

# COAG Energy Council Gas Supply Strategy Fifth Implementation Progress Report 1 July 2018 – 31 December 2018

June 2019



**COAG**  
**Energy Council**

## Fifth progress report on Gas Supply Strategy (GSS) Implementation

The COAG Energy Council agreed to the initial Gas Supply Strategy (GSS) Implementation Plan for Collaborative Actions in August 2016 and its amendment in August 2017.

On 10 August 2018, Ministers accepted the recommendations of the [2018 Evaluation Review of the Gas Supply Strategy](#) and agreed to extend GSS implementation until the end of 2020 in accordance with the directions outlined in the [COAG Energy Council GSS Implementation Plan Evaluation Statement](#).

This fifth report provides detail on GSS implementation efforts during the period **1 July 2018 to 31 December 2018** on outstanding actions as described in the [August 2017 GSS Implementation Plan](#). It also maps the incorporation of intended outcome from current actions into the extended GSS Implementation Plan and identifies which actions have been completed, and thus, removed. The Resources Policy and Engagement Working Group (RPEWG) also agreed to simplify its name to Resources Policy Working Group (RPG) during this period.

The next (sixth) progress report will detail implementation efforts on collaborative actions as outlined in the [GSS – Extended Implementation Plan](#) agreed by the Council’s Resources Ministers on 18 December 2018. The extended implementation plan includes six collaborative actions and provides more clarity in the relationships between collaborative actions, complementary actions being taken by individual jurisdictions and proposed outcomes.

Stakeholder feedback on the extended implementation plan and the current approaches to implement the collaborative actions is very welcome. Please direct your feedback, to the attention of the GSS Steering Committee, via [upr.secretariat@industry.gov.au](mailto:upr.secretariat@industry.gov.au).

### **ACRONYMS**

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| <b>GWG</b> | Geoscience Working Group                   |
| <b>RPG</b> | Resources Policy Working Group             |
| <b>SCO</b> | Senior Committee of Officials              |
| <b>UPR</b> | Upstream Petroleum Resources Working Group |

| GSS Collaborative Action   | Lead                               | Progress report   |
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| <p><b>1</b> Ensure that pre-competitive science and geological programs, including petroleum and water, continue to be developed in consultation with industry and other relevant stakeholders</p> | <p>GWG in cooperation with UPR</p> | <p>Geoscience Australia’s broader petroleum pre-competitive program is continually being evaluated in light of its current priorities and ongoing discussion with petroleum exploration industry stakeholders.</p> <p>As part of a wider Australian Government initiative to boost exploration for resources in northern Australia, Geoscience Australia (GA) is leading the four-year <a href="#">Exploring for the Future program</a> to help identify potential mineral, energy, and groundwater resources across the region. The program will deliver new pre-competitive data and information on minerals, energy and groundwater in collaboration with state and territory partners to guide and encourage investment in onshore resource exploration. During this period, <a href="#">Australia’s longest single continuous onshore seismic line</a> was completed in Western Australia’s Pilbara region, running 872km from <a href="#">Kiwirrkurra to Marble Bar</a>.</p> <p>The Energy Resources Division of the South Australian Department for Energy and Mining (DEM) is currently engaging with the Geological Survey of Victoria (GSV) and industry to resolve the stratigraphic nomenclature of the Otway Basin as part of a project to develop a petroleum system model of the basin.</p> <p>The GSV, as part of the Victorian Gas Program, has undertaken rock characterisation studies in the Otway Basin including the sampling of over 2,400 rock specimens, yielding over 3,500 measurements and associated analyses. These new measurements will be interpreted to assess the key components of the petroleum system, namely: reservoir, seal and source rocks.</p> <p>As part of the Victorian Gas Program, the construction of 3D geological framework models for both the Otway and Gippsland Basins, using existing and new geological data, is also underway. Two initial 3D models for the Otway Basin have already been delivered. These models will provide the geological framework for scientists to understand where gas may be and the location of groundwater. All 3D geological framework models will be completed in 2019.</p> <p>The Victorian Gas Program is also briefing local government, industry, farmers, local school students, environmental and community groups on the geoscience of the Otway Basin and the objectives of the Victorian Gas Program. Over 570 engagements have taken place and more will occur as the research activities continues.</p> |

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|   |  | <p>The Geological Survey of NSW continues to work towards data compilation and delivery for the sedimentary basins in the state's far west. A new <a href="#">Petroleum Data Package for the Pondie Range Trough in the Darling Basin</a> was released in October 2018. Additional information is available on pages 6 and 7 of the December 2018 edition of the Geological Survey of NSW's e-newsletter <a href="#">On the Outcrop</a>.</p> <p>The intended outcome of action (to improve basin-level geological and hydrocarbon potential) is incorporated into the approach for collaborative action #5 in the December 2018 Extended GSS Implementation Plan.</p>  |
| 2 | <p>Agree on detailed geoscience data standards to support inter-operability of data management systems, reduced submissions costs, and enhance data search and integration capability for exploration study analysis and interpretation.</p> | <p>UPR in cooperation with GWG and RPG</p> <p>The intended outcome of action (to share information) is incorporated into the approach for collaborative action #1 in the December 2018 Extended GSS Implementation Plan.</p> <p>The Government Geoscience Information Committee overseen by GWG, which continues to administer and develop geoscience data standards for mineral exploration data submission, has commenced work to extend this to hydrocarbons, with the formation of a petroleum data working group in October 2018.</p>   |
| 3 | <p>Define programs that will enhance the characterisation of interactions between hydrocarbon and water resources, and the ready access to this information to increase inform project plans and stakeholders' knowledge.</p>                | <p>UPR &amp; GWG</p> <p>The Australian Government's <a href="#">Exploring for the Future program</a> projects for energy, minerals and groundwater in northern Australia and <a href="#">Geological and Bioregional Assessments program</a> in the Cooper Basin, Isa Super-basin and Beetaloo Sub-basin continue to progress.</p> <p>As part of the Victorian Gas Program, the Geological Survey of Victorian has commenced air quality and groundwater data acquisition in the onshore portions of both the Otway and Gippsland Basins to establish a baseline against which any future changes can be measured. To date, approximately 8,500 kilometres of roadsides have been surveyed for carbon dioxide and methane levels, and 69 groundwater samples have been collected from deep-water bores across the Otway Basin. All results are within expected ranges.</p> <p>The CSIRO's GISERA team has undertaken high priority water resource research in the onshore Otway Basin of South Australia (as listed below under item 6).The intended outcome of action (to improve understanding of basin-level geology and level of trusted, independent information about environmental impacts) is incorporated into the approach for new collaborative actions #1 and #5 in December 2018 Extended GSS Implementation Plan.</p> |

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| 4 | 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.       | UPR   | The intended outcome of action (to share information) is incorporated into the approach for collaborative action #1 in December 2018 Extended GSS Implementation Plan.   |
| 5 | Agree on a statistical dataset that can be shared and compiled for UPR's Coal Seam, Shale and Tight Gas in Australia: Resources Assessment and Operation Overview including expansion to cover all onshore gas reserves, resources, drilling activity, well performance, and production data. | UPR   | <p>Revised draft of 2017 report was considered by UPR in September 2018. UPR will seek SCO's approval to publish the report in 2019. UPR is discussing strategies for future reporting.</p> <p>The intended outcome of action (to improve basin-level geological and hydrocarbon potential) is incorporated into the approach for collaborative action #5 in the December 2018 Extended GSS Implementation Plan.</p>   |
| 6 | Expand the Gas Industry Social and Environmental Research Alliance (GISERA) model into New South Wales and ensure arrangements/framework allows for other jurisdictions to join the alliance in the future.   | Australian Government – CSIRO in cooperation with jurisdictions | <p>Complete. Ministers' agreement that national expansion of GISERA is a key future priority is acknowledged in the approach for collaborative action #1 in the December 2018 Extended GSS Implementation Plan.</p> <p>National expansion of GISERA progressed, with the <a href="#">Northern Territory government announcing research funding of \$450,000</a>.</p> <p>Six new projects were approved by the following Regional Research Advisory Committees during the period:</p> <p><u>NT</u></p> <ul style="list-style-type: none"> <li>• <a href="#">Baseline measurement and monitoring of methane emissions in the Beetaloo sub-basin</a> <ul style="list-style-type: none"> <li>○ <a href="#">Results of two of three methane surveys have already been released.</a></li> </ul> </li> <li>• <a href="#">Baseline monitoring of groundwater properties in the Beetaloo Sub-basin, NT</a> <ul style="list-style-type: none"> <li>○ <a href="#">A number of water bores for monitoring purposes have been drilled at a number of sites where drilling and fracturing activity is expected to occur.</a></li> </ul> </li> </ul> <p><u>SA</u></p> <ul style="list-style-type: none"> <li>• <a href="#">Groundwater balance in gas development regions of South East SA</a></li> </ul> |

- [Microbial degradation of chemical compounds used in onshore gas production in the SE of South Australia](#)
- [Water contamination: causes, pathways and risks](#)
- [Assessing the value of locally produced conventional gas in SA's South East](#)

Fifteen GISERA research reports were released during the period:

NT

- [Pre-Exploration Measurement and Monitoring of Background Landscape Methane Concentrations and Fluxes in the Beetaloo sub-Basin, Northern Territory: Dry Season Baseline Methane Concentrations Interim Report](#)

NSW

- [Decommissioning coal seam gas wells final report and factsheet](#)
- [Uncertainty analysis of CSG-induced GAB flux and water balance changes in the Narrabri Gas Project area – final report and factsheet](#)

QLD

- [Trends in community wellbeing and attitudes to CSG development, 2014 – 2016 – 2018 final report](#)
- [Inside the Herd](#)
- [Characterisation of Regional Fluxes of Methane in the Surat Basin, Queensland final report](#)
- [Occurrence and fate of natural hydrocarbons and other organic compounds in groundwater from coal-bearing basins in Queensland, Australia - final report](#)
- [Overall assessment of air quality in Surat Basin region from 2014-2018 and Final data summary: January 2017-February 2018](#)
- [Using Numerical Groundwater Modelling to Constrain Flow Rates and Flow Paths in the Surat Basin through Environmental Tracer Data - final report](#)
- [Guidelines for plant population offsetting: Improving the effectiveness of biodiversity offsetting - final report and factsheet](#)
- [Measurements of VOCs by passive Radiello sampling at a hydraulic fracturing site in the Surat Basin, Queensland](#)
- [Water and Soil Quality Field Sampling Report](#)
- [Pre-hydraulic fracturing water quality data summary](#)
- [Air Quality Measurement Report](#)

NSW & QLD

- [Water contamination risk assessment on hydraulic fracturing in unconventional gas extraction](#)

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|   |   | <p>Further information about GISERA and the status of other individual projects can be viewed at <a href="https://gisera.csiro.au">https://gisera.csiro.au</a>.</p> <p>The Northern Territory Strategic Regional Environment Baseline Assessments (SREBAs), is to include a Social Impact Assessment covering onshore gas development in the Beetaloo Sub-Basin. Further studies are in the process of being reviewed to determine whether they will be accepted for GISERA to research.</p> |  |
| 7 | <p>Coordinate the development of a common set of FAQs for use by all jurisdictions, including hosting a forum of representatives from relevant agencies such as Geoscience Australia and state and territory based regulators to consider and publish agreed facts and answers to FAQs.</p>   | <p>UPR in cooperation with RPG and GMPIT</p>   | <p>The ongoing six-monthly FAQ review process is being managed via a standing agenda item at UPR's face-to-face meetings, which occur twice per year.</p> <p>UPR has developed onshore conventional gas, offshore gas and underground gas storage related FAQs and publication of the updated version of the FAQ document is anticipated in early 2019.</p> <p>The intended outcome of this activity (improved communications/information for communities) is incorporated into the approach for #4 in the December 2018 Extended GSS Implementation Plan.</p> |
| 8 | <p>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. This will include: hosting a forum and development of a better practice case studies document, which will include, CSIRO community engagement and acceptance research, review of jurisdictional approaches to native title issues and pursue better visibility of RPG on COAG Energy Council website.</p> | <p>RPG in cooperation with UPR and GMPIT</p>   | <p>The intended outcome of this activity (improved communications/information for communities) is incorporated into the approach for collaborative action #17 (now re-numbered as collaborative action #4 in the December 2018 Extended GSS Implementation Plan).</p>  |
| 9 | <p>Host a forum of Government officials to discuss pursuing Australian standard(s) on relevant onshore gas issues</p>   | <p>UPR</p>   | <p>Complete – removed from GSS Implementation Plan.</p>  |

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|    | that will underpin productivity.   |   |   |
| 10 | Develop and share workflow diagrams to document the robustness and equivalence of upstream petroleum licensing and activity approval processes across Australian jurisdictions.  | UPR in cooperation with RPG                     | The intended outcome of action (to share information) is incorporated into approach for collaborative action #1 in the December 2018 Extended GSS Implementation Plan.  |
| 11 | Review of the National Harmonised Regulatory Framework for Natural Gas from Coal Seams (NHRF).   | UPR   | <p>Complete - collaborative action #2 in the December 2018 GSS Implementation Plan will draw on the outcomes of this review.</p> <p>In December 2018, Resources Ministers agreed to the <a href="#">Leading Practices Guide for Coal Seam Gas Development in Australia</a>. The Guide contains 16 leading practices framed around six broad themes providing guidance to regulators and information related to industry practices. The Guide replaces the <i>National Harmonised Regulatory Framework for Natural Gas from Coal Seams</i>.</p> <p>The Guide and consultant reports are available on the Energy Council website.</p> |
| 12 | Review of relevant Inquiry reports (e.g. into hydraulic fracturing) to identify common recommendations that could be addressed in the NHRF update and/or point to further work that could be done at a national level. | UPR   | <p>Complete – removed from GSS Implementation Plan.</p> <p>An update of the comparison paper will occur in early 2019, to include outcomes and Government responses to the:</p> <ul style="list-style-type: none"> <li>• <a href="#">Independent Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory</a>.</li> <li>• <a href="#">Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia 2017</a>.</li> </ul> <p>Victoria and Tasmania are observing this action.</p>   |
| 13 | Lead development of a paper to seek national alignment of objectives for the regulation of shale and tight gas developments.   | UPR   | <p>Complete – incorporated into the approach for collaborative action #2 in the December 2018 Extended GSS Implementation Plan.</p> <p>Tasmania is observing this action. Victoria will participate in the future collaborative action, however only in the elements relating to onshore conventional gas activities.</p>   |
| 14 | Support and promote the National Energy Resources Australia (NERA) and METS Ignited (Mining Equipment,   | Australian Government – Department of Industry, | Complete – removed from GSS Implementation Plan.  |

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|           | Technology and Services) Growth Centres.   | Innovation and Science |  |
| <b>15</b> | Develop broad principles for collaborative cross-jurisdictional programs to inform future offshore acreage releases and facilitate gas exploration and development in priority areas in Commonwealth offshore and State and Territory offshore waters. | UPR                    | This action is renumbered collaborative action #3 in the December 2018 Extended GSS Implementation Plan.<br><br>UPR has developed the broad principles and the COAG Energy Council Senior Committee of Officials endorsement of the proposed principles will be sought in early 2019.  |
| <b>16</b> | Identify geological formations that have the potential to be developed for gas storage to improve security of gas supply   | GWG                    | The Victorian Gas Program is assessing the potential for further underground gas storage sites. The assessment focuses on 13 depleted gas fields around Port Campbell. The Geological Survey of Victoria's collaborative partner, CSIRO, has completed initial technical studies to rank these underground storage areas for their engineering and geomechanical capacity.<br><br>Renumbered as collaborative action #6 in the December 2018 Extended GSS Implementation Plan. |
| <b>17</b> | Communicate information for landholders and communities about the onshore gas industry, including information to assist landholders in negotiating access to land for gas developments   | RPG                    | King & Wood Mallesons was engaged and work commenced 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.   |

## JURISDICTIONAL ANNOUNCEMENTS – ACTIONS COMPLEMENTARY TO THE GSS

- On 17 July 2018, the [Northern Territory’s Hydraulic Fracturing Inquiry Implementation Plan](#) was released. The 135 Inquiry recommendations are being delivered in three stages and in alignment with major industry development milestones. Implementation of the recommendations are progressing steadily – updates announced on [1 August 2018](#) (Michael Gunner), [5 September 2018](#) (Michael Gunner), [8 September 2018](#) (Michael Gunner) [28 November 2018](#) (Ken Vowles), [29 November 2018](#) (Ken Vowles), [29 November 2018](#) (Eva Lawler) and [19 December 2018](#) (Ken Vowles).
- On 10 August 2018, Noetic Group's report to the UPR titled [Review of Petroleum Retention Lease Arrangements in Australian jurisdictions](#) was published on the Energy Council’s website. Energy Council Ministers are expected to consider officials’ advice on the Noetic report recommendations in 2019.
- On 14 September 2018, [the Hon Dr Anthony Lynham, Queensland Minister for Natural Resources, Mines and Energy welcomed](#) the commencement of the Land Access Ombudsman, which will:
  - provide a free alternative to legal action for landholders and resource companies who have a land access dispute
  - facilitate the resolution of referred disputes that are within its jurisdiction
  - give advice to the parties and make non-binding recommendations as to how a dispute could be resolved
  - refer potential breaches by companies to appropriate government departments for investigation
  - identify and advise government on systemic land access issues
  - promote public awareness of the Ombudsman’s functions.
- On 17 September 2018, [Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia, announced](#) that the National Offshore Petroleum Titles Administrator (NOPTA) will conduct the South East Australia Commerciality Review (SEA Com Review). The review is considering the commercial viability of developing existing natural gas resources in Victorian and Tasmanian offshore waters administered by the Commonwealth. [NOPTA](#) will consider submissions from titleholders and third parties (submission period closes 4 January 2019) in relation to the commercial viability of resources before providing advice to the Joint Authority. If the Joint Authority considers any of the resources to be commercially viable it may initiate proceedings to revoke a retention lease under sections 157 and 158 of the [Offshore Petroleum and Greenhouse Gas Storage Act 2006](#).
- On 21 September 2018, [Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia, welcomed](#) the [Resources 2030 Taskforce report](#). The report advises government on boosting the competitiveness and sustainability of the resources sector and addresses key issues of: sector innovation and investment; managing our resources base for the future; building stronger communities and regions; improving environmental performance; and developing the future workforce. The Australian Government’s response to the taskforce report is expected to be released in early 2019.

- Following meetings with [gas producers](#) and [major gas users](#), on 30 September 2018 [Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia, announced](#) a new [Heads of Agreement](#) has been signed by the Prime Minister and representatives of the three east coast liquid natural gas (LNG) exporters to maintain a secure supply of gas to the east coast domestic market for 2019 and 2020. This agreement confirms the industry's commitment to providing uncontracted gas to the east coast domestic market on reasonable terms in the event of a shortfall.
- On 1 November 2018, [Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia, awarded](#) seven offshore oil and gas explorations permits in Commonwealth waters off Western Australia, Victoria and the territory of Ashmore and Cartier Islands.
- The Hon Dr Anthony Lynham, Queensland Minister for Natural Resources, Mines and Energy announced the release of multiple parcels of land for onshore gas exploration on [2 November 2018](#) and [15 November 2018](#). Of this acreage, 917 km<sup>2</sup> is subject to the requirement that future gas production must supply the domestic market and 18km<sup>2</sup> is subject to the requirement to exclusively supply local manufacturers.
- On 15 November 2018, [Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia, announced](#) the Australian and Northern Territory governments signed an agreement to help realise existing offshore gas reserves and the potential of the Beetaloo Sub-Basin as a new world-class gas province. Major objectives of the Memorandum of Understanding (MoU) include:
  - contributing to national energy security
  - establishing the Northern Territory as a world class gas production, manufacturing and services hub
  - driving industry collaboration in the priority areas of infrastructure investment, Aboriginal economic development, common industry practices and research, innovation and training
  - managing social and environmental impacts for a Northern Gas Industry.
- On 27 November 2018, the [Western Australian government announced](#) its response to [final report](#) of the *Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia 2018*. The WA government decided:
  - to lift the fracking moratorium on existing petroleum titles
  - to maintain the existing fracking ban over South-West, Peel and Perth metropolitan region, with national parks, Dampier Peninsula and public water source areas also declared off limits
  - that traditional owners and farmers consent will be required before fracking production is allowed
  - to increase the royalty rate to 10 per cent, with royalties from any unconventional onshore oil and gas projects to be used to support new renewable energy projects via a special Clean Energy Future Fund with a \$9 million seed allocation.
- Completion of Jemena's Northern Gas Pipeline, which stretches 622 km from Tennent Creek to Mt Isa, was [celebrated by the Northern Territory Government](#) at a ceremony on 14 December 2018. Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia also [welcomed the news](#).

- On 18 December 2018, [Australia's resources ministers agreed](#) to five strategic priorities (competitiveness, exploration and new developments, innovation, communities and workforce) and the development of a forward work program to facilitate the economic and competitive development of Australia's minerals and energy resources. Officials will develop the proposed work program for Ministers consideration in mid-2019.