

Draft Queensland Resources Industry Development Plan (QRIDP)

Submission

February 2022



Summary

The GasFields Commission Queensland (the Commission) supports the [draft Queensland Resources Industry Development Plan](#) (the QRIDP). Importantly, the Commission believes that it is well placed to add value in the further refinement and implementation of the QRIDP and requests engagement in the further development and implementation of action items that are relevant to the Commission's fourteen (14) legislative functions.

The Commission acknowledges that the details of the action items and their implementation will determine the success of the plan in achieving its vision.

The Commission is offering its experience in managing and improving sustainable coexistence of landholders, regional communities and Queensland's onshore gas industry – together with its extensive knowledge of the social and governance aspects of ESG principles – to assist with the further development and implementation of the QRIDP.

The Commission's key points for consideration are:

- greater focus should be given to the implementation of the *'Principles for strong landholder relationships'* to maximise their uptake by industry;
- establishing a working/advisory group to include the Commission and other relevant peak bodies to provide advice in implementation actions under the 'fostering coexistence and sustainable communities' focus area;
- the Commission recommends that government establish a definition of coexistence as a policy position and overarching statement of intent relative to the coexistence principles;
- the Commission supports a review of the alignment of roles and functions across agencies and institutions, with the aim of to reducing duplication and overlap of responsibilities for key coexistence issues;
- the Commission recommends consolidating the 14 legislative functions of the Commission in line with the categorisations from the QAO audit;
- the Commission's model could be replicated or leveraged to assist in fostering coexistence for other resource commodities;
- potential to further focus and elaborate upon the role of regulatory simplicity, adequacy, and effectiveness in building trust with landholders and communities in the plan, in addition to the focus on efficiency;
- the opportunity to develop an honest and transparent dialogue with resource communities regarding how their local economy could look after resource activities, and industry planning for decommissioning as early as possible and in consultation with local communities; and
- industry should be encouraged to take an active role in some actions, such as the *'Principles for strong landholder relationships'*.

Please refer to the "Specific feedback on actions" and the "Commission's response to consultation questions" below for more detail.

Note: The Commission has only responded to components of the QRIDP that directly align with its capacity as a coexistence entity for Queensland's onshore gas industry, and in keeping with its 14 legislative functions.

Specific feedback on actions

Action 22 – Develop principles for strong landholder relationships

The Commission supports the draft principles for strong landholder relationships, noting that the intent of the Commission’s initial input has largely been retained.

However, the Commission does note that one principle suggested was not adopted – *“Regulatory Framework – Robust and Fit for Purpose”*. The Commission recommends that this principle be included given the vital nature of clarity, efficiency and certainty around resource sector regulation. To increase landholder confidence, there must be a regulatory framework that is robust and fit for purpose which resource companies are seen to be complying with. The Commission would welcome further discussion on this matter.

The Commission believes that whilst publishing the principles on a departmental website is a step in the right direction, further action is required to deliver substantial positive change. Currently all players in this space, not just landholders, are confused about what the rules and expectations are for community and landholder engagement. Feedback from combined stakeholder groups is that the regulatory framework is the most important element required to facilitate a clear understanding by all parties. However, there is also a need to encourage ‘above compliance’ behaviour in order to maintain and grow social licence.

Options for increasing the positive impact of the principles include, but are not limited to:

- making the principles a policy statement, creating an expectation that all companies perform to a certain level;
- building certain principles into the [Land Access Code](#) where appropriate (i.e. including in Part 2 – Good Relations);
- establishing an accreditation process for strong landholder relationships – i.e. the Commission, peak body or other entity could certify companies as operating within agreed leading practice principles for landholder engagement; and
- an industry-led code of practice (as discussed in the response to Q4 in this submission).

There is a key link between these principles and the ESG key focus area. Linking a form of official accreditation or adoption process for the coexistence principles could significantly contribute to ESG outcomes.

The Commission has witnessed the impact that a disregard of these principles has on landholders and communities, and the potential flow on impacts. In instances where the Commission has observed behaviours and practices that are not up to community expectations, the Commission has played a role in bringing these matters to the attention of the company and or government to work with them (and other stakeholders) to address these – ultimately improving company practices relating to landholder relations and engagement.

This experience and status of the Commission makes it perfectly placed to adopt an oversight role for the implementation of these principles for Queensland’s onshore gas industry.

Action 23 – Review land access and coexistence institutions

The Commission supports a review of the land access and coexistence institutions. The current operating environment is complex and confusing for all stakeholders and it would benefit greatly from wholesale clarification and simplification.

The Commission would like to highlight the following issues in the current details of Action 23:

- the Commission has a raft of functions afforded to it under the [Gasfields Commission Act 2013](#) and it does not operate exclusively as a land access institution. Matters relating to coexistence and the remit of the Commission extend far beyond land access issues.
- the action, as drafted, seems pre-emptive in terms of seeking to examine whether the Commission's and the Land Access Ombudsman's (the LAO) functions could be delivered under the same umbrella.

The Commission believes Action 23 should focus primarily on the review of the clarity of roles and responsibilities across agencies and institutions, the alignment of these roles and the reduction of duplication and overlap for key coexistence issues.

The Commission exists in a complex environment that includes a range of government and statutory entities that have roles and responsibilities that relate to the onshore gas industry, and in some cases, the resources industry more generally.

They all, to some extent, have roles and responsibilities that relate to coexistence. Key agencies and entities relevant to coexistence include the Department of Resources (Resources), Department of Environment and Science (DES), Department of Regional Development, Manufacturing and Water (DRDMW), Resources Safety and Health Queensland (RSHQ), the Office of Groundwater Impact Assessment (OGIA), the LAO, and the Land Court of Queensland.

Whilst there are multiple agencies involved, the role of each agency generally revolves around the separate but interrelated functions as described below:

- **Regulation and Compliance** – permit assessment, approvals, conditioning, complaints management, instigation and enforcement under various pieces of governing legislation – DES, Resources, DRDMW, RSHQ, OGIA;
- **Engagement, Information and Oversight** – community engagement, complaints management, information dissemination, publications and engagement sessions and forums, oversight of government, recommendations and advice to stakeholder on best practice – GFCQ, DES, Resources, LAO, OGIA; and
- **Dispute Resolution** – involvement in and resolution of one-on-one disputes between gas companies and landholders – GFCQ, Resources, LAO, Land Court.

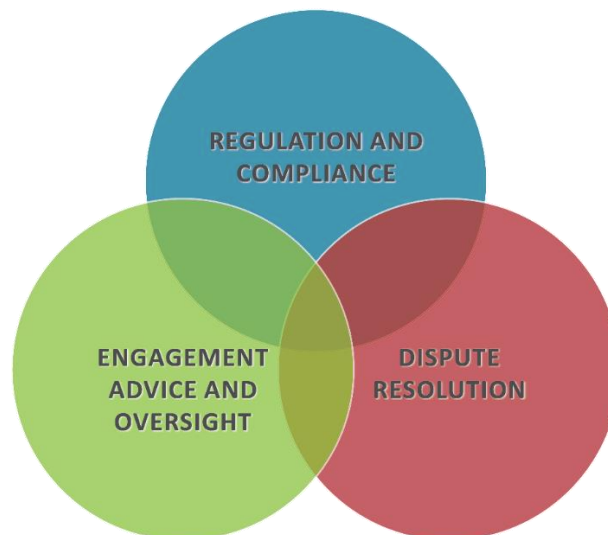


Diagram 1 – Interaction between functions shows overlap/duplication of agencies remits

There are a number of different agencies involved in the delivery of various functions, resulting in an overlap and duplication of activities across multiple agencies.

Feedback from a range of stakeholders (industry, agricultural and government) suggests that the operating environment is overly complex and there are too many players with similar or potentially overlapping roles and functions. As a result of the complex environment, stakeholders have stated that it is unclear how and with whom they should be engaging with across the government and statutory bodies.

That is to say, there is no clear pathway to engage with the government and stakeholders are confused. This complexity and confusion is reflected particularly in feedback from landholders who find it difficult to understand ‘who does what’ and find out who to approach get an answer or response to their query.

The opportunity exists to address some of the issues and concerns raised around the complexity of the system. A detailed review of the functional model outlined above, with a view to simplifying and rationalising roles and responsibilities would be of great value.

The Commission believes that the principles for rationalisation of the roles could be as follows:

- government agencies focus on core business of policy, regulation and compliance and reduce its involvement in engagement and dispute resolution activities;
- the Commission be the focal point and key player in the engagement, information and regulatory oversight space; and
- the LAO and Land Court maintain their focal point in terms of dispute resolution – however LAO’s remit could be expanded to include disputes arising from the Conduct and Compensation Agreement (CCA) negotiation process.

Detailed analysis of the functions and activities associated with each of the agencies would need to be undertaken to determine relative workload, expertise and resourcing associated with each – this would be a key component of any review.

To maximise the benefit of the analysis, the Commission would welcome the opportunity to take a lead role as a contributor to said review of the functional model to simplify the roles and responsibilities of the coexistence entities.

The GasFields Commission has 14 legislative functions, a small team of 10 FTEs and a modest annual budget of \$2.5 million. Whilst this extensive suite of legislative functions was important and necessary when the Commission was first established in 2013, the Commission, the coexistence landscape and the onshore gas industry have since evolved.

Action 23 of the QRIDP provides a rare opportunity to streamline the Commission's legislative functions to ensure the effective and efficient delivery of sustainable coexistence outcomes for landholders, regional communities and Queensland's onshore gas industry.

The Commission proposes consolidating its 14 legislative functions in line with the QAO's recommended categorisation of the Commission's legislative functions into these three functions:

- **Facilitation** – facilitating better relationships between landholders, regional communities and the onshore gas industry through engagement, collaborations and information sharing.
- **Review** – reviewing the effectiveness of government entities in implementing regulatory frameworks that relate to the onshore gas industry.
- **Advisory** – providing advice and making recommendations to:
 - the relevant Minister and government entities about regulatory frameworks, legislation and matters relating to the onshore gas industry;
 - the relevant Minister and onshore gas industry about leading practice and management relating to the onshore gas industry; and
 - the Chief Executive under the [Regional Planning Interests Act 2014](#) about assessment applications in identified areas.

The Commission's unique role is to provide transparency and independent assurance that the industry is appropriately regulated and held to account when needed, using the Commission's statutory review, oversight and advisory functions. This unique role distinguishes the Commission from other coexistence institutions and, as an independent statutory body, the Commission is perfectly-placed to perform this role.

Action 24 – Capture emerging coexistence issues in updated regional plans

The Commission strongly supports this action and notes that the Commission suggested such a review in its [“Review of the Regional Planning Interests Act 2014 Assessment Process” Report](#) (RPI Act Review). The current action reads as being mainly focussed on renewable energy; however it is important to note that sustainable coexistence issues in some regions span agricultural, resource and renewable sector interaction. The Commission is keen to offer input from a coexistence perspective, and ready to assist in any processes.

Additionally, the Commission suggests taking a risk-based approach to prioritising the review of regional plans. The areas with the greatest risks in terms of coexistence should be reviewed first – for example the [Darling Downs](#) and [Central Queensland Regional Plans](#) were identified in the Commission's RPI Act Review as the key priorities given the scale of potential interface between energy development and high value agricultural resources.

Additional comments on actions

In addition to the actions discussed above, the Commission would like to be actively involved with the following actions:

- Action 11 – Investigate carbon capture, use and storage
- Action 14 – Establish a government-industry working group to determine appropriate government action
- Action 15 – Investigate support required for industry to build ESG capability
- Action 38 – Improve land release process
- Action 43 – Improve cost recovery for government services provided to industry and ensure tenures are actively developed.

The Commission would like to be kept updated on the following actions:

- Action 10 – Review the [Petroleum and Gas \(Production and Safety\) Act 2004](#) to enable hydrogen and other clean energy resources
- Action 36 – Improve resource project assessment processes
- Action 37 – Develop a data resources development plan
- Action 39 – Implement reforms for objections, review and notification processes for project approvals.

Commission's response to consultation questions

Q1. Will the draft plan's six key focus areas support delivery of the 30-year vision?

The Commission believes that the six [6] key focus areas provide broad coverage of the main issues currently facing the resources industry. As has been commented in the information sessions, the 6 key focus areas are intertwined with achieving the vision. There is some unavoidable overlap, particularly between key focus areas 2 and 3.

The Commission strongly supports the inclusion of a key focus area for ESG principles, and fostering coexistence and building sustainable communities. Being guided by ESG principles and fostering coexistence are key to the resilience, responsibility, and sustainability of Queensland's onshore gas industry.

The Commission recommends that key focus area 6 should be amended to better highlight that it concerns regulatory efficiency and effectiveness, not only efficiency. The regulatory framework should be easy to navigate to ensure both community and industry have a clear understanding of statutory processes and obligations.

If the community do not understand the framework and resources companies interpret regulatory requirements differently, the uncertainty that ensues creates a barrier to developing coexistence. Key focus area 6 is crucial to improving trust between communities, industry and government and thereby fostering coexistence.

Q2. Does the draft plan address the future challenges and opportunities facing the resources industry and ensure that regional communities continue to benefit from the industry?

The Commission agrees that the draft plan broadly addresses future challenges and opportunities facing the resources industry, however the level of detail in the draft plan may not assure individual regional communities that they will continue to benefit from the industry. The Commission applauds the effort that Resources has gone to in delivering individualised consultation and information sessions to each region.

The Commission encourages Resources to leverage future engagement activities in the regions (such as the GFCQ Community Leaders Council and other regional meetings) to improve the understanding of challenges and opportunities that exist for implementing the QRIDP's actions in each community.

The draft plan describes how the resources industry as a whole will be supported to transition and evolve. This does not provide certainty to resources communities that the industry will be sustained in their area, or how the eventual cessation of activities in their area is being planned for.

The outcomes for key focus area 3 could be interpreted as describing an environment in which there are no resources activities occurring, however the body of the QRIDP and the actions for this key focus area do not describe how these communities will be supported to transition. The Commission understands that this level of detail is not necessarily appropriate for inclusion in the QRIDP, however the Queensland Government and resources industry should be looking to provide regional communities that are reliant on resource activities with greater certainty.

The government could begin this by developing an honest and transparent narrative for regional communities built around resource activities, and how their local economy could look after resource activities conclude.

The third 2050 outcome for key focus area 3 aligns with the Commission's expectation that companies plan for decommissioning to ensure local benefit. It is important that companies work with regional communities and landholders to begin building confidence that decommissioning is being considered in their forward planning.

To ensure the continued social acceptance of industry, this confidence needs to be fostered at the time of the activity occurring rather than at the end of the operations. This could be added to the QRIDP as an expectation of industry. The Commission has experienced that communities and local councils are becoming increasingly concerned with what the conclusion of onshore gas activities would mean for their region.

Q3. Is there adequate support to help resources industry leverage future opportunities?

The Commission is well positioned to offer further advice and insights into how to support industry in leveraging opportunities in coexisting with regional communities and landholders. The Commission provides support to the onshore gas industry and regional communities in leveraging future opportunities in gas development areas.

The Commission has a role in both advising industry and providing regional communities educational material and information about the gas industry and how it operates. Other resource commodity sectors could benefit from a service similar to that provided by the Commission, and its model could be replicated to service other resource commodities.

An example of support that the Commission provides is our current work on establishing an ‘engagement planning framework’ for the prioritisation of engagement activities to facilitate coexistence. This body of work will enable the Commission to effectively prioritise engagement efforts to where they are most needed at a point in time and determine the type of engagement required in each community.

This approach will allow the Commission to improve the community’s understanding, and industry’s understanding of community’s needs at critical points in the development of gas fields.

The draft principles for stakeholder relationships provide a good starting point for assisting industry in leveraging future opportunities. There could be opportunity in targeting small to medium operators in developing their capacity to build stakeholder relationships, as is highlighted for other actions.

Q4. How will industry demonstrate its commitment to the expectations of industry? Will these expectations ensure that the shared vision for the industry is realised?

The Commission supports the inclusion of “expectations of industry” in the draft plan and recommends that they be built into mechanisms such as Regulations, Codes of Practice, statutory guidelines, and accreditation programs to ensure accountability and encourage their uptake by resource companies.

The Commission has played a key role in upholding the community expectations of the onshore gas industry in relation to coexistence, and could be utilised in ensuring industry are accountable to these expectations where appropriate.

The Commission has contributed to the improvement of the onshore gas industry’s understanding of landholder needs and requirements, and their communication and engagement practices with landholders.

For example, the Commission has played a critical role in leading the conversation and working to resolve key coexistence issues relating to [public liability insurance](#), [deviated drilling practices](#) and [coal seam gas \(CSG\)-induced subsidence](#). The Commission’s methods of improving coexistence can be exemplified, replicated and effectively applied to other industries, as is partially achieved by Action 22 of the draft plan.

There is an opportunity for industry to own some of the actions in the draft plan, demonstrating their commitment to the expectations of industry. Changes to reflect this could be included in the final plan or later versions of the plan.

For example, Action 22 could be owned, lead, and/or implemented by industry peak bodies. It would be pragmatic for industry peak bodies such as the Australian Petroleum Production & Exploration Association (APPEA) to take on the ‘*Principles for strong relationships between resource companies and landholders*’ and endorse the expectation that all of their members implement these practices into their operations. This would undoubtedly demonstrate industry’s commitment to fostering coexistence.

There are examples where industry has demonstrated their commitment to upholding expectations at a national level, such by developing industry codes of practice including the Australian Pipelines and Gas Association’s “[Code of Practice for Upstream Polyethylene Gathering Networks in the CSG Industry](#)”. An accountable code of practice provides benefits from a social and governance perspective, as it provides the ability to measure performance against expectations and demonstrates commitment to acknowledging community expectations.

Further details of options are described in the specific feedback on Action 22 in the “Additional comments on actions” section of this submission.

Q5. Overall, will the proposed actions help deliver the vision of a resilient, responsible and sustainable Queensland resources industry that grows as it transforms?

Further enhancements to the plan, as detailed in this submission, would increase the Commission's confidence that the actions will deliver the vision of the QRIDP. The Commission offers its assistance in further developing the actions that are relevant to its legislative functions to increase their capacity and help to deliver the vision.

The Commission has identified substantial opportunities for input on Actions 22 to 24, detailed in the "*Specific feedback on actions*" section of this submission, and requests involvement and updates on the actions listed in "*Additional comments on actions*".

At a high level, the Commission's main suggested improvements to achieve the desired outcomes for coexistence are as follows:

- Establishing a working group or advisory body that includes all stakeholders affected by coexistence issues to guide the enhancement and implementation of actions under fostering coexistence.
- The Commission recommends that government establish a definition of coexistence as a policy position and overarching statement of intent relative to the coexistence principles. This definition and principles could then be linked, via a policy platform to the appropriate resources legislation.
- Action 22 will not lead to substantial improvements in industry-landholder relationships by simply publishing the principles on the website. Further options to encourage the uptake and adoption of these principles should be investigated, such as embedding appropriate principles into relevant policies and codes of practice, and encouraging peak bodies to lead the implementation of these principles.
- Action 23 should primarily focus on a comprehensive review of the roles and functions across agencies and institutions, the alignment of roles, and a reduction of duplication and overlap of key coexistence functions. This comprehensive review would logically inform the review of coexistence and land access entities.

In the spirit of fostering coexistence, a working group should be established to encourage collaboration and ensure the views of all affected stakeholders (e.g. resources industries, regional community representatives, landholders, peak bodies, environmental groups) inform and guide the actions related to coexistence. The Commission has established a stakeholder advisory group that could provide a model for this proposed working group.

The plan established a commitment for government to "[provide] a clear coexistence framework" (page 46). The Commission is of the opinion that for government to fulfil this commitment, a definition of coexistence needs to be established. Regional community and landholder feedback has indicated that in the absence of a definition of coexistence it is a concept that is difficult to measure and or achieve. Further, based on this feedback, a definition of coexistence would assist to achieve the QRIDP desired outcome of fostering coexistence and sustainable communities. The definition of coexistence could be developed by government (with input from the coexistence entities already established) to form part of a Terms of Reference for the proposed working group.

The evolution of the CSG industry over the past decade has highlighted that the way government, communities and industry engage with each other needs a 'continuous improvement approach' to evolve.

The Commission has been through two major reviews in its 10 years of existence, and we can attest to the benefit of changing to meet the collective needs of community, industry and government.