

Impact Analysis Statement

A Summary Impact Analysis Statement (IAS) must be completed for all regulatory proposals. Once completed, the IAS must be published.

Summary IAS

Details

Lead department	Department of Resources
Name of the proposal	Reform of Coexistence institutions
Submission type	Summary IAS
Title of related legislative or regulatory instrument	<ul style="list-style-type: none"> • <i>Mineral and Energy Resources (Common Provisions) Act 2014</i> • <i>Land Access Ombudsman Act 2017</i> • <i>Water Act 2000 and Water Regulation 2016</i> • <i>GasFields Commission Act 2013</i>
Date of issue	28 March 2024

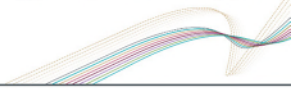
What is the nature, size and scope of the problem? What are the objectives of government action?

Coexistence between landholders and resources projects is complex. While a private landholder may own the freehold rights to the land, the Crown owns the mineral and petroleum rights that exist below the surface and authorises access to land for the exploration and extraction of these resources through the issuing of a resource authority. As a result, Queensland's resources sector operates within a coexistence framework which seeks to balance the interests of resource companies and landholders, as well as managing environmental impacts and providing economic benefits to the people of Queensland.

Queensland has multiple pieces of legislation, administered by different government agencies, which set out regulatory requirements that support sustainable coexistence. These include:

- The Resources Acts (including the *Mineral Resources Act 1989* (MR Act), the *Petroleum and Gas (Production and Safety) Act 2004*, the *Greenhouse Gas Storage Act 2009*, the *Geothermal Energy Act 2010*, and the *Mineral and Energy Resources (Common Provisions) Act 2014* (MERCPC Act), administered by the Department of Resources (the department).
- The *Environmental Protection Act 1994* (EP Act), administered by the Department of Environment, Science and Innovation (DESI).
- The *Water Act 2000* (Water Act), administered by the Department of Regional Development, Manufacturing and Water (DRDMW) other than Chapter 3, which is administered by DESI; and
- The *Regional Planning Interests Act 2014* (RPI Act), administered by the Department of Housing, Local Government, Planning and Public Works (DHLGPPW).

In addition to the regulatory framework, there are several institutions that are currently acting within the coexistence realm. These institutions are intended to complement and support the coexistence framework to help deliver successful and sustainable coexistence.



The key coexistence institutions are the:

- Office of Groundwater Impact Assessment (OGIA) – which is an independent office responsible for assessing groundwater impacts from resource development in Queensland and then developing and supporting proactive strategies for managing those impacts.
- Land Access Ombudsman (LAO) – which provides dispute resolution services between landholders, communities, and coal seam gas (CSG) industry for alleged breaches of existing conduct and compensation agreements (CCAs) and make good agreements (MGAs).
- GasFields Commission Queensland (the Commission) – which seeks to improve sustainable coexistence between landholders, communities and the on-shore gas industry including by sharing information, reviewing the effectiveness of the regulatory framework, and advising government, industry and communities on sustainable coexistence matters.

These institutions currently all work to support positive coexistence outcomes between landholders and parts of the resources industry.

Coexistence institutions review

The Queensland Resources Industry Development Plan (QRIDP) sets out the government's ambition and actions to enable the resources industry to successfully transform by 2050. As part of the key focus area to foster coexistence and sustainable communities, Action 24 of the QRIDP committed government to reviewing the land access and coexistence institutions to ensure they are contemporary, efficient, and well aligned.

Since the establishment of the land access framework in 2010, independent institutions such as the Commission and the LAO have been established in response to emerging coexistence issues.

Consultation during the development of the QRIDP and on a departmental discussion paper titled '*A review of coexistence principles and coexistence institutions*' indicated that stakeholders consider the number of institutions to be appropriate, however, it also identified that there are gaps in the roles undertaken and some duplication in functions performed by the institutions.

As a result, the government is proposing to refocus and expand the functions of the coexistence institutions to ensure they are contemporary and efficient.

Functions of OGIA

OGIA is an independent scientific entity, established in 2010 in response to concerns of widespread groundwater impacts from CSG development, particularly in the Surat Basin. OGIA's primary function is to periodically assess and manage the cumulative groundwater impacts through scientific investigation, modelling, monitoring and assigning specific management responsibilities to resource authority holders. OGIA is also active in engaging and educating the community on its work to promote coexistence.

OGIA is an independent office, established under Chapter 3A of the Water Act, and performs several functions set out under Chapter 3. OGIA's assessment and management strategies are updated every three years through a consultative and statutory Underground Water Impact Report (UWIR). The regulatory framework enables OGIA to:

- advise the chief executive on matters relating to impacts on underground water caused by the exercise of underground water rights by resource authority holders
- establish and maintain a database of information about underground water
- prepare underground water impact reports for cumulative management areas (CMA's)
- any other function given to it under the Water Act or another Act.

OGIA is wholly funded through an industry levy which is paid for by resource authority holders. The levy is calculated separately for the coal and petroleum and gas tenure holders. Through the industry levy, OGIA is raises approximately \$4.5-6 million per annum in total to deliver its existing functions.



Given the potential subsidence issues emerging in the Surat Basin because of CSG activities, OGIA's experience and expertise has been identified to play an important role in relation to CSG-induced subsidence in this region. The government is proposing that OGIA will play a key role in undertaking assessments in relation to the proposed CSG-induced subsidence management framework and provide cumulative assessment data to inform the risks associated with CSG-induced subsidence. In addition to these expansions, it is also proposed to allow relevant government agencies to seek advice from OGIA on sub-surface impacts from petroleum and gas activities.

Functions of the LAO

The LAO is an independent dispute resolution service for landholders and resources companies in Queensland. The LAO's powers and functions are administered under the *Land Access Ombudsman Act 2018* (LAO Act). Its functions are to resolve land access disputes about alleged breaches of existing CCAs and MGAs.

Currently, the LAO is wholly funded by government with an annual budget of \$569,000 for the 2022-23 financial year. In the 2021-22 financial year the LAO received 50 enquiries and 49 fell outside of its jurisdiction. One preliminary enquiry was conducted, which once assessed did not proceed to the investigation stage. Matters that fell outside of the LAO's jurisdiction include queries about land valuation notices and objections, seeking legal advice and deviated drilling complaints etc. These matters were referred to other entities for assistance, including the department, the Department of Justice and Attorney General (Dispute Resolution Branch or Land Court) or other relevant departments.

The government proposes to expand the LAO's functions to investigate and manage disputes about alleged breaches of access agreements under section 47 of the MERCP Act and the new subsidence management plans (SMPs) and subsidence compensation agreements (SCAs) proposed as part of the CSG-induced subsidence framework. It will also provide assistance and support to stakeholders negotiating a range of land access agreements through offering an alternative dispute resolution (ADR) service.

Functions of the Commission

The Commission was originally established to manage and improve the sustainable coexistence between landholders, regional communities and the onshore gas industry. It has 14 legislative functions that fall under three core objectives:

- Facilitate effective stakeholder relationships, collaboration and partnerships to support education and information sharing related to Queensland's onshore gas industry.
- Review effectiveness of the implementation of regulatory frameworks related to Queensland's onshore gas industry.
- Advise agriculture and gas industry peak bodies, government ministers and regulators, landholders and community groups on matters relating to sustainable coexistence, leading practice and management of Queensland's onshore gas industry.

The QRIDP recognises the importance of fostering sustainable coexistence and the need to respond to changing and competing demands for land use from emerging industries such as critical minerals and renewable energy. The rapid expansion of these emerging industries has commenced, and their continued expansion will be necessary to deliver on the targets of 70% and 80% renewable energy by 2032 and 2035 respectively, as set out in the Queensland Energy and Jobs Plan (QEJP). For example, the Queensland SuperGrid Infrastructure Blueprint estimates that 540,000 hectares of land for wind turbines, as well as up to 40,200 hectares for solar farms, will be needed to achieve a 25,000 MW renewable generation target by 2035.

Through consultation, landholders and peak bodies across the agricultural and resources sector have raised concerns about the increasingly complex coexistence landscape. Landholders may be approached to negotiate land access with multiple companies from various industries operating under different regulatory frameworks. A number of resource proponents and industry bodies have also advised that resource companies are increasingly having to navigate land access and coexistence issues with renewable energy developments.



While the Commission plays an integral role in the coexistence space, it has been isolated to the onshore gas industry. Stakeholders have indicated that they are concerned about a broader range of coexistence issues arising from new and rapidly expanding industries. These stakeholders have also identified that the Commission is well placed to assist landholders and communities respond to these emerging coexistence challenges. The government has considered this feedback and is proposing to expand the Commission's remit to encompass coexistence issues relating to the broader resources and renewable energy sectors.

What options were considered?

Coexistence institutions review

There were three options considered in relation to the coexistence institutions review including: retain the existing regulatory framework and functions of the institutions, rationalise the institutions; and reform the institutions to align with the foundations for coexistence outlined in the department's consultation paper "*Coexistence Institutions and CSG-Induced Subsidence Management Framework*".

Option 1 – Status quo

This option proposes no change to the existing regulatory framework and would see the current coexistence institutions continue as they are.

Option 2 – Rationalising the institutions

Option 2 proposes to reduce the number of institutions by either removing institutions that may not be required or by creating one institution to manage all functions relating coexistence and land access in line with the QRIDP action. This option would involve the removal or consolidation of the existing functions and introduction of a new institution through new legislative provisions to create efficiencies.

Option 3 – Clarify and expand the functions of the institutions

This option would see the existing institutions reformed and their functions clarified and expanded where appropriate.

In the case of OGIA, functions will be introduced into the MERCP Act that would allow it to assist in the proposed adaptive management framework for CSG-induced subsidence. This would entail undertaking risk assessments of CSG-induced subsidence, providing advice to decision makers on CSG-induced subsidence and developing modelling and monitoring tools to support farm scale assessments of CSG-induced subsidence. It would also involve providing advice on request from relevant government agencies in relation to the subsurface impacts from petroleum and gas activities. This work would be funded through an expansion of OGIA's existing levy arrangements.

In relation to the LAO, the Government proposes to expand the LAO's functions to investigate and manage disputes about alleged breaches of access agreements and new SMPs and SCAs under MERCP Act, and provide assistance and support to stakeholders negotiating a range of land access agreements, through an ADR service. If these changes are implemented, there is likely to be an increase in the funding required to support the LAO. To meet these costs, government is also proposing that the LAO be wholly funded by industry, through a new base levy and cost recovery fees for ADR services.

Finally, it is proposed to revise the functions and remit of the Commission to provide information, engagement and education services to the community and industry on a broader range of land access and coexistence issues related to the resources and renewable energy sector. It is also proposed to remove the Commission's oversight function to prevent duplication with existing oversight functions within government. The Commission's provision of advice to government and other stakeholders on emerging and systemic coexistence issues identified through stakeholder engagement activities will remain a key function. The Commission is also proposed to be renamed 'Coexistence Queensland' to reflect its expanded remit.

What are the impacts?



Option 1 – Status quo

Maintaining the status quo would not impact the regulatory burden placed on the government or industry. The main impact of maintaining the status quo would be stakeholder confusion and existing service gaps, which have been identified through multiple rounds of consultation, would remain unaddressed. The failure to address these concerns will limit these institutions' ability to foster positive coexistence outcomes between landholders and industry, and ultimately, limit the opportunities for key industries to develop across regional Queensland.

In addition, the status quo:

- is at odds with goals of QRIDP and QEJP
- may affect economic development opportunities for regional communities
- adds to dispute costs when lack of education on best practice land access protocols and negotiation support means disputes unnecessarily escalate.

Option 2 – Rationalise the institutions

Rationalising the institutions was generally not supported by the majority of stakeholders. While it has the potential benefit of addressing stakeholder confusion by having single point of contact, it also:

- fails to address identified service gaps
- may lead to a diminution of existing services or functions
- may impact on the ability to remain independent from industry, landholders and government
- May add to confusion by having functions available to some stakeholders and not others e.g. the Commission has an important role to play in renewable energy space, but the LAO does not.

Option 3 – Clarify and expand the functions of the institutions

Clarifying and expanding the role of the institutions has been broadly supported by stakeholders. However, with the proposed expansion of the roles and remits of the institutions, an investigation of its funding models and governance arrangements has also been required. The impacts of the proposed changes are considered individually for each institution below.

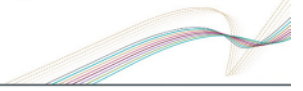
OGIA Expansion

OGIA is highly respected in its role of periodically assessing and managing the impacts of cumulative groundwater impacts including modelling, monitoring and assigning specific management responsibilities to resource authority holders. Its technical expertise in groundwater management is expected to be transferable to the proposed subsidence management framework. As a result, OGIA's role will be expanded to provide scientific advice informing the management of CSG-induced subsidence and to provide advice to government on request in relation to sub-surface impacts from petroleum and gas activities.

An additional cost (a levy) to fund the body's expanded role is proposed to be imposed on resource authority holders in the management area declared under the proposed legislative changes. The levy is estimated to provide an additional \$1.6million of funding in the first year. This levy is based on a cost-recovery model where resource authority holders are charged for the cost of OGIA completing work related to their resource authorities.

Due to OGIA's existing role in undertaking groundwater assessment, it is anticipated to deliver significant cost savings (estimated to be \$1.2 to \$1.6 million) in comparison to similar work being undertaken by undertaken by resource authority holders or another agency. This is because the work can be done more efficiently for two reasons:

- The synergies between subsidence modelling and OGIA's current groundwater modelling role.
- Housing centralised regional data to undertake cumulative regional assessments more efficiently than individual resource authority holders trying to complete this work individually.



It is also anticipated that the levy will further decrease following the establishment of OGIA's role in this space as efficiencies are realised over time.

Despite the cost to resource authority holders, this expansion will assist both landholders and resource authority holders in better understanding the impacts and consequences arising from CSG-induced subsidence. This will support building the industry's social licence to operate and foster coexistence between the sectors to provide greater benefits in comparison to not taking any action. It is also considered appropriate that the CSG companies carry these costs given the impacts to landholders as a result of being unable to withhold consent to the CSG activities occurring on the property.

These potential benefits have been recognised by relevant resource stakeholders, who have been supportive of OGIA's expansion into CSG-induced subsidence assessment and modelling role.

LAO Expansion

The LAO's role is proposed to be expanded to provide support across a wider range of disputes. Disputes about alleged breaches of access agreements, SMPs and SCAs will be added to its current remit which focuses on breaches of existing CCAs and MGAs.

Additionally, the LAO will be given functions that will allow it to provide non-binding ADR services for disputes that arise in the negotiation of a range of existing and new land access agreements. These services will apply to compensation agreements under the MR Act for mining claims and mining leases, access agreements, CCA and MGA negotiations, SMP and SCA negotiations as well as disputes in relation to reasonably and necessarily incurred professional fees for CCAs, MGAs and SMPs. Where there is a dispute in relation to a material change in circumstances for an agreement, the LAO will also be able to assist by providing non-binding ADR services.

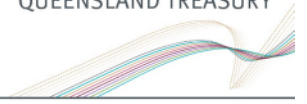
Recognising this is a potentially significant expansion in the LAO's jurisdiction, it is proposed to move the LAO from a publicly funded institution to an industry funded model. The proposed industry funding model will be a new cost to resource authority holders and is estimated to be \$2.59 million in the first year of operation. This cost has been calculated based on the existing LAO costs, and estimated additional costs of expanded operation, including accommodation, supplies, services, full time employee costs and salaries. It also includes the establishment of the new advisory body required to provide appropriate oversight of the LAO's budget and operations.

The proposed funding model is in line with existing land access negotiation arrangements and other industry ombudsman services and will be reviewed as part of the department's regular assessment cycle to establish its effectiveness. It is also in line with Queensland Treasury's principles for fees and charges which states charges for goods and services must aim for full cost recovery. These costs will be distributed across prescribed resource authority holders to ensure that the cost impost on individual resource authority holders (including mining, petroleum and gas resource authority holders) will be relatively small, compared to the potential benefits.

A benefit of providing non-binding ADR avenues to assist parties in a negotiation include reducing the potential for adversarial court processes where parties cannot voluntarily reach an agreement. This will save time and costs for resource authority holders and landholders. Other benefits associated with the framework include assisting resource authority holders to maintain their social licence in the regions they are operating in. This works towards improving coexistence outcomes and encouraging better behaviour from companies managing dealings with landholders. It is also appropriate that resources companies carry these costs given the impacts to landholder properties, particularly when landholders have no ability to withhold their consent to the resources activities occurring on their property.

Commission's Expansion

It is proposed the Commission's remit will be expanded to service the resources sector as well as the emerging renewable energy industry. Based on estimated costs, it is anticipated that the Commission's expanded remit into the renewable energy sector will require \$1.5million over the first two years, plus one-off funds to support the Commission's rebranding and transition. The additional costs associated with broadening its remit across the resources sector are not expected to be as significant, as the synergies with the Commission's existing role in the onshore gas industry will ensure it is well placed to assist stakeholders



dealing with coexistence issues from other resource activities. These costs will not be passed onto industry at this stage.

The Commission's expanded remit will provide benefits to areas where key coexistence issues are being experienced, including for example, where priority agricultural areas are intersecting parts of the State where renewable energy development and resources activities are occurring. The core role that the Commission will play in delivering information, engagement, and extension services in these areas across a broader range of communities and stakeholders affected by resources and renewable energy development will assist in building and maintaining industry's social licence to operate within communities and facilitating sustainable coexistence between landholders and other industries. In doing so, it will assist in facilitating regional economic development opportunities for communities in which these projects operate.

This is important where issues relating to emerging industries are occurring, such as the renewable energy industry and carbon capture, utilisation and storage industry. It will also be important as the emerging critical minerals industry expands to meet expected demand for the raw materials to facilitate the transition to renewable energy.

In addition to coexistence issues between landholders and other industries, there are emerging coexistence issues between resources authority holders and renewable energy companies. The Commission's expanded remit will be important in helping these industries understand the regulatory environment in which they are operating and assist in providing advice in relation to best practice coexistence behaviours.

Another benefit of this expansion includes providing a single point of contact for information related to a broad range of coexistence issues and frameworks and helps to address feedback detailing stakeholder confusion in relation to the current institutions and government agencies. A range of stakeholders including local governments, landholders, and a range of industry representatives have expressed support for a single entity that can assist in navigating an increasingly complex coexistence environment.

The Commission will also provide an important advice function for government. With the expansion of its remit, the Commission will be engaging with a range of stakeholders and gaining important insights emerging and systemic issues that may be occurring. A key function of the Commission will be providing advice to government on these issues.

Conclusion

The expansion of the coexistence institutions will continue to provide support to stakeholders to balance coexistence outcomes between the resources industry and landholders. It will also address the gaps identified by stakeholders, including emerging issues relating to:

- CSG-induced subsidence in the Surat Basin, where OGIA will provide scientific understanding and advice on the impacts and potential consequences from petroleum and gas activities.
- Resolving disputes in relation to CSG-induced subsidence, where the LAO will have the jurisdiction to investigate and manage such disputes, as well as providing an avenue for ADR services for all other resource authority holders across the petroleum, gas and mineral resources industries.
- Coexistence in an increasingly complex environment, where the Commission will be able to provide information, engagement and education services to assist community and industries.

Despite the additional costs to resource authority holders, both isolated to the Surat Basin (in the case of OGIA) and across Queensland (LAO), it is considered appropriate that industry fund these services given they relate to impacts to landholders and their properties which arise from resource activities, particularly when landholders cannot withhold their consent to the activities occurring on their property. The impact to industry however is outweighed by the benefits to landholders and communities across Queensland and also the benefits to the resources industry itself in maintaining its social licence to operate. Regarding the Commission's costs, the benefits it will provide to an array of stakeholders statewide will continue to be funded by government.

It is also proposed each of the institutions will undergo review as part of the department's regular assessment cycle for statutory bodies, following the commencement of the legislation. This will include ensuring the revised roles of the institutions, and associated funding model is operating effectively.



Who was consulted?

1. Independent review of the GasFields Commission Queensland

This review, led by Professor Robert Scott in 2016, received submissions from interested individuals and organisations including landholders, senior executives of CSG companies, peak producer bodies and members of the Commission. Key topics raised by submissions included the confusion about the roles and responsibilities of the Commission; the lack of awareness about the Commission's work and independent and accessible source of information for landholders and the need for a better way to reach agreements and deal with disputes without going to court.

The review recommended various improvements to the Commission, and that an independent dispute resolution body be established to assist with disputes between landholders and CSG companies in relation to existing CCAs and MGAs. As a result of this review, the LAO was established in 2018.

2. Queensland Audit Office (QAO) report

In 2019, the QAO undertook an audit to assess how well entities regulate and manage Queensland's coal seam gas activities and environmental obligations, to ensure a safe, efficient, and viable industry. In relation to the Commission, it recommended that government determine the scope, future function and role of the GasFields Commission Queensland, taking into consideration industry maturity and consultation with the commission, regulators and industry.

3. QRIDP consultation

The draft QRIDP was prepared in 2021 in consultation with the resources industry, First Nations peoples, community members and landholders sharing their thoughts on topics such as the resources supply chain, coexistence, automation, and skills needed for the future.

The draft QRIDP was released for public consultation from 24 November 2021 to 11 February 2022. Based on feedback from stakeholders, the QRIDP remained relatively unchanged in relation to coexistence between the draft and final version of the document.

The Department of Resources used specific engagement methods to consult with stakeholders. Targeted consultation was undertaken with AgForce Queensland, Queensland Farmers Federation, Queensland Resources Council, the Australian Energy Producers and Lock the Gate Alliance. Feedback received through this consultation was used to inform the development of the discussion paper *A review of coexistence principles and coexistence institutions*.

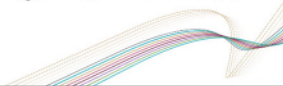
Feedback received through the development of the QRIDP, identified that the LAO could add value and assist in managing disputes where coexistence relationships are required including:

- resolving disputes during the negotiation of a CCA or where a material change of circumstances results in the renegotiation of a CCA
- providing dispute resolution assistance for other types of land access agreements, beyond CCAs under the MERC Act and MGAs under the Water Act, including compensation agreements for mining claims and mining leases made under the MR Act; alternative arrangement agreements for environmental nuisance under the EP Act; or where disputes arise in relation to overlapping resource and renewable activities.

Two key issues relating to the Commission's current role and functions were also identified including:

- Its current focus relates specifically to coexistence between the onshore gas industry and landholders. The Commission cannot assist with land access and coexistence issues across the broader resources sector or emerging industries such as renewable hydrogen, renewable energy, carbon farming and carbon capture, utilisation and storage.
- There is some duplication with other functions across the government, including regulatory oversight and multiple advice roles, and, as identified by the Queensland Audit Office in 2019 – it is not fulfilling all of its legislated functions and some stakeholders question its effectiveness and independence.

OGIA also presented findings in the 2021 UWIR which showed a regional assessment, predictions, and monitoring of CSG-induced subsidence. Assessment of farm scale predictions or impacts and



consequences of the predicted impacts of CSG-induced subsidence is not within OGIA's legislative head of power. This gap was identified by stakeholders, including the Commission.

4. Consultation on *A review of coexistence principles and coexistence institutions*

The Department of Resources undertook a three-month public consultation period between 18 November 2022 and 24 February 2023 on the discussion paper '*A review of coexistence principles and coexistence institutions*'. Feedback was received from a broad range of stakeholders, including landholders and members of the community, agricultural and resource peak bodies, conservation groups, and local government entities.

Feedback on the discussion paper, as well as correspondence received in 2023 from stakeholders, has indicated broad support for:

- expanding the functions of OGIA to provide the independent science for CSG-induced subsidence by undertaking cumulative and regional predictive modelling in the Surat Basin
- expanding the functions of the LAO to resolve disputes relating to CSG induced subsidence, the negotiation of CCAs, MGAs and other land access interactions
- refining and clarifying the functions of the Commission to provide relevant and targeted information and education to stakeholders across a broadened scope covering the resources industry and the renewable energy sector.

Stakeholder feedback to date has helped inform the development of the proposed reforms for coexistence institutions and management of CSG-induced subsidence.

5. Department of Resources consultation paper: *Coexistence Institutions and CSG-induced subsidence management framework*

Following consideration of feedback received during consultation on the previous discussion paper, the department released a further paper which sought feedback on the government's proposed changes to the State's coexistence institutions. The paper was released on 27 September 2023 and included further detail on the government's policy position, which was first announced in August 2023.

Stakeholder feedback received on this paper expressed broad support for the proposed changes to both the Commission and OGIA, echoing the previous feedback received in response to the earlier discussion paper.

In principle, the majority of stakeholders were supportive of retaining the LAO and expanding its remit to provide services for a greater number of resource agreements. Support for the LAO was based on the body's strong reputation for fairness and independence. Additionally, landholders and representatives of the agricultural industry reiterated their views that the expansion of the LAO would help address a current lack of support for landholders in the negotiation of land access agreements. Some stakeholders did raise concerns that the expansion of the LAO's services, to provide support during the negotiation of various resource agreements, may duplicate existing ADR provisions contained within the relevant legislation. This feedback was considered by the department and was incorporated in the development of the LAO's ultimate role.

6. Targeted engagement on the proposed funding models to support reforms to Queensland's coexistence institutions

Further targeted consultation also occurred in early February 2024, with the agriculture, resource and energy peak bodies, institutions, local government peak bodies and landholder groups on the proposed funding models for the coexistence institutions.

Stakeholders were asked to provide feedback on the high-level funding models proposed for the institutions, including the introduction of a new industry base levy for the LAO and fee for services, an increase to the existing OGIA levy and retaining the government funded model for the expanded Commission's remit. Details on the methodology for calculating the levies and new fee amounts were not provided during consultation. Stakeholders were advised that further details would be provided to stakeholders and consultation undertaken during the development of any regulatory amendments to implement the new funding arrangements.



Resource peak bodies support the expansion of OGIA's role in relation to CSG-induced subsidence but requested further details on OGIA's proposed levy including the rate and methodology of the levy and fee for service. The resource peak bodies noted they are unable to support the proposed increase to the levy, without reviewing the detail and determining the financial implications on industry. Industry supports the continuation of OGIA's advisory expenditure committee and ability to reimburse the levy where expenditure has been under-budget.

Resource peak bodies raised concerns about the proposed levy for the expansion of the LAO. Whilst supportive of the functions it will provide, they requested further details and raised the following:

- funding should be utilised from the current royalty contributions from the resource industry; or
- consideration should be made to funding the LAO publicly.

Agricultural peak bodies and landholder groups were supportive of the LAO's expanded remit but made no specific feedback on the funding model for the LAO or OGIA. These stakeholders indicated that costs of the framework should not be borne by the landholders, and any alternative dispute resolution services that involve expert advice, should be at the cost of the resource authority holder.

In regard to the Commission, stakeholders including resource authority holders and landholders were generally supportive of the Commission's broadened remit, and its proposed public funding model.

What is the recommended option and why?

Option 3 – Clarify and expand the functions of the institutions

Option 3 is preferred for the because clarifying and expanding functions of the institutions:

- best addresses feedback related to stakeholder confusion and existing service gaps.
- supports maintaining and building social licence for industry, in particular the emerging critical minerals and renewable energy sectors.
- supports all stakeholders to achieve best possible coexistence outcomes, benefiting landholders, industry and the communities in which they operate.
- allows for funding models that are consistent with the Queensland Treasury's principles for fees and charges.
- removes duplication of functions and provides clarity to stakeholders regarding the roles and responsibilities of the institutions.
- capitalises on the existing strong relationships and reputations held by the current institutions.



Impact assessment

All proposals – complete:

	First full year	First 10 years**
Direct costs – Compliance costs*	Approx. \$4.2million ^based on current levy estimates for OGIA and the LAO.	Not available ^unable to be determined based on first year estimates and pending review of institutions.
Direct costs – Government costs	\$750,000 ^based on anticipated \$1.5million for the first two years.	Not available ^unable to be determined based on first year estimates and pending review of institutions.

Signed

Director-General, Department of Resources
 Date: 02/04/2024

Minister for Resources and Critical Minerals
 Date: 09/04/2024