundtable for Oil and Gas</p> <p><b>Australian Government</b> Geological and Bioregional Assessments Program in the Cooper Basin, in south west Queensland and north east South Australia, and the Isa Superbasin of northern Queensland</p>			

<p>2. Develop and promote broad principles that apply to all types of onshore gas resource developments.</p> <p><i>Merge of collaborative actions #11 and #13</i></p>	<p>Drawing on the outcomes from the 2017 review of the <i>National Harmonised Regulatory Framework for Natural Gas from Coal Seams</i> and the COAG Energy Council's <i>Key Principles for the National Harmonised Regulatory Framework for Petroleum (December 2016)</i>, establish a time-limited drafting group to:</p> <ul style="list-style-type: none"> <li>• Develop an outline of Onshore Gas Principles Guide by December 2018</li> <li>• Initial draft guide ready for consideration at March 2019 UPR meeting</li> <li>• Final draft guide ready for endorsement at September 2019 UPR meeting</li> <li>• Seek SCO approval to publish the Onshore Gas Principles Guide on the COAG Energy Council website by December 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of the Onshore Gas Principles Guide on the COAG Energy Council website by end 2019.</li> <li>• Where individual policy settings allow, Jurisdictions will promote the Onshore Gas Principles Guide and seek to apply its principles to support the sustainable, efficient and effective development of Australia's gas resources.</li> </ul>	<p><b>UPR</b></p>	<p>Victoria and South Australia are collaborating on building a 3D model of the Otway Geological Basin.</p> <p><b>Geoscience Australia's</b> ongoing undiscovered gas potential analysis work.</p> <p><b>Australian Government</b> Geological and Bioregional Assessments Program</p>			
<p>3. Develop broad collaborative principles for future offshore acreage releases, gas exploration and development in Commonwealth offshore and State and Territory offshore (coastal) waters.</p> <p><i>Revised approach for collaborative action #15</i></p>	<ul style="list-style-type: none"> <li>• Agree on a set of principles to guide collaboration around offshore acreage releases.</li> <li>• UPR to provide an ongoing forum for dialogue around these principles, including the identification of opportunities and sharing of learnings. The UPR to report to SCO on an ad hoc basis when there is a strong example of collaboration worth highlighting.</li> <li>• Annual reporting on any activities undertaken by jurisdictions that align with the principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Principles developed by UPR and approved by SCO in early 2019.</li> <li>• Jurisdictions to verbally report to UPR in Q3 of each year.</li> <li>• UPR to report to SCO when there is a strong example of collaboration worth highlighting.</li> </ul>	<p><b>UPR</b> <b>GWG</b></p>	<p>Australian and Victorian Government collaborative efforts to develop a solution that provides for the injection of greenhouse gas into geological formations that straddle State or Territory coastal boundary and the Commonwealth waters boundary.</p>			

<p>4. Communicate information for landholders and communities about the onshore gas industry, including information to assist landholders in negotiating access to land for gas developments.</p> <p><i>Revised approach for collaborative action #17</i></p>	<ul style="list-style-type: none"> <li>• Improve knowledge of regional/basin-wide social, natural and economic environments such that industry and potentially affected people and organisations that may be impacted can agree on facts and reach informed decisions in regard to land access for energy resources projects.</li> <li>• Engage a consultant to prepare a report which identifies, collates and compares the regulatory requirements and policy frameworks across the Australian states and territories for the establishment of landowner/holder agreement for gas, petroleum and mining companies to undertake exploration, development and decommissioning.</li> <li>• As part of this consultancy, prepare information/fact sheets for publication with the objective of educating both landowners and resource companies about their legal obligations and expectations regarding landowner access agreements.</li> <li>• UPR and RPG members to engage with consultant on jurisdictional matters relating to land owner/holder arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Nov/Dec 2018 – consultancy complete and information/fact sheets released.</li> <li>• Affected jurisdictions will consider the merit in developing consistent regulatory conditions to support a gas project that crosses jurisdictional boundaries.</li> </ul>	<p>RPG UPR</p>	<p><b>Australian Government</b> Geological and Bioregional Assessments Program research reports</p> <p><b>CSIRO</b> Gas Industry Social and Environmental Research Alliance (GISERA) research reports</p> <p><b>Northern Territory Scientific Inquiry into Hydraulic Fracturing Implementation Plan</b> - a minimum requirement has been set to comply with for negotiations with landholders. Strategic Regional Environmental and Baseline Assessment (SREBA), Respecting culture and community initiatives &amp; Social Impact Assessment (SIA) policy</p> <p><b>Queensland</b> Gasfields Commission Queensland</p> <p><b>Queensland</b> Land Access Ombudsman</p> <p><b>Western Australia</b> Hydraulic Fracturing Inquiry</p>			
<p>5. Improve basin-level geological and hydrocarbon understanding in onshore and offshore basins that cross jurisdictional boundaries.</p> <p><i>Partial merge of collaborative actions #1 - #4, with revised approach/focus</i></p>	<ul style="list-style-type: none"> <li>• Ensure that jurisdictions with cross border potential petroleum bearing geology, provide input to the collaborative action by their respective geology and regulatory experts.</li> <li>• Continue to develop and publish UPR's annual report on onshore and offshore gas reserves and resources.</li> </ul>	<ul style="list-style-type: none"> <li>• December 2020 – key geological units will be described 'across borders' to inform gas prospectivity assessments.</li> <li>• UPR annual reports (calendar year data) published on Energy Council website during Q3 of following year</li> </ul>	<p>GWG UPR</p>	<p><b>Australian Government</b> Geological and Bioregional Assessments Program</p> <p><b>Northern Territory Scientific Inquiry into Hydraulic Fracturing Implementation Plan</b> - Strategic Regional Environmental and Baseline Assessment (SREBA)</p> <p><b>Geological Survey of Victoria</b> – Victorian Gas Program</p>			

				<p><b>South Australia</b> PACE Gas Program</p> <p><b>Geoscience Australia's</b> ongoing undiscovered gas potential analysis work.</p>			
<p>6. Identify geological formations that have the potential to be developed for underground gas storage to improve security of gas supply</p> <p><i>Revised approach for collaborative action #16</i></p>	<ul style="list-style-type: none"> <li>Ensure that jurisdictions with depleted petroleum reservoirs and other potentially suitable geological formations for underground gas storage share information between their respective geoscience experts.</li> </ul>	<ul style="list-style-type: none"> <li><b>December 2019</b> - Map of depleted petroleum reservoirs in onshore Australia</li> </ul>	<p><b>GWG</b> <b>UPR</b></p>	<p><b>Geological Survey of Victoria</b> - Victorian Gas Program</p> <p><b>Queensland</b> - existing fields (Silver Springs) already exist for this purpose.</p> <p><b>Western Australia</b> – existing fields (Mondarra, Tubridgi) already exist for this purpose</p>			

**ACRONYMS**

- CoAG** Council of Australian Governments
- EC** CoAG Energy Council
- GWG** Geoscience Working Group
- RPG** Resources Policy Working Group
- SCO** Senior Committee of Officials
- UPR** Upstream Petroleum Resources Working Group