

26 March 2021

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Gasfields Commission Queensland

Dear [REDACTED]

RE: Neighbouring impacts and review functions terms of reference

I am writing to provide APPEA feedback on the following draft terms of reference:

1. Evaluation of the Adequacy of Remedy for Landholders Neighbouring CSG Development
2. GasFields Commission Regulatory Review Framework

With regard to work on neighbouring impacts, it is important to recognise the CSG industry does not exist in isolation and so a key element of any evaluation of the adequacy of remedy must be how the CSG industry is regulated relative to other industries and activities. There are many activities outside of the CSG industry that may cause the impacts listed - diminution of value, subsidence, alterations to overland water flows, biosecurity, noise, dust, odours, and light nuisance – and the evaluation undertaken by the Commission should benchmark CSG regulation against the regulation of these activities.

Reviewing the broader regulatory framework is an important element of the Commission's functions. Providing good advice on regulatory performance requires good quality information about the issues of concern to the community and how government agencies are responding to those concerns. However, in many respects this information is currently lacking. APPEA therefore suggests that the next review focus on the information that government produces on complaints, compliance, and enforcement activity and how the quality of and accessibility to such information could be improved.

I also would like to thank the Commission for providing the terms of reference and allowing sufficient time for feedback from all stakeholders. The feedback process is important and improves understanding and support for the Commission's work.

Further comments on the proposed terms of reference are **attached**. We would welcome the opportunity to discuss this submission further.

Yours sincerely

[REDACTED]
Matthew Paull

A/g Queensland Director

APPEA comments on terms of reference*1. Evaluation of remedy for landholders neighbouring CSG development*

- The gas industry does not exist in isolation. There are many other activities that impact neighbouring landholders and cause all the impacts attributed in the ToR to the CSG industry - diminution of value, subsidence, alterations to overland water flows, biosecurity, noise, dust, odours, and light nuisance. Any evaluation of these impacts should therefore account for the impacts of other activities and how they are regulated in order to provide a baseline for consideration of the adequacy of remedy for property owners neighbouring CSG activities.
- It is important the Terms of Reference reflect the QAO or Parliamentary Committee findings and recommendations.
 - In this respect, the ToR does not specifically state what report recommendation it seeks to address
 - The QAO report does not reflect the detail on the issues presented in para 2 and 3 of the ToR Background. These paragraphs should be deleted as it implies these issues have been raised in the QAO report and need to be remedied, leading to potential bias of submissions and outcomes. If the paragraphs are not deleted they should be contextualised – eg is the scale of concerns being raised large or small relative to the number of landholders the industry deals with?
 - We would also note that ‘directional drilling’ is an activity, not an impact.
- The ToR should specify how potential neighbouring impacts will be determined and assessed, for example:
 - Will the assessment be according to impact rating, likelihood of occurrence and potential consequence?
 - Will the assessment be qualitative or quantitative, undertaken by the GFCQ or with industry input?
- Similar to the residual risk framework consultation, any risk assessment should be undertaken by an appropriately qualified person using an appropriate methodology.

2. Review function framework

- The Commission should first focus on the adequacy of the information systems within government on complaints, compliance, and enforcement activity. Good quality information on these topics would ensure informed decisions can be made on areas of regulation that may need reform.
- Gas industry regulation is already reviewed by lead regulatory authorities. The ToR should specify how the Gas Fields Commission will work with the regulatory authorities to minimise duplication.

- Two review of legislation/regulation per year creates administrative burden for industry. Considering two reviews are being completed this year (RPI and neighbouring landholders) we suggest the framework comes into effect from 2022.
- Environmental scanning requires more rigour – it requires quantitative input as well as qualitative.
 - For example, a key input is the amount and type of stakeholders identifying issues and requesting change.
 - The Commission should avoid a focus on the issues of an aggrieved few.
- Reviews undertaken should consistent with the three month consultation period which was agreed by the Queensland Government as part of the 2020 election.