

Gas Supply Strategy

Eighth Implementation Progress Report

1 January 2020 – 30 June 2020

July 2020

Eighth progress report on Gas Supply Strategy (GSS) Implementation

The former 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 18 December 2018, Resources Ministers agreed to the [GSS – Extended Implementation Plan](#) which reduced the number of collaborative actions to six and extended the implementation period to 31 December 2020.

This eighth progress report provides detail on GSS implementation efforts during the period **1 January 2020 to 30 June 2020**.

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

ACRONYMS

GWG	Geoscience Working Group
RPG	Resources Policy Working Group
UPR	Upstream Petroleum Resources Working Group

GSS Collaborative Action	Working Groups involved	Progress report
<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>UPR RPG GWG</p>	<p>Officials supported continued progress – and promoted the outputs – of CSIRO’s Gas Industry Social and Environmental Research Alliance (GISERA) research work in Queensland, New South Wales, South Australia and the Northern Territory.</p> <p>In May 2020, CSIRO’s GISERA achieved expansion into Western Australia with the announcement of Western Australian Regional Research Advisory Committee members.</p> <p>Eleven new projects were approved by the GISERA Regional Research Advisory Committees during the period:</p> <p><u>South Australia</u></p> <ul style="list-style-type: none"> • Microbial degradation of chemicals and fluids and fluids in aquifers of the Limestone Coast, SA • The Role of gas in South Australia • Decision support framework for future groundwater scenarios in the southeast SA • Perspectives on risk to local markets and industries <p><u>Western Australia</u></p> <ul style="list-style-type: none"> • Groundwater baseline study of the Canning Basin • Baseline assessment of the biodiversity of the Canning Basin

Northern Territory

- [Offsets for Life Cycle Greenhouse Gas Emissions of Onshore Gas in the Northern Territory](#)
- [Putting Land Management Knowledge into Practice](#)
- [Understanding and managing impacts to biodiversity from roads and pipeline in the Beetaloo](#)
- [Mapping future transport passages and volumes for improved planning and operation](#)
- [Onshore gas water lifecycle management options framework](#)

Two project variations were approved by the GISERA Regional Research Advisory Committees during the period:

Queensland

- Project [variation](#) for the Potential Health Impacts from CSG project. The scope of milestones 3-6 were amended, project budget increased and final report delivery date extended to 27 November 2020.

Northern Territory

- Project variation for Environmental monitoring and microbial degradation of onshore shale gas activity chemicals and fluids project. The delivery date of milestones 3-6 were amended, project budget increased and final report delivery date extended to 30 November 2020.

Seven research/milestone reports, two fact sheets and two animations were published during this reporting period:

Queensland

- Final reports, [factsheet](#) and a [video animation](#) for the [Air, water and soil impacts of hydraulic fracturing, Phase 2](#) project:
 - [Measurements of air quality at a hydraulic fracturing site in the Surat Basin, Queensland](#)
 - [Assessing the potential impacts of hydraulic fracturing on water and soil quality in the vicinity of well sites in the Surat Basin, Queensland](#)
 - [Impact of hydraulic fracturing chemicals on soil quality](#)

Northern Territory

- Milestone report [Sealant technologies for remediating cement-related oil and gas well leakage](#) for the [Mitigating Fugitive Gas Emissions from Well Casings](#) project.

South Australia

- [Final report](#) for the [Microbial degradation of onshore gas-related chemical compounds](#) project.
- [Final report](#) for the [Community wellbeing and local attitudes to conventional gas in south east South Australia](#) project.

		<ul style="list-style-type: none"> • Final report , fact sheet and a short animation for the Assessing the value of locally produced conventional gas in south eastern South Australia project. <p>The following other communication products/tools were released during this reporting period:</p> <p><u>National</u></p> <ul style="list-style-type: none"> • GISERA e-newsletter #12 published online and delivered to national database in February 2020. • Media release with links to reports, animations for the Air, water and soil impacts of hydraulic fracturing, Phase 2 project. <p>Further information about GISERA and the status of other individual projects can be viewed at https://gisera.csiro.au.</p> <p><u>Victoria</u></p> <p>The Victorian Gas Program has completed three years of detailed scientific investigations that supported the Government’s commitment to the orderly restart of the onshore conventional gas industry from 1 July 2021. The program also informed regulatory improvements to improve community confidence as contained within the Petroleum Legislation Amendment Act 2020.</p> <p>The scientific findings have been published on line and can be viewed at https://earthresources.vic.gov.au/projects/victorian-gas-program. Over 850 individual stakeholders across Victoria have been engaged to date, through more than 727 events. The fifth and final Victorian Gas Program progress report is due to be published in the coming months.</p>	
2	Develop and promote broad principles that apply to all types of onshore gas resource developments.	UPR	The UPR’s Onshore Gas Principles Guide was approved and published on the Energy Council’s website in April 2020.
3	Develop broad collaborative principles for future offshore acreage releases, gas exploration and development in Commonwealth offshore and State and Territory offshore (coastal) waters.	UPR GWG	This collaborative action was completed for the 1 January – 30 June 2019 reporting period (see progress report #6).
4	Communicate information for landholders and communities about the onshore gas industry,	RPG UPR	The <i>Land Access for Gas, Petroleum and Mineral Development Activities: Regulatory Review Report</i> prepared by King & Wood Mallesons was removed from the former COAG agenda because the RPG Chair was unable to attend.

including information to assist landholders in negotiating access to land for gas developments.		
5 Improve basin-level geological and hydrocarbon understanding in onshore and offshore basins that cross jurisdictional boundaries.	<p>GWG 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 has completed the four-year Exploring for the Future program. This program aimed to help identify potential mineral, energy, and groundwater resources across the region. It 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. On 23 June 2020, the Minister for Resources, Water and Northern Australia announced an additional \$125 million of funding, over four years, to expand the program to cover exploration across the whole of Australia.</p> <p>Geoscience Australia and GSWA have begun post-well analysis of Waukarlycarly 1 stratigraphic well (total depth of 2680.53) in the previously undrilled Waukarlycarly Embayment in the south-western Canning Basin. Analysis to include reservoir potential of thick sandstone units for CO₂ sequestration, hyperspectral logging of the core, porosity and permeability of units, age dating and inorganic geochemistry. The Waukarlycarly 1 Basic Well Completion Report is due to be released by 30 June 2020.</p> <p>Geoscience Australia and the Queensland and NT Geological Surveys continue to collaborate on studies of the South Nicholson Basin and Lawn Hill Platform (Isa Superbasin). This includes seismic data collected by Queensland, and the release during this period of the 2019 Barkly Seismic Survey - 813km of 2D seismic data acquired by Geoscience Australia and NT Geological Survey that links the South Nicholson Basin and Lawn Hill Platform with the McArthur Basin and Beetaloo Sub-basin.</p> <p>Since 2008, the Geological Survey of Western Australia is collaborating with NT Geological Survey to study the structure and stratigraphy of the Amadeus Basin including joint field work and several joint publications.</p> <p>South Australia is engaging with the Geological Survey of Victoria 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 Geological Survey of Victoria has conducted comprehensive studies of the Otway Basin. The Otway Basins extends into South Australian, Victorian and Commonwealth jurisdictions. All studies are published here https://earthresources.vic.gov.au/projects/victorian-gas-program/otway-basin-technical-reports.</p>

		<p>Victoria has also carried out comprehensive studies of the Gippsland Basin which extends into both Victorian and the Commonwealth jurisdictions. All studies are published here https://earthresources.vic.gov.au/projects/victorian-gas-program/gippsland-basin-technical-reports.</p> <p>The Geological Survey of NSW continues to work towards data compilation and delivery for the sedimentary basins in the state's far west and delivered a petroleum data package for the Yathong-Ivanhoe trough during the period.</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>GWG</p>	<p>GWG has created a national map, coordinated by Geoscience Australia, of depleted reservoirs across the country that have potential for gas storage. This is now under review by jurisdictions, with a final version due in July 2020.</p> <p>The Victorian Gas Program has assessed the potential for further underground gas storage sites. The assessment focused on 13 depleted gas fields around Port Campbell. Thirteen sites were evaluated and six were short-listed to progress to a more detailed technical evaluation based on their ranking, structural interpretation, co-location and any original gas remaining. The results of the studies are published here https://earthresources.vic.gov.au/projects/victorian-gas-program/gas-storage.</p>

JURISDICTIONAL ANNOUNCEMENTS – ACTIONS COMPLEMENTARY TO THE GSS

- On 31 January 2020, the Prime Minister and NSW Premier [announced](#) they had reached a \$2 billion agreement to lower power prices for consumers, reduce emissions and strengthen grid reliability. The agreement includes commitments from the NSW Government to facilitate investment opportunities to inject an additional 70 petajoules of gas per year into the east coast market.
- On 8 February 2020, Queensland Minister for Natural Resources, Mines and Energy the Honourable Dr Anthony Lynham [announced](#) the [2020 Queensland Exploration Program](#). The program includes a petroleum tender releasing almost 6,800 square kilometres of land in the Bowen and Surat basins and some gas areas will be stamped for domestic supply only. The tender opened on 14 May 2020. On 8 June 2020 the Queensland Government [announced](#) an additional petroleum exploration tender would be released on 18 June 2020 across more than 1,400 square kilometres of land also located in the Bowen and Surat basins.
- On 3 March 2020, the NSW Minister for Planning and Public Spaces the Honourable Robert Gordon Stokes MP [referred](#) the Narrabri Gas Project to the Independent Planning Commission (IPC) for determination. The process includes a public hearing and a final decision is expected within 12 weeks of the IPC receiving the NSW Department of Planning, Industry and Environment's assessment report. More information is available on the [IPC website](#).
- On 17 March 2020, Victorian Premier the Honourable Daniel Andrews MP [announced](#) the Victorian Government will introduce two bills to enshrine the ban on fracking and coal seam gas exploration in the Victorian Constitution and allow for an orderly restart of onshore conventional gas exploration and development from 1 July 2021.
 - The Petroleum Legislation Amendment Bill was passed on 16 June 2020, therefore onshore conventional gas activities can recommence from 1 July 2021.
- On 20 April 2020, [announced](#) planning approval to increase capacity at the \$250 million Port Kembla Gas Terminal. The modification will allow the terminal to increase gas supply during the cooler months when demand for gas from domestic users is high.
- On 11 June 2020, the NSW Department of Planning, Industry and Environment (DPIE) referred its Final Assessment Report on the Narrabri Gas Project to the NSW Independent Planning Commission (IPC). DPIE concluded the Narrabri Gas Project is in the public interest and is approvable, subject to strict conditions. Electronic public hearings are scheduled daily from 20-24 July 2020, the written submission process is open and submissions will be progressively published on the [IPC's website](#).
- On 23 June 2020, the Minister for Resources, Water and Northern Australia the Hon Keith Pitt MP [announced](#) an additional \$125 million of funding, over four years, to expand the Exploring for the Future program to cover exploration across the whole of Australia.
- On 28 June 2020, the Petroleum Legislation Miscellaneous Amendments Act 2020 commenced in the Northern Territory. The Act amends the regulation-making power of the Act and allows the Administrator to make regulations in relation to land access.
- As at 30 June 2020, five of the 20 implementation actions outlined in the [WA government's Hydraulic Fracturing Inquiry Implementation Plan](#) have been completed. Action 18 of the

Implementation Plan requires net royalties from any unconventional onshore oil and gas projects to be allocated to the new [Clean Energy Future Fund](#).

- The WA Government allocated \$9 million to establish the Fund.
- The Fund is designed to support implementation of innovative clean energy projects in Western Australia which reduce GHG emissions or support design, deployment, testing or demonstration of projects likely to lead to broad adoption across the State and significant GHG reductions.
- Applications for the first round of funding will close on 13 July 2020. Clean energy projects of \$250 000 to \$2 million are eligible for State Government funding of up to 25 per cent of eligible project costs.