A. Full responses from agencies

As mandated in section 64 of the Auditor-General Act 2009, the Queensland Audit Office gave a copy of this report with a request for comments to the Department of Natural Resources, Mines and Energy; the Department of Environment and Science; and the GasFields Commission Queensland.

As we have also made a recommendation to the Department of State Development, Manufacturing, Infrastructure and Planning, we provided a copy of the report to the department for comment.

This appendix contains their detailed responses to our audit recommendations.

The head of these agencies are responsible for the accuracy, fairness and balance of their comments.

We also provided a copy of the report to the Department of Agriculture and Fisheries for information due to its role in providing advice regarding priority agricultural areas.
Managing coal seam gas activities (Report 12: 2019–20)

Comments received from Director-General, Department of Environment and Science

Our Ref: C12 01224x93
You Ref: B:MP

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Dear Mr Worrall

Thank you for your letter of 17 January 2020 regarding the Queensland Audit Office (QAO) performance audit on managing coal seam gas activities (the Report).

The Department of Environment and Science (the department) supports the recommendations in the Report and is committed to continuous improvement in its regulatory approach to all industries, including the coal seam gas industry.

The department has committed to a number of actions, which are attached, in response to the QAO recommendations that will provide for increased information sharing between relevant agencies and improved transparency of the department’s regulatory approach for both industry and the community.

Should your officers require any further information, they may contact Ms Kerynne Birch, Director - Energy and Extractive Resources, Environmental Services and Regulation of the department on

Yours sincerely

Jamie Farmer
Director-General
31/1/20

Encl. (1)
Responses to recommendations

Department of Environment and Science
Report to Parliament – Managing coal seam gas activities

Response to recommendations provided by Jamie Merrick on 7 February 2020.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Agree/ Disagree</th>
<th>Timeframe for Implementation (Quarter and year)</th>
<th>Additional comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. make better use of their data to effectively deliver regulatory outcomes, by:</td>
<td>Agree</td>
<td>Ongoing</td>
<td>The Department of Environment and Science (DES) will continue to use data from investigations, compliance activities, and other intelligence sources to support regulatory outcomes. DES has an existing compliance prioritisation model (CPM) that includes a range of data inputs. The CPM and a range of other data sources support compliance planning (priorities and target assets). These data inputs include operator or activity compliance history, local knowledge and other risk-based considerations. DES will continue to enhance the CPM and other data and intelligence sources in its compliance planning and regulatory responses to the coal seam gas industry. DES staff (including intelligence analysts and compliance officers) are trained on the use of the CPM and other information sources, including when making compliance planning decisions. DES, as part of establishing a new Enforcement Services Branch, will split the data analytics and intelligence functions to ensure that officers delivering these functions have an increased focus on their areas of expertise. This will support enhanced use of DES’s data and provide for better insights and trend analysis.</td>
</tr>
<tr>
<td>· collecting and analyzing data from across the regulators and the industry to identify current and emerging coal seam gas risks, trends and priorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>· using insights from the data analysis to inform their compliance planning and engagement across all areas of the departments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>· training and supporting staff in further analysis and use of data to better target compliance activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>· improving their reporting to develop a collective understanding of industry compliance and regulatory outcomes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DES will continue to use data from investigations, compliance activities, and other intelligence sources to support regulatory outcomes. DES has an existing compliance prioritisation model (CPM) that includes a range of data inputs. The CPM and a range of other data sources support compliance planning (priorities and target assets). These data inputs include operator or activity compliance history, local knowledge and other risk-based considerations. DES will continue to enhance the CPM and other data and intelligence sources in its compliance planning and regulatory responses to the coal seam gas industry. DES staff (including intelligence analysts and compliance officers) are trained on the use of the CPM and other information sources, including when making compliance planning decisions. DES, as part of establishing a new Enforcement Services Branch, will split the data analytics and intelligence functions to ensure that officers delivering these functions have an increased focus on their areas of expertise. This will support enhanced use of DES’s data and provide for better insights and trend analysis. The CPM and a range of other data sources support compliance planning (priorities and target assets). These data inputs include operator or activity compliance history, local knowledge and other risk-based considerations. DES will continue to enhance the CPM and other data and intelligence sources in its compliance planning and regulatory responses to the coal seam gas industry. DES staff (including intelligence analysts and compliance officers) are trained on the use of the CPM and other information sources, including when making compliance planning decisions. It will support enhanced use of DES’s data and provide for better insights and trend analysis. To provide a better understanding of regulatory outcomes, DES and DNRME will share information on their respective compliance and regulatory activities.
### Recommendation

Enhance coordination and provide greater clarity to applicants on the progress of tenure and environmental authority application.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Agreed / Disagree</th>
<th>Timeframe for Implementation (Quarter and Year)</th>
<th>Additional comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q2 2020</strong></td>
<td>DES currently works with the Gasfields Commission Queensland (GFCQ) and provides compliance data for GFCQ’s public facing reports. DES will continue to work with the GFCQ to enhance transparency of information.</td>
<td>Q2 2020</td>
<td>DES will increase online information relating to its compliance activities and regulatory outcomes, including in relation to the coal seam gas industry. DES will also review its existing public facing information relating to coal seam gas to ensure that it meets the needs of the public and is user-friendly.</td>
</tr>
<tr>
<td><strong>Agree</strong></td>
<td>DES and DNRME have a range of Memoranda of Understanding (MoUs) that relate to interactions between the two departments. Both departments will review these MoUs to ensure better information sharing, improved processes and clarity of contact points for applicants. The Environmental Protection Act 1994 provides statutory requirements where certain coal seam gas applicants must notify the public of current environmental authority (EA) applications.</td>
<td>Ongoing</td>
<td>DES and DNRME will also examine their interactions with applicants and other stakeholders, particularly in relation to coordinated complaint response and stakeholder engagement. DES and DNRME are currently developing a MoU regarding stakeholder interaction that will address this.</td>
</tr>
<tr>
<td><strong>Ongoing</strong></td>
<td>DES regularly engages with coal seam gas companies regarding progress of EA applications. DES also regularly engages the Australian Petroleum Production and Exploration Association, World Wildlife Fund, Environmental Defenders Office, Lock the Gate and other organisations on a range of matters including regarding ways to optimise the interaction to the coal seam gas industry.</td>
<td>Ongoing</td>
<td></td>
</tr>
</tbody>
</table>
### Recommendation

**Develop and implement a coordinated data sharing framework for sharing information relating to their regulatory activities.**

This should include:
- Establishing systems and processes (and automation, to the extent possible) to improve their ability to use the data
- Agreeing on data requirements and a common identifier for coal seam gas related activities to better facilitate the exchange of information between the entities.

**Agreed**

**Timeframe for Implementation**

- **Q2 2020**
  - DES and DNRME already engage in a quarterly intelligence sharing meetings. These meetings allow DES and DNRME to share intelligence in relation to operators and regulatory activities. The purpose and scope of these meetings will be expanded to include discussions regarding the matters identified in this recommendation. The GFCC will be invited to participate in these meetings.
  - DES and DNRME will share compliance planning intelligence between the departments and the IH-Ro/THMGR. The list will be updated to reflect agreed intelligence and data sharing as required.
- **Ongoing**
  - DES and DNRME already have processes in place to coordinate inspections of coal seam gas operators. This coordination will continue. DES will participate in and support DNRME in their coordination of multi-agency response to coal seam gas issues raised by landholders and the community.
  - DES will work with DNRME and the GFCC on a common identifier for coal seam gas activities where possible.

---

**Recommendation**

The Department of Natural Resources, Mines and Energy, the Department of Environment and Science, and the GasFields Commission Queensland

We recommend the three entities:

3. develop and implement a coordinated data sharing framework for sharing information relating to their regulatory activities.

This should include:
- Establishing systems and processes (and automation, to the extent possible) to improve their ability to use the data.
- Agreeing on data requirements and a common identifier for coal seam gas related activities to better facilitate the exchange of information between the entities.
Queensland Audit Office
Better public services

4. work with key stakeholders to further evaluate the adequacy of remedy for property owners neighbouring coal seam gas activities. 

Agree: Q2 2020 (review of communications material)

DES, DNRM, and the OGCQ will review their existing communications to ensure that landholders neighbouring coal seam gas activities are aware of the regulatory framework and its application to neighbouring landholders. This will include information on rights of neighbouring landholders.

The current framework under the Environmental Protection Act 1994 (EPA) deals with impacts of landholders (other neighbours) on the activities or with CSG activities on their land equally. CSG operators are required to manage impacts (e.g., noise, dust, etc) or sensitive receptors (e.g., residences) regardless of whether the sensitive receptor (e.g., residential property) is on the land or adjacent land. There is also the option for the operator to manage the impact on the landholder by entering into an alternative arrangement. This arrangement may include compensation for costs to manage the impact or alternative accommodation during the term of the nuisance impact. Compensation matters are otherwise addressed through the land access framework. DES will continue to implement the established framework under the Environmental Protection Act 1994.

DES notes that Government has already considered the framework for compensation for landholders’ neighbouring CSG activities through the Parliamentary Committee on the Mineral, Water and Other Legislation Amendment Bill 2018. The only recommendation of the committee was for the Minister for Natural Resources, Mines and Energy to clarify the effectiveness of the current arrangements for neighbouring landholders who may be impacted by such activities. A response was provided.

DES asserts that there has been a very clear policy direction from government regarding the adequacy of the current
5. evaluate their current collaborative engagement approach to determine its effectiveness and how they can better address the needs and concerns of stakeholders.

Recommendation | Agree/Disagree | Timeframe for implementation (Quarter and year) | Additional comments
--- | --- | --- | ---
5. | Agree | Ongoing | DES will work with DNRME and the QGFC through established frameworks, such as the Resource Community Information Sessions (led by DNRME), to address the needs and concerns of stakeholders.

Q3 2020 | DNRME, DES and the QGFC will review the effectiveness of their current collaborative engagement approach.

Q4 2020 | Feedback from key stakeholders will be sought on their issues and concerns and suggestions on how to improve engagement activities. DES, DNRME and the QGFC will finalise a plan with a view to having a program of engagement activities targeting the gas industry and affected communities.

As part of this work DES and DNRME will review any MOU or protocol with the GFCQ to ensure it reflects the scope of future collaborative engagement efforts.

6. facilitate ways to further enhance the exchange of information between industry, government and landholders in situations where landholders have not been given the information to make an informed decision. This should consider potential legislative changes and commercial-in-confidence constraints.

Recommendation | Agree/Disagree | Timeframe for implementation (Quarter and year) | Additional comments
--- | --- | --- | ---
6. | Agree | Ongoing | DES participates in proactive engagement sessions with DNRME and the QGFC and stakeholders.

DNRME, DES and the QGFC are currently planning their 2020 engagement program.
Comments received from Acting Director-General, Department of Natural Resources, Mines and Energy

You Ref 5105P
Our Ref GT8 02/02/20

5 FEB 2020

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO BOX 15399
CITY EAST QLD 4002
QGO@qgo.qld.gov.au

Dear Mr Worrall,

Thank you for your letter of 17 January 2020 concerning the proposed report to Parliament on the performance audit of regulation of the Coal Seam Gas (CSG) sector.

Over the past decade, a significant achievement for Queensland has been the establishment of a prosperous, safe and well regulated CSG sector. The Department of Natural Resources, Mines and Energy (DNRME), along with other state agencies has played a key role in ensuring that the regulatory framework is fit for purpose and facilitates appropriate development while balancing the needs and rights of communities and other land users.

In recognition of the importance of the sector, DNRME has invested heavily in regulatory reform, community engagement, compliance and industry development. DNRME is proud of its track record in facilitating and regulating the CSG industry and our success is reflected in the fact that Queensland is the only state in Australia with a CSG industry, providing essential gas to the domestic and export markets, along with rural and regional employment and economic development.

DNRME, together with the Department of Environment and Science (DES), are leaders in onshore petroleum regulation and this is borne out by the scope of the recommendations.

DNRME acknowledges the report’s conclusions that greater data sharing, particularly with DES and the Gasfields Commission Queensland (GFCQ) will lead to improved regulatory outcomes for the departments, industry and community stakeholders.

The document attached provides DNRME’s comments on the report recommendations.

DNRME will work closely with DES and the GFCQ to implement the report recommendations.

Should you have any further enquiries, please contact Mr Shaun Ferris, Deputy Director-General, Georesources Division, Department of Natural Resources, Mines and Energy.

Yours sincerely,

James Purcell
Director-General

At:
Responses to recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Agree/Disagree</th>
<th>Timeframe for implementation (Quarter and year)</th>
<th>Additional comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Make better use of their data to effectively deliver regulatory outcomes, by:</td>
<td>Agree</td>
<td>Ongoing</td>
<td>DNRME has a Data and Digital Strategy, with the vision of continuously unlocking value through effective and productive use of data and digital. DNRME is undertaking a number of projects to upgrade existing data systems that have reached their end of life as well as transforming the way that the department receives and stores relevant data. Once completed, DNRME will have systems that allow for easier extracting of data by stakeholders and officers as well as systems with improved integration and connectivity.</td>
</tr>
<tr>
<td>2. Collecting and analysing data from across the regulators and the industry to identify current and emerging coal seam gas risks, trends and priorities</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>DNRME currently utilises data and information from investigations, compliance activities, and other areas of intelligence to inform and support regulatory outcomes including compliance planning. The department will continue to undertake these activities to identify compliance priorities, target areas, and inform its public facing Compliance Plan. As part of this work, DNRME will also assess data and outcomes from the of its annual compliance program and actions and report this information publicly on an annual basis.</td>
</tr>
<tr>
<td>3. Using insights from the data analyses to inform their compliance planning and engagement across all areas of the departments</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>The department currently utilises a Customer Relationship Management (CRM) system that is the point of truth for stakeholder engagement and compliance data. The CRM also includes basic business intelligence functionality which is utilised to monitor and understand trends in compliant and compliance activity. All relevant staff are trained in the utilisation of CRM and management actively monitors compliance reporting. This is supported by comprehensive guidance materials and subject matters experts to assist with queries and progress enhancements as part of a continuous improvement approach.</td>
</tr>
<tr>
<td>4. Training and supporting staff in further analysis and use of data to better target compliance activities</td>
<td>Ongoing</td>
<td>Q2 2020</td>
<td>In order to provide a broader compliance picture for each department, DNRME and DES have agreed to enhance the sharing of data and information in relation to each respective department’s compliance priorities during annual compliance planning processes. This arrangement will be formalised through the</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Agree/Disagree</td>
<td>Timeframe for implementation (Quarter and year)</td>
<td>Additional comments</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
<td>-----------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>1. Enhance coordination between the departments to assist in providing greater clarity for applicants and stakeholders on the progress of tenure and environmental authority application.</td>
<td>Agree</td>
<td>Ongoing</td>
<td>Refresh Memorandums of Understanding (MoUs) between the agencies. The Georesources division of DNRME has for a number of years, published an annual Compliance Plan that encompasses the gas industry along with all other parts of the resources sector that the department regulates. A Compliance Plan for the 2020-2021 financial year is currently under preparation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q3 2020</td>
<td>In addition, DNRME has committed to publishing an annual Compliance Report that will outline compliance outcomes and industry risks for the gas industry (along with other components of the sector) to give communities and stakeholders confidence in how the sector is being regulated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q3 2020</td>
<td>DNRME will work with the GFCQ to provide publicly available compliance information to a wider audience. This arrangement will be formalised through refresh of the MoU with GFCQ.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ongoing</td>
<td>DNRME’s Resources Safety and Health, Petroleum and Gas Inspectorate has a separate strategic framework focussed on building risk resilience and safety capacity that encompasses engaging with industry through stakeholder forums, an annual risk-based compliance assurance program, and an annual report to industry.</td>
</tr>
<tr>
<td>2. Enhance coordination between the departments to assist in providing greater clarity for applicants and stakeholders on the progress of tenure and environmental authority application.</td>
<td>Agree</td>
<td>Q4 2020</td>
<td>DES and DNRME interact on a day to day basis in relation to regulatory activities they undertake for the resources sector. In recognition of these interactions, there are a number of MoUs that relate to interactions between the two departments. Both departments will review and update these MoUs to ensure better information sharing, improved processes and clarity of contact points for clients.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q3 2020</td>
<td>It should be noted that greater collaboration between DNRME and DES in assessing applications will not in itself lead to greater coordination with landholders as these processes are not related.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>DNRME has a well-established and robust systems in place around landholder information, complaints and engagement. However, DNRME will review these processes to ensure continuous improvement.</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Agreed/ Disagree</td>
<td>Timeframe for implementation (Quarter and year)</td>
<td>Additional comments</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Q2 2020</td>
<td></td>
<td>DNRME and DES will also examine their interactions with landholders and other stakeholders, around coordinated complaint response and stakeholder engagement. The departments are currently reviewing the MoU around landholder interaction and field and compliance activity and better coordination will be fundamental to this review.</td>
<td></td>
</tr>
</tbody>
</table>
### Recommendation

The Department of Natural Resources, Mines and Energy, the Department of Environment and Science, and the Gas Fields Commission Queensland

We recommend the three entities:

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Agreement</th>
<th>Timeframe for Implementation [Quarter and year]</th>
<th>Additional comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. develop and implement a coordinated data sharing framework for sharing information relating to their regulatory activities.</td>
<td>Agree</td>
<td>Q3 2020</td>
<td>DNRME, DES and the GFCQ have well established networks and processes for the sharing of information, data, and intelligence however in many cases these processes are informal in nature. In order to formalise these arrangements, current MoUs between the entities will be reviewed and enhanced to specifically deal with data sharing processes.</td>
</tr>
<tr>
<td>4. work with key stakeholders to further evaluate the adequacy for property owners neighbouring coal seam gas activities.</td>
<td>Agree</td>
<td>Q2 2020</td>
<td>DNRME, DES and the GFCQ will review their existing communications to ensure that landholders neighbouring coal seam gas activities are aware of the regulatory framework and its application to neighbouring landholders.</td>
</tr>
</tbody>
</table>

**Additional comments**

The Department of Natural Resources, Mines and Energy, the Department of Environment and Science, and the Gas Field Commission Queensland.

We recommend the three entities:

3. develop and implement a coordinated data sharing framework for sharing information relating to their regulatory activities.

This should include:

- establishing systems and processes (and automation, to the extent possible) to improve their ability to use the data
- agreeing on data requirements and a common identifier for coal seam gas related activities to better facilitate the exchange of information between the entities.

**Timeframe for implementation**

<table>
<thead>
<tr>
<th>Quarter and year</th>
<th>Additional comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>DNRME and DES have an established program of quarterly intelligence sharing meetings. These meetings allow DES and DNRME to share intelligence in relation to operators and regulatory activities. The purpose and scope of these meetings will be expanded to include discussions regarding the matters identified in this recommendation. The GFCQ will be invited to participate in future meetings.</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>DES and DNRME will share compliance planning and intelligence between the departments and the DES/DNRME MoU will be updated to reflect agreed intelligence and data sharing as required.</td>
</tr>
<tr>
<td>Ongoing</td>
<td>DES and DNRME already have processes in place to coordinate inspections of coal seam gas operators. This coordination will continue. DNRME will participate in and support DNRME in their coordination of multi-agency response to coal seam gas issues raised by landholders and the community.</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>DNRME will work with DES and the GFCQ to ensure there is a single point of truth for the definition and identification of target gas resources associated with gas tenures.</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>DNRME is upgrading its MyMinesOnline system to establish functionality that will allow the identification of the target gas resource for each tenure (i.e. CSG, tight shale or conventional gas). This will allow government to more readily identify the type of gas targets by tenure.</td>
</tr>
</tbody>
</table>
The current framework under the *Environmental Protection Act* 1994 treats any impacts on landholders (either neighbouring CSG activities or with CSG activities on their land) equally. CSG operators are required to manage impacts (noise, dust etc.) on sensitive receptors (e.g., residence) regardless of whether the sensitive receptor (e.g., residential property) is on the land or adjacent land. There is also the option for the landholder and operator to enter into an alternative arrangement. This arrangement may include compensation or alternative accommodation during the term of the nuisance impact. Compensation matters are otherwise addressed through the land access framework. DES will continue to implement the established framework under the *Environmental Protection Act* 1994.

DNRME notes that Government has considered the framework for compensation for landholders neighbouring CSG activities through the Parliamentary Committee on the Mineral, Water and Other Legislation Amendment Bill 2018. The only recommendation of the committee was for the Minister for Natural Resources, Mines and Energy to clarify the effectiveness of the current arrangements for neighbouring landholders who may be impacted by such activities. A response was provided in the Minister’s second reading speech to Parliament.

DNRME believes there has been a very clear policy direction from government regarding the adequacy of the current framework.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Agreement</th>
<th>Disagreement</th>
<th>Timeframe for implementation (Quarter and year)</th>
<th>Additional comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. evaluate their current collaborative engagement approach to determine its effectiveness and how they can better address the needs and concerns of stakeholders.</td>
<td>Agree</td>
<td>Ongoing</td>
<td></td>
<td>DNRME delivers the Resource Community Information Sessions (RCIS) program that provides valuable information to landholders and resource companies about the regulatory framework and helps landholders and resource companies understand how to work better together, particularly when it comes to land access for exploration and mining activities. This program is delivered across gas, mineral and coal communities state-wide and is delivered in partnership with DES and the GFCQ.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Q3 2020</td>
<td>DNRME, DES and the GFCQ will review the effectiveness of their current collaborative engagement approach through the RCIS and other activities. Feedback will be sought from key stakeholders on their issues and concerns and suggestions on how to improve engagement activities.</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Timeframe for implementation (Quarter and year)</td>
<td>Additional comments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------------------------------------</td>
<td>---------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. facilitate ways to further enhance the exchange of information between industry, government and landholders in situations where landholders have not been given the information to make an informed decision. This should consider potential legislative changes and commercial-in-confidence constraints.**</td>
<td>Q1 2020</td>
<td>DNRMME, DES and the QGFC will develop an engagement program with a view to delivering targeted engagement activities in gas communities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**</td>
<td>Q4 2020</td>
<td>As part of this work DES and DNRMME will review any MoU or protocol with the GFCQ to ensure it reflects the scope of future collaborative engagement efforts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ongoing</td>
<td>DNRMME participates in proactive engagement sessions with DES and the GFCQ and stakeholders. DNRMME, DES and GFCQ are currently planning their 2020 engagement program.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q4 2020</td>
<td>The review of the MoU with the GFCQ will also take into account exchange of information and working together on engagement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ongoing</td>
<td>DNRMME has a current process in place that assists landholders who are having difficulty negotiating with a gas company. DNRMME can act as an intermediary between the parties where there are issues, including an alleged information imbalance. This can include informal assistance or organising a conference facilitated by DNRMME with the parties to try to resolve issues.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q3 2020</td>
<td>To improve the standard of information being provided to landholders, DNRMME will develop guidance material showcasing best practice entry notices to make sure landholders are given fulsome information in order to determine impacts on their operations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. publish the weighting and any mandatory criteria used for assessing or excluding tender applications.**</td>
<td>Agree Q1 2020</td>
<td>DNRMME will ensure that all future tender releases include the weightings and mandatory criteria.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Comments received from Director-General, Department of State Development, Manufacturing, Infrastructure and Planning

Date: 04 FEB 2020

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Email: qao@qao.qld.gov.au

Dear Mr Worrall,

Thank you for your letter of 17 January 2020 about the performance audit on coal seam gas activities and also the opportunity to meet with you before Christmas about this report.

I agree with the recommendation proposed for the Department of State Development, Manufacturing, Infrastructure and Planning (the department) that the department determine the scope, future function and role of the GasFields Commission Queensland (the Commission). In doing so the department will draw on work being undertaken by the Commission, which has recently had significant change in leadership on its Board and in the General Manager role. Consequently, the department will complete its work in the fourth quarter of 2020.

If you require any further information, please contact Mr Michael McKee, Deputy Director-General, on 3452 7946 or michael.mckee@dsdmip.qld.gov.au, who will be pleased to assist.

Yours sincerely,

Rachel Hunter
Director-General
6 February 2020

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
City East Qld 4002

Dear Mr Worrall

Performance audit on managing coal seam gas activities

On behalf of the GasFields Commission Queensland I would like to thank you and the staff of the Queensland Audit Office for the opportunity to provide information and input during the recent performance audit on managing coal seam gas activities in Queensland. The performance review included a review of the performance of the GasFields Commission along with other coal seam gas entities including the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

As you have acknowledged in your report, the GasFields Commission Queensland has already embarked on a major renewal program. The purpose of this program is to ensure the Commission delivers all of its legislative functions and engages effectively with key stakeholders to achieve its purpose of managing and improving the sustainable coexistence of landholders, regional communities and the onshore gas industry in Queensland.

The Governor in Council appointed a new Commission Chair in the latter half of 2019 and new Commissioners were appointed prior to Christmas 2019. The Commission has also appointed a new ACEO and (amongst other things) strengthened its engagement and relationship with key landholder, industry and government stakeholders.

As part of this renewal program the Commission is well advanced in developing a new strategic plan, communications plan and stakeholder engagement strategy (to be considered by the Board at its first meeting scheduled for late February 2020). The Commission is also reviewing its structure, resources and business systems and processes to ensure they are strongly aligned, fit for purpose and support the Commission to deliver its legislated purpose and functions.

The Commission notes the findings and agrees to all the recommendations (please see the attached detailed response) contained in the audit report.

The performance review findings and recommendations provide an important and additional source of information to inform and support our current renewal program. The Commission has already commenced implementation of many of the recommendations and looks forward to continuing to play a strong leadership and collaborative role in managing and supporting sustainable coexistence.
Thank you once again for the opportunity to work with the Queensland Audit Office during the performance review. We look forward to continuing to work with the Queensland Audit Office in the future.

Yours sincerely

Colin Cassidy
Acting Chief Executive Officer
Responses to recommendations

GasFields Commission Queensland

Report to Parliament – Managing coal seam gas activities

Response to recommendations provided by Colin Cassidy, A/CEO, GasFields Commission Queensland.
The Department of Natural Resources, Mines and Energy, the Department of Environment and Science, and the GasFields Commission Queensland

We recommend the three entities

3. develop and implement a coordinated data sharing framework for sharing information relating to their regulatory activities. This should include:
   - establishing systems and processes (and automation, to the extent possible) to improve their ability to use the data
   - agreeing on data requirements and a common identifier for coal seam gas related activities to better facilitate the exchange of information between the entities.

Consistent with its purpose to manage and promote sustainable coexistence, the GasFields Commission Queensland (GFCQ) is working proactively with the Department of Natural Resources, Mines and Energy (DNRME) and the Department of Environment and Science (DES) to improve the community and stakeholder access to data that is collected through regulatory activities. Access to this type of information (amongst others) contributes to trust and confidence amongst stakeholders that the onshore gas industry regulatory system is operating effectively.

GFCQ will continue to work with and support DNRME and DES to establish an appropriate approach to ensure any risks associated with the capture and use of industry data are appropriately managed.

GFCQ will also review its MOU with DNRME to ensure there is a clear and effective coordinated data sharing framework in place. GFCQ will seek to extend this (or a separate) MOU to include DES.
### Recommendation **5.**

Evaluate the current collaborative engagement approach to determine its effectiveness and how they can better address the needs and concerns of stakeholders.

**Agreed**

**Timeframe for Implementation** Q4 2020

In collaboration with key stakeholders GFCQ is currently developing a new Communications and Stakeholder Engagement Strategy that will, amongst other things, ensure that stakeholder engagement is targeted and meets stakeholder needs.

As part of this process, GFCQ is working with DES and DNRME to examine ways to collaborate more and to coordinate our respective engagement efforts to address the needs and concerns of stakeholders.

This collaborative engagement approach will also include exploring opportunities to continue to work with the Land Access Ombudsman, the Land Court of Queensland and peak industry and landholder groups.

In addition, GFCQ will review its MOU with DNRME to ensure there is a collaborative engagement strategy in place to efficiently and effectively address stakeholder needs. GFCQ will also seek to extend this (or a separate) MOU to include DES.

**Additional comments**

GFCQ notes that the Queensland Parliament has recently considered the framework for compensation for neighbouring landholders to CSG activities through consultation on the Mineral Water and Other Legislation Amendment Bill 2018 and given policy direction when compensation is required.

Within this context and consistent with a number of its legislative functions as an independent statutory authority to provide advice to Government on a range of matters related to the onshore gas industry, GFCQ will work with DNRME, DES and key stakeholders to evaluate the adequacy of remedy for property owners neighbouring coal seam gas activities.
Recommendation | Agreed/Disagree | Timeframe for Implementation (Quarter and year) | Additional comments
--- | --- | --- | ---
0. facilitate ways to further enhance the exchange of information between industry, government and landholders in situations where landholders have not been given the information to make an informed decision. This should consider potential legislative changes and commercial-in-confidence constraints. | Agree | Q4 2020 | To support its purpose to manage and promote sustainable outcomes, GFCQ has a legislative function to publish educational and other information about the onshore gas industry. GFCQ recognises that stakeholder access (including landholders) to education and other information about onshore gas industry activity, regulatory systems and associated processes assists stakeholders to better understand and more effectively interact with the system and make informed decisions. GFCQ will continue to work with DNRM, DES and other key stakeholders to build on and where appropriate further develop the existing set of information sharing platforms to ensure landholders have the information they need to assist them to make informed decisions.

The GasFields Commission Queensland

We recommend the commission:

8. reviews the assessment process identified under the Regional Planning Interests Act to determine whether the process adequately manages coal seam gas activity in areas of regional interest. This should take into consideration stakeholders concerns about inconsistent definitions of land and exceptions to the assessment process. | Agree | Q2 2021 | Consistent with its legislative function to review the effectiveness of government entities in implementing regulatory frameworks that relate to the onshore gas industry, GFCQ will work with the Department of State Development, Manufacturing, Infrastructure and Planning, other government agencies and key stakeholders to review the effectiveness of the assessment process under the Regional Planning Interests Act 2014 in managing impacts of petroleum and gas development on areas of regional interest.