



Australian Government

Department of the Environment and Energy

Response to the findings of the Independent Review of the National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development



A joint response prepared by the Commonwealth of Australia, the State of New South Wales, the State of Queensland, the State of South Australia, and the State of Victoria.



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Background

The National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development (the Agreement) was entered into in 2012 between the Commonwealth of Australia and the states of Queensland, New South Wales, Victoria and South Australia (the Parties).

The overarching objective of the Agreement was to strengthen the regulation of coal seam gas and large coal mining developments by ensuring that future decisions are informed by improved science and independent expert advice. The Agreement facilitated the achievement of the following outcomes:

1. increased evidence supports strategic and regional scale management of coal seam gas and large coal mining developments and their impacts on water resources
2. strengthened scientific evidence and independent expertise informs regulatory decisions on coal seam gas and large coal mining developments that are likely to have a significant impact on water resources
3. well informed communities have greater confidence in Commonwealth and state regulation of coal seam gas and large coal mining developments.

The Agreement was in effect until 30 June 2014. The resulting legislative and regulatory arrangements put in place by the Parties, to meet the outcomes of the Agreement, will ensure the objective of the Agreement has enduring effect.

The Agreement required the Parties to commission and publish an independent review of the operation and achievements of the Agreement. The *Independent Review of the National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development* (the Review) dated June 2015 conducted by Mr Stephen Hunter is available on the Department of the Environment and Energy's website: www.environment.gov.au/water/coal-and-coal-seam-gas/office-of-water-science/npa

The Terms of Reference for the Review, agreed to by the Parties, were for the reviewer to report on the operation and achievement of the Agreement, including:

1. whether the objective and outcomes of the Agreement were achieved, and to what extent the Parties carried out their assigned roles and responsibilities. This included how the legislative and regulatory arrangements that have been put in place ensure that future work and the objective of the Agreement continue to be met
2. to what extent the performance milestones and benchmark supported the achievement of the Agreement's objective and outcomes.

The Review included findings and recommendations addressing these topics.

Response to the Independent Review

The Commonwealth of Australia and the states of New South Wales, Queensland, South Australia, and Victoria (the Parties) welcome the findings of the Review. The Parties note in particular the finding that the operation of the Agreement has strengthened the regulation of coal seam gas and large coal mining by enhancing the extent to which decisions have been informed by improved science and independent expert advice.

The Parties made various contributions to achieve the outcomes of the Agreement. These include:

- the establishment of the Office of Water Science within the Australian Government Department of the Environment and Energy to lead on the delivery of the Commonwealth's actions as set out in the Agreement
- \$50 million provided by the Commonwealth to the state Parties to support the implementation of the Agreement and up to \$150 million to establish the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) and to fund the Bioregional Assessment Programme and Research Program
- the state Parties amending relevant laws, regulations, guidelines and administrative arrangements as necessary so that coal seam gas and large coal mining development proposals that are likely to have a significant impact on water resources are referred to the IESC for advice
- Commonwealth and state government regulators seeking 101 pieces of advice from the IESC covering 79 development proposals to date, and taking account of this advice in regulatory decision-making.

As noted in the Review, these actions constitute some of the key achievements under the Agreement.

The Parties¹ intend to continue to work together, in consultation with relevant stakeholders, to ensure that the outcomes of the Agreement have enduring effect by continuing to deliver improvements to the regulation of coal seam gas and large coal mining development. This commitment is aligned with the goals of the COAG Energy Council's Gas Supply Strategy and the Australian Government's Domestic Gas Strategy to have all jurisdictions continue sharing scientific capabilities, information and experience in facilitating the responsible development of the unconventional gas industry.

The Review made six recommendations intended to more fully realise the objective of the Agreement. The Parties agree with the recommendations, and provide specific responses to address each of them.

¹ The Victorian Government announced a permanent ban on onshore unconventional gas exploration and development, including coal seam gas, in August 2016. Measures that relate to large coal mining under the Agreement remain relevant for Victoria.

Recommendation 1: It is recommended that the Commonwealth take the lead in consultation with the States and relevant stakeholders to identify arrangements for the future governance including maintenance, data provision and funding of bioregional assessments to enable their ongoing application to the regulation of coal seam gas and large coal mining development

The Parties agree with the need to identify arrangements for the future governance of the Bioregional Assessment Programme (the Program) – including maintenance, data provision and funding. Establishing such arrangements will be a crucial step in enabling the ongoing application of bioregional assessments to the regulation of coal seam gas and large coal mining development. The Commonwealth is making bioregional assessments data publicly available under creative commons licensing, where this is possible. This will facilitate ongoing use by third parties.

The development of these arrangements will be informed by an evaluation of the effectiveness of the Program in meeting regulatory and policy needs and the costeffectiveness of future options for investment in the Program. Based on the outcomes of this evaluation, the Commonwealth will lead consultation with relevant stakeholders (including the state Parties, peak bodies, industry, local government, community representatives, local land services, catchment management authorities and natural resource management groups) to identify potential roles and responsibilities for ongoing management and governance of bioregional assessments. These roles and responsibilities will be defined after the release of the completed assessments.

Future governance arrangements including maintenance, data provision and funding for each of the 13 subregions must be appropriate for the circumstances in that subregion. Further, as some bioregions cross state borders, it may be necessary to address future governance arrangements on a bioregion-by-bioregion basis.

The Parties support the principle of developing a common knowledge base across governments, industry and the community. In light of what has been achieved to date, there is now a shared interest for the Parties and the stakeholders to work together to achieve enduring capability under the Program.

Recommendations 2 and 5: It is recommended that increased attention be paid to the promulgation of results of the Research Program by the Commonwealth in concert with the States with a view to enhancing uptake by regulators and more general community awareness of the existence of a scientific evidence base and its general implications for development and regulation of coal seam gas and large coal mining

The Parties agree there is value in the widespread promulgation of quality research and acknowledge the need to increase community and regulator awareness of the research products prepared and made available by the Commonwealth.

The Commonwealth has taken increased action since mid-2015 in consultation with state Parties to build awareness and uptake of the results of the Research Program. For example, recent projects included workshops with regulators to ensure the research is well targeted and delivers practical tools or guidance in addition to the scientific research itself. Increased attention has also been placed on the plain English communication of research to inform the wider community. This will help contribute to a better understanding of, and confidence in, the science around coal seam gas and coal mining and the regulatory decision making process.

Other efforts by the Parties in promulgating the Research Program results include:

- The Commonwealth publishing 18 research reports and four fact sheets covering a range of topics across the Research Program's priority themes. The IESC has drawn on research products to inform its advice. For example, reports related to subsidence from coal mining activities and peat swamps have been cited in IESC advice to regulators. Workshops conducted under the Bioregional Assessment Programme provide a good opportunity to further increase the awareness of Research Program outputs.
Research Program products are made publicly available on the Department of the Environment and Energy's website: www.environment.gov.au/water/coal-and-coal-seam-gas/resources
- The Victorian Government publishing information for the onshore gas community that includes information and links to the IESC and associated information on the Research Program: onshoregas.vic.gov.au/
- The South Australian Government publishing information on the Coal Seam Gas and Coal Mining Water Knowledge Program website which includes links to the IESC, including its Research Program and products: www.waterconnect.sa.gov.au/industry-and-mining/csg-coal-mining

The Parties note the COAG Energy Council's Gas Supply Strategy Implementation Plan for Collaborative Actions, agreed to on 19 August 2016, included a commitment to expand the Gas Industry Social and Environmental Research Alliance (GISERA). GISERA undertakes research to address community concerns about the impacts of the gas industry on the environment and community. In 2015, the Australian Government provided \$1.5 million towards the expansion of GISERA into New South Wales and has committed a further \$4 million in 2016 to help expand GISERA to other states and territories.

Recommendation 3: The following steps to refine and improve current arrangements are recommended

- a. The IESC and the Office for Water Science to document and advise the Parties of their respective roles in the consideration and provision of advice in relation to referrals

The Parties agree the IESC and the Office of Water Science need to document and advise the Parties of their respective roles in the consideration and provision of advice in relation to referrals. The respective roles of the IESC and the Office of Water Science are outlined in Table 1, which was made available in June 2015 to state regulators and published on the Department of the Environment and Energy's website: www.environment.gov.au/water/coal-and-coal-seam-gas/office-of-water-science. Feedback from state regulators indicates that this has been helpful in clarifying the respective roles of the IESC and the Office of Water Science.

Table 1. Roles of the Office of Water Science and the IESC with respect to advice on development proposals.

Office of Water Science	IESC
<ul style="list-style-type: none">• Liaise with regulators on requests for advice• Check requests for advice for adequacy• Prepare supporting analysis for IESC• Present key potential impacts to IESC	<ul style="list-style-type: none">• Review request for advice• Review project assessment documentation• Review OWS supporting analysis• Provide advice to Australian government regulators

As noted in the responses to Recommendations 1, 2 and 5, the Commonwealth continues to work with state Parties and has commenced an enhanced stakeholder engagement program where the respective roles of the IESC and the Office of Water Science can continue to be reinforced.

- b. The IESC in consultation with the Parties to review how its advice has been adopted in subsequent regulatory decisions to enable it to refine as necessary the framing of its advice in the context of the varying regulatory regimes of the Parties

The Parties agree that it would be beneficial to review how the IESC's advice has been adopted in regulatory decisions. The IESC Chair continues to meet and consult with the Parties to reflect on how the IESC's advice has been adopted in regulatory decisions and identify opportunities for continuous improvement.

Both the IESC and the Office of Water Science (in its capacity as a provider of technical and secretariat support to the IESC) have directly sought feedback from the Commonwealth and state government regulators on how the IESC's advice has been adopted. Feedback to date indicates that IESC advice is useful in informing regulatory decisions. For example, the Commonwealth regulator indicated that the IESC's advice is taken into account in all relevant assessment and approval decisions and has been pivotal in identifying where there is insufficient information to determine water related impacts, where additional modelling or research needs to be undertaken, or in drafting specific conditions to manage potential impacts to water related assets.

The IESC's advice on development proposals and its Information Guidelines (which outline for proponents the information considered necessary to enable the IESC to provide robust scientific advice) are adopted into regulatory decisions at the Commonwealth and state levels through different mechanisms:

- The Commonwealth and Queensland regulators provide IESC advice to project proponents for consideration and response. The proponent's response is considered by the Commonwealth and Queensland regulator (environmental impact statement (EIS) process manager), in consultation with relevant agencies and the proponent. As a result, practical approaches are developed to enable the integration of IESC advice into the assessment and regulatory outcomes of each EIS process. The IESC's Information Guidelines are referenced in guidelines for proponents by the Commonwealth regulator.

- In NSW, IESC advice is incorporated into and referenced in determinations by the Mining and Petroleum Gateway Panel and the Planning Assessment Commission where relevant. The IESC's Information Guidelines have been used as the basis for draft standard water assessment requirements in New South Wales.
- In South Australia, it is required, for activities regulated under the *Petroleum and Geothermal Energy Act 2000* (PGE Act) that the IESC comments and the proponent's response are incorporated into the Environmental Impact Reports and Statement of Environmental Objectives where relevant. The IESC referral process is legislated under part 12 of the PGE Act. For activities regulated under the *Mining Act 1971* (Mining Act), information requirements outlined in the IESC's Information Guidelines, where relevant, are addressed in the mining lease proposal (for large coal mining proposals that need to be referred to the IESC), with IESC formal advice and the proponent's response incorporated in the assessment documents.

c. Parties to review how responses to the IESC's advice are reported in order to enhance consistency and transparency of consideration

Processes for reporting responses to the IESC's advice currently vary between the Parties (as outlined above). The Parties will continue to identify opportunities to improve consistency and transparency of regulator responses to IESC advice, where appropriate.

d. The IESC to further engage with peak industry bodies to enable its overall role, methodology and approach to be understood and to consider any feedback on it

The Parties agree it is important for peak industry bodies to have a clear understanding of the overall role, methodology and approach of the IESC. The IESC has outlined its role, methodology and approach in a dedicated Fact Sheet. The Fact Sheet is available on the IESC's website: www.iesc.environment.gov.au. The website also includes the IESC's Information Guidelines for proponents (outlining the information considered necessary to enable the IESC to provide robust scientific advice) and an associated Fact Sheet.

In 2016, the IESC Chair undertook extensive stakeholder engagement with the Parties, peak industry bodies, conservation and community groups to increase understanding of the IESC's role and seek feedback on its operation. The Office of Water Science is also engaging with peak industry bodies, fostering a better explanation of the IESC's overall role, methodology and approach. The Office of Water Science will continue to act as a conduit for providing any feedback to the IESC on matters raised.

e. As Bioregional Assessments become more available the IESC clarify with the Parties and relevant stakeholders how they will be drawn upon in assessing development proposals, especially their cumulative impacts

The Parties acknowledge that as work on bioregional assessments progresses, it will be important for stakeholders to understand how the products will be drawn upon by the IESC in providing advice on development proposals, including any cumulative impacts.

As noted above, the IESC Chair has been engaging with a range of government agencies (including Commonwealth and state government regulators) and peak industry body representatives. This engagement has provided a forum for the IESC to demonstrate how information derived from bioregional assessments is assisting the IESC in the formulation of its advice. As information from the bioregional assessments becomes available, proponents, regulators and the IESC will be able to incorporate information on cumulative impacts into environmental assessments and approvals in relevant areas.

The IESC's Information Guidelines require the submission of relevant information generated by a bioregional assessment. This provides for the explicit consideration of information generated through a bioregional assessment when the IESC is forming its advice.

Recommendation 4: It is recommended that as the Bioregional Assessment Programme moves into its final delivery stage the Commonwealth in concert with the States lead a significantly enhanced stakeholder engagement process to ensure the Program's outputs and application are better understood

The Parties agree it is important to ensure the Program's outputs and applications are well understood by the community, including but not limited to rural landowners and communities that are potentially impacted by coal mining and/or coal seam gas extraction.

The Commonwealth is consulting with the states to identify further opportunities to enhance engagement with the community. This will contribute to a wider understanding of the Program's outputs and application, and build on stakeholder engagement identified earlier in the response. Targeted engagement is planned for regions with high coal and coal seam gas resource development activity.

Since early 2016, the Office of Water Science has been engaging with stakeholders (including industry, regulators, natural resource management groups and community representatives) through workshops and other fora to address what the Program will deliver, how products can be used and when products are expected to be released. The stakeholders are also being encouraged to adopt and build on models produced from the Program.

Products are being released publicly on the Program's website as they become available:
www.bioregionalassessments.gov.au

Recommendation 6: It is recommended that to further the purposes of the Agreement the Parties work together to increase their efforts to enhance industry, stakeholder and public knowledge of the application of independent science to development decisions

The Parties agree it is important to enhance industry and general public knowledge of the application of independent science to development decisions.

As detailed in the above responses, the Parties continue to work together to deliver an extended program of engagement with regulators, industry and the community, to enhance knowledge of the application of the outputs of the Bioregional Assessment Programme, the Research Program and the independent expert advice provided by the IESC.

The Parties are improving public availability and accessibility of rigorous science and factual information to assist stakeholders understand the application of independent science to development decisions through delivery of the COAG Energy Council's Gas Supply Strategy Implementation Plan (the Plan) for Collaborative Actions, agreed by Council (except Victoria) on 19 August 2016. Relevant actions being implemented under the Plan are:

- Expanding GISERA. GISERA undertakes publicly-reported independent research addressing the social, economic and environmental impacts of Australia's unconventional gas industry. In 2015, the Australian Government provided \$1.5 million towards the expansion of GISERA into New South Wales and has committed a further \$4 million in 2016 to help expand GISERA to other states and territories.
- Progressing options 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 including through the Resources Data Initiative (RDI). The RDI is a national collaboration, coordinated by the Commonwealth, to increase the value of geological and environmental data and provide an international advantage to Australia's competitiveness in the resources sector. By mid-2019, the RDI aims to provide a self-sustaining program to deliver data that encourages investment, reduces risks, protects the environment, focuses research and enhances the ability of government, business and the community to understand issues associated with the development of Australia's resources.
- Developing a set of frequently asked questions for use by all jurisdictions to help them respond to common questions from the community about onshore gas development issues.
- As part of the 2017 Budget announced on 9 May 2017, the Commonwealth has committed to work with the states and territories, through the COAG Energy Council Gas Supply Strategy, to develop a communications strategy that will focus on ways to draw together key findings from research into onshore gas, including from the GISERA, to help inform communities about the onshore gas industry.

Individual jurisdictions are also implementing other actions to account for their community needs, which complement and align with the Plan. The Parties will continue to work towards ensuring that the various work streams, including those under the Plan, have clearly defined objectives and are not duplicative.

- The Australian Government has:
 - extended funding by \$30.4 million for the world leading Bioregional Assessments program to assess any potential impacts on waterways and aquifers from unconventional gas projects. Over the next three years the expanded program will examine new gas reserves and provide independent scientific advice to governments, landowners and the community, business and investors on future secure and reliable gas supply.
 - established the Bioregional Assessment Programme Information Platform which improves the transparency and accessibility of information by providing open access to the science, methods, data, models, reports, provenance information and maps used in the bioregional assessments. The searchable

and discoverable resource is helping to inform the community, regulators and industry by providing each region with the best-available science on water related impacts of coal mining and coal seam gas development: www.bioregionalassessments.gov.au

- established the IESC’s website which provides public access to the IESC’s advice on development proposals within 10 business day of providing it to the relevant regulator/s. The website also provides stakeholders with information about the IESC’s research priorities and associated results and fact sheets on scientific issues associated with the water related impacts of coal seam gas and large coal mining development and the operation of the IESC: www.iesc.environment.gov.au
- published 59 bioregional assessment reports, and 18 technical research reports across the two websites, as well as making them directly available to stakeholders
- used the best available science to inform regulatory decisions on coal seam gas development: www.environment.gov.au/water/coal-and-coal-seam-gas/regulation
- The New South Wales Government has:
 - developed a whole of government environmental data portal, known as SEED (Sharing and Enabling Environmental Data): www.seed.nsw.gov.au. SEED is an authoritative source and single point of access for all data collected under legislative and regulatory requirements associated with gas extraction, as well as water management, mining, manufacturing and chemical processing activities
 - accepted all the recommendations of the NSW Chief Scientist and Engineer’s Independent review of coal seam gas activities
 - established the Common Ground website which provides the community with free access to a single source of factual information about the exploration and mining of resources in NSW
 - co-announced a joint \$3 million strategic alliance with the Australian Government for CSIRO to look at social and environmental impacts of gas development in NSW. Each government provided a \$1.5 million grant contribution, which has helped to expand GISERA into NSW
 - expanded the public groundwater monitoring network in coal basins, and committed an additional \$23 million to continue this expansion.
- The Victorian Government has:
 - published information for the onshore gas community: onshoregas.vic.gov.au
 - used the preliminary results of the Gippsland Basin Bioregional Assessment as an input to scientific studies on the potential impacts of any onshore gas development on the state’s water resources. The water science studies were provided to the Parliamentary Inquiry into unconventional gas in Victoria.
- The South Australian Government:
 - has published information on the NPA including on the South Australian Protocol and IESC referral guidelines: www.petroleum.statedevelopment.sa.gov.au/legislation_and_compliance/petroleum_and_geothermal_energy_act_and_Regulations#national and www.waterconnect.sa.gov.au/industry-and-mining/csg-coal-mining
 - publishes Environmental Impact Reports and Statement of Environmental Objectives regulated under the PGE Act and mining assessment documents for activities regulated under the Mining Act, which incorporate IESC comments and the project proponent’s response to these comments. One referral to the IESC regulated under the PGE Act to date is accessible here: <https://sarigbasis.pir.sa.gov.au/WebtopEw/ws/samref/sarig1/image/DDD/PGER00037EIR%20PRODUCTION%20AND%20PROCESSING.pdf>. Any future Environmental Impact Reports and Statement of Environmental Objectives that may contain IESC comments and responses would be accessible here: www.petroleum.statedevelopment.sa.gov.au/legislation_and_compliance/environmental_register#SEO

- has authored a policy and regulatory framework ‘Managing the Water Resource Interaction of Mineral and Energy Development’, due to be published mid-2017. This document includes information on the role of the IESC, web links to IESC guidelines, bioregional assessment and the SA referral protocol and project-specific information.
- The Queensland Government has:
 - published information on coal mining and coal seam gas development, the bioregional assessments and the Lake Eyre Basin Springs Assessment project on its website. The website also contains general information on why assessments are conducted and has links to the Groundwater Dependent Ecosystems Atlas (hosted by the Bureau of Meteorology) and the Queensland Government’s WetlandInfo website
 - established an independent entity, the Office of Groundwater Impact Assessment (OGIA), under the *Water Act 2000*. OGIA prepares underground water impact reports (UWIR). The draft UWIRs are published for public consultation, and finalised after considering stakeholder submissions
 - published the outcomes of the Coal Seam Gas Water Feasibility Study which examined the opportunities and risks of using coal seam gas water in the Queensland Murray-Darling Basin: www.dnrm.qld.gov.au/water/catchments-planning/healthy-headwaters/coal-seam-gas-water-feasibility-study
 - established the Coal Seam Gas Compliance Unit as the central point of contact for all community and landholder enquiries, concerns and assistance relating to coal seam gas issues
 - developed Bore Search, which allows the public to search for predicted impacts to individual bores in the Surat Cumulative Management Area: www.dnrm.qld.gov.au/ogia/surat-underground-water-impact-report/bore-search
 - provided public access to groundwater data through the CSG Globe and Water Monitoring Data Portal: www.business.qld.gov.au/industry/csg-lng-industry/csg-lng-information-landholders/groundwater-monitoring
 - established the Gasfields Commission which maintains a website dedicated to helping Queensland’s non-resource sector stakeholders understand coal seam gas and water related regulatory frameworks. The Gasfields Commission website also has information on the independent science and research being conducted, information and publications on Queensland based independent studies and the IESC.

