



GasFields Commission Queensland

Annual Report 2016 – 2017

About this Report

This annual report reviews the activities and achievements of the GasFields Commission Queensland for the 2016-2017 financial year against the strategic objectives and measures of success listed in the Commission's Strategic Plan 2017-2021. It has been prepared in accordance with the Commission's regulatory reporting obligations under s35 of the *Gasfields Commission Act*, the *Financial Administration Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

Public availability and further information

This report, the strategic plan and other publications by the GasFields Commission Queensland are available from <https://www.gasfieldscommissionqld.org.au>. To obtain a printed copy of this report, please contact the Commission on +61 7 3067 9400 or via the address below.

Additional reporting requirements are published online, available at <https://www.gasfieldscommissionqld.org.au>.

Interpreter service



The GasFields Commission Queensland is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding the annual report, you can contact the GasFields Commission Queensland on +61 7 3067 9400 or email us at enquiries@gfcq.org.au and we will arrange an interpreter to effectively communicate the report to you.

Have your say

The Commission hopes you find the GasFields Commission Queensland Annual Report 2016-2017 useful and informative. This report is part of the Commission's commitment to keeping people informed about its role in managing and improving sustainable coexistence among rural landholders, regional communities and the onshore gas industry.

The Commission welcomes your comments about the design and content of the report. Please send your feedback to the General Manager, GasFields Commission Queensland, PO Box 15266, CITY EAST, QLD 4002 or email us at enquiries@gfcq.org.au.

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13 September 2017

The Honourable Dr Anthony Lynham MP
Minister for State Development and Minister for Natural Resources and Mines
PO Box 15216
CITY EAST QLD 4002

Dear Minister

I am pleased to present the Annual Report 2016 – 2017 and financial statements for the GasFields Commission Queensland.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on page 44 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ruth Wade".

Ruth Wade
Chair
GasFields Commission Queensland

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Message from the Chair



The year 2016 -17 was one of sweeping change for the GasFields Commission Queensland.

The Scott review set in motion a transition to a new role, a new focus, a new board and new staff delivering a new strategic plan and operational focus.

I want to first acknowledge the tremendous work done by the previous Chair and Commissioners. Their work has established a foundation for the current Commission to build upon in its expanded role.

The Scott review and subsequent government response set a clear new path for the GasFields Commission and I am pleased to be able to report that it is being implemented rapidly and effectively. The Commission's learnings from the development of the industry from 2010 to 2016 have been captured in the report "On New Ground - Lessons from development of the world's first export coal seam gas industry". We were pleased to be able to launch this report from our new, user friendly website on 30 June 2017.

The lessons and conclusions contained in that report have been well received by all involved in the gas industry and will set the tone for future gas developments all over the country.

The experience and knowledge across all stakeholders has clearly established Queensland's position as a leader in onshore gas development.

The new board has also developed the 2017-2021 strategic plan that encompasses the key recommendations of the Scott review, and that plan is being implemented through the appointment of key staff to drive the Commission's new focus on communications, engagement and extension.

The Commission is establishing a network of regionally based engagement officers supported by a team of skilled professionals who have been equipped to be mobile, accessible, visible and ready to respond to stakeholders across the whole of Queensland. The new board has supported that expanded communications, engagement and extension role through Community Leaders Forums in Biloela and Roma where we presented important and factual information to those communities to assist them in making informed decisions.

As recommended in the Scott review, we have developed draft Terms of Reference for our new Health and Wellbeing Reference Group and it will play a key role in answering health concerns as well as facilitating and communicating research in relation to gas development. The Commission and Queensland Health are working together to address areas of concern and identify where more information is needed.

With all this in mind, it is important to note that the current board of the GasFields Commission was appointed on 1 December 2016, therefore this annual report is, in effect, two reports stemming from the actions of two separate boards rolled into one document with a clear focus on the future direction of the Commission.

Regards

A handwritten signature in black ink, appearing to read 'Ruth Wade', written in a cursive style.

Ruth Wade

About the GasFields Commission Queensland

The GasFields Commission Queensland (the Commission) is an independent statutory body established under the *Gasfields Commission Act 2013* (the Act), to manage and improve sustainable coexistence among rural landholders, regional communities and the onshore gas industry.

Powers and Functions

The Commission's powers and functions, as prescribed in the Act, include:

- reviewing legislation and regulatory frameworks
- obtaining and publishing educational information
- identifying and advising on coexistence issues
- convening parties for the purpose of resolving issues
- making recommendations to government and industry

VISION

Informed and self-reliant communities, based on respectful and balanced relationships between landholders, communities and the onshore gas industry in Queensland.

PURPOSE

To facilitate sustainable coexistence through being a vital reference source for landholders, regional communities and the onshore gas industry in Queensland.

VALUES



Integrity and accountability

- deliver on our commitments
- demonstrate leadership and transparency



Quality and continual improvement

- strive for the highest possible standards
- deliver consistently in approach and output
- pursue opportunities to innovate and continuously improve



Respect

- value the position and contribution of all stakeholders
- engage inclusively and authentically
- actively listen and constructively engage
- promote respectful and balanced relationships



Independence

- actively maintain our independence
- provide robust and objective advice



Teamwork and collaboration

- work as a team to achieve our purpose
- value-add through genuine collaboration and consultation
- actively establish and promote partnerships

Achievement of the Government's community objectives

Creating jobs and a diverse economy

Creating an environment conducive to economic growth and innovation in rural and regional communities through facilitating connections across the gas and agricultural sectors, business community and government.

Facilitating and maximising the development of both agriculture and the onshore gas industry for community benefit across Queensland.

Protecting the environment

Promoting sustainable management of natural resources, including land and water, by reviewing performance and recommending policy and regulatory improvement.

Supporting responsible development of agriculture, gas and community resources through connecting key stakeholders, encouraging strategic planning, and sharing best practice.

Building safe, caring and connected communities

Encouraging safe, healthy and informed communities by providing factual information, referral services, and facilitating opportunities for engagement.

Connecting stakeholders through genuine engagement and partnerships to build strong and viable regions.

Key strategic risks and opportunities

Role clarity and delivery

Clearly communicating the Commission's role to assist in managing expectations as to what the Commission does and does not do. Ensuring that the Commission is well known regarding its defined role.

Independence

Maintaining actual and perceived independence from any individual stakeholder group including government and its various agencies.

Reputation

Developing and maintaining respect and integrity as a trusted and vital reference source.

Stakeholders

Establishing partnerships and managing stakeholder expectations with clarity, consistent delivery and timely response.

Key objectives	Strategies	Performance measures
<p>Effective stakeholder engagement</p> <p>Engage effectively with stakeholders in the context of the Commission's clearly defined role</p>	<p>Clearly articulate, communicate and promote the Commission's role and functions</p> <p>Continually identify and engage with stakeholders through an enhanced engagement focus aimed at resolving issues</p> <p>Maintain strong and productive partnerships with stakeholders to facilitate two way communication, collaboration and engagement</p> <p>Undertake tailored engagement with particular stakeholders to better understand their needs</p>	<p>Effective stakeholder engagement</p> <p>Participation in external forums</p> <p>Inbound stakeholder enquiries addressed</p>
<p>Collecting data and information, and making it accessible</p> <p>Collect current and relevant data and information, and provide a platform by which it is readily accessible by stakeholders</p>	<p>Identify data and information relevant to stakeholders' needs</p> <p>Collect quality and factual data and information from various sources using the Commission's statutory powers as required</p> <p>Be a vital and authoritative reference point for stakeholders</p> <p>Enhance the transparency of information by releasing data and information to the public</p>	<p>Satisfaction with data and information published</p> <p>Inbound requests made of the Commission to access data</p> <p>Accurate and useful trends captured</p>
<p>Value-added strategic analysis</p> <p>Value-add at a strategic level through the analysis of data and information to better inform stakeholders</p>	<p>Proactively identify and collect data and information about emerging issues</p> <p>Identify emerging trends and issues through the analysis of data and information collected by the Commission</p> <p>Partner with other entities that are able to conduct research relevant to identified trends and issues</p> <p>Publish information about best practice in areas including Conduct and Compensation Agreements and Make Good Agreements</p> <p>Identify high risk, high impact areas across the state and facilitate engagement with relevant stakeholders as appropriate</p>	<p>Publications issued (including best practice guidelines)</p> <p>Requests made by Government and other stakeholders for analysed data</p> <p>Identification of high risk high impact areas and appropriate action taken</p>
<p>Regulatory, legislative and policy input</p> <p>Consistent with the Commission's statutory functions, provide Government with informed and objective input on regulatory, legislative, policy and other issues</p>	<p>Develop key relationships across Government</p> <p>Provide factual and independent advice and input to Government on key regulatory, legislative, policy and other issues within the Commission's functions</p> <p>Review the effectiveness of government entities in implementing regulatory frameworks that relate to the onshore gas industry</p>	<p>Participation in relevant policy forums and working groups</p> <p>Requests by Government to provide input into Government policy proposals and approval processes</p> <p>Government response to reviews conducted on proposed policy and regulatory matters</p>
<p>Organisational alignment and culture</p> <p>Deliver our strategic plan through an aligned organisational and governance structure, and skilled people with a performance-based culture</p>	<p>Reshape and resource our organisational structure and capability, including advisory bodies to deliver on our strategic plan</p> <p>Review our governance framework (including revised governance policies and risk and compliance management system) to ensure that it supports our performance and accountability</p> <p>Develop a skilled, dynamic and motivated team</p> <p>Develop the information and communication technology (ICT) systems to support delivery of our strategic plan</p> <p>Ensure sound financial management to maximise outcomes</p>	<p>Alignment of organisation structure and capability to strategic direction</p> <p>Employee engagement outcomes including workforce surveys and engagement in professional development</p> <p>Systems support service delivery</p>

Corporate Governance

The Commission places great emphasis on corporate governance. Under the guidance of Commissioners, management has implemented an administrative framework which ensures that the Commission is managed in an effective and efficient manner.

A range of policies and procedures have been developed to ensure that the Commission’s objectives are met whilst adhering to strict professional and ethical standards. Particular attention is paid to possible conflicts of interest. This includes Commissioners and staff absenting themselves from all decisions where conflicts of interest, real or perceived, may arise. These policies are regularly reviewed as part of the Commission’s annual review of its corporate governance framework.

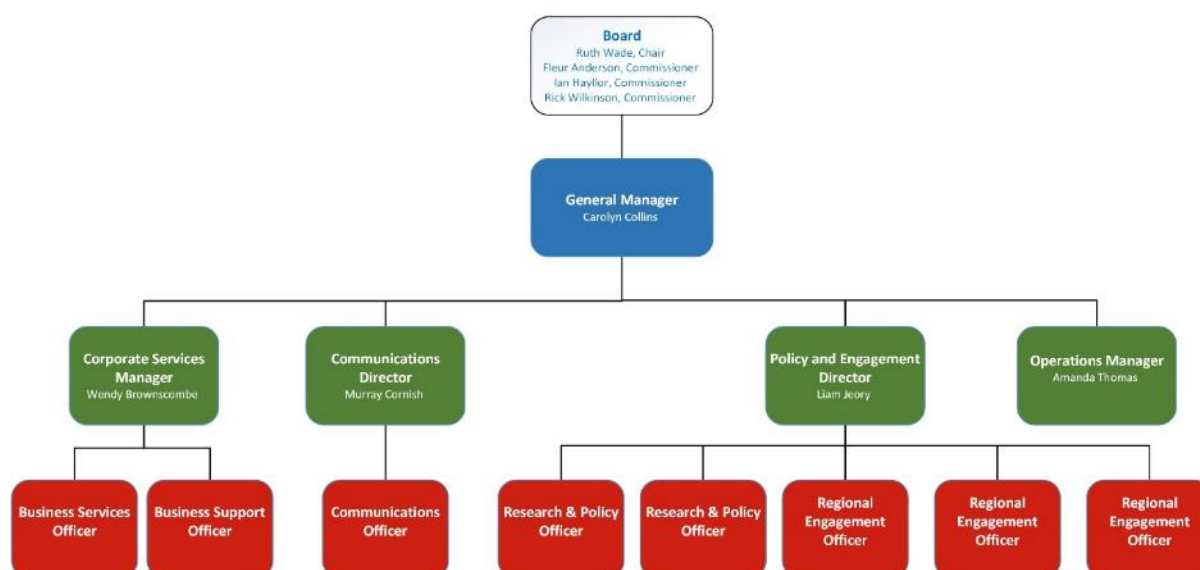
Organisational Structure

Following the release of the Queensland Government’s response to the recommendations arising from the Scott review on 1 December 2016, the Commission commenced an organisational restructure to increase capability, with a renewed focus on stakeholder engagement across Queensland. A decision to close the Commission’s Toowoomba office was made to free up resources and establish a mobile, visible and flexible team to deliver effective services into existing and emerging gasfields.

The restructure was largely complete by 30 June 2017, with the appointment of three new managers reporting to the General Manager, and the establishment of teams to support policy and engagement, communications, and corporate services delivery. As at the end of June, most positions under the new structure had been filled or were in the process of being filled.

GFCQ Organisational Chart

As at 30 June 2017



The Commission

The former Commission comprised a full-time Commissioner, who was the Chairperson, and six part-time Commissioners.

On 1 December 2016, the Minister appointed a full time Commissioner, who is the Chairperson, and three part-time Commissioners.

All Commissioners are appointed by the Governor in Council. The board is responsible for setting the Commission's strategic direction, establishing strategic objectives for management and monitoring the achievement of these objectives.

In deciding whom to recommend to the Governor in Council for appointment to the Commission, the Minister must be satisfied that they meet the requirements prescribed in the legislation.

Commissioners are appointed for a term of no longer than three years as stated in their instrument of appointment.

Commissioner profiles for period 1 July 2016 to 30 November 2016

The former Commission board was appointed initially for three years from 1 July 2013 to 30 June 2016. All Commissioners were subsequently re-appointed to 30 November 2016.

John Cotter

As Chairman, John Cotter was responsible for the Commission's direction and outcomes for the period 1 July 2013 to 30 November 2016. Mr Cotter worked with his fellow Commissioners to manage and improve sustainable coexistence among rural landholders, regional communities and the onshore gas industry in Queensland. Mr Cotter is a beef producer and industry leader with more than 30 years experience in rural advocacy. He is a former AgForce President and has successfully negotiated the rights of rural property owners in challenging times.

Shane Charles

As Commissioner for Community and Business for the period 1 July 2013 to 30 November 2016, Shane Charles worked to ensure the long-term sustainability of regional communities and maximise opportunities for local businesses. Mr Charles is a qualified lawyer and business manager and currently leads the regional development group, Toowoomba and Surat Basin Enterprise.

Steven Raine

As Commissioner for Science and Research for the period 1 July 2013 to 30 November 2016, Professor Steven Raine identified and shared knowledge and helped direct future scientific research into groundwater, salt and land management. Professor Raine is a leading academic and soil scientist. He is the Executive Director of the Institute for Agriculture and the Environment at the University of Southern Queensland in Toowoomba.

Ray Brown

As Commissioner for Local Government and Infrastructure for the period 1 July 2013 to 30 November 2016, Ray Brown assisted local governments to better understand and manage potential impacts on community services and plan infrastructure development. Mr Brown has been an agricultural producer for 35 years. He was former Mayor and is currently a councillor of the Western Downs Regional Council in the heart of the Surat Basin.

Ian Hayllor, Commissioner

As Commissioner for Water and Salt Management for the period 1 July 2013 to 30 November 2016, Ian Hayllor worked to ensure that access to, and quality of, groundwater are not compromised, and produced water is utilised for the benefit of regional communities. Mr Hayllor is a Dalby farmer and irrigator and has grown cotton and grain crops on the Darling Downs since the 1980s.

Don Stiller

As Commissioner for Land Access for the period 1 July 2013 to 30 November 2016, Don Stiller focused on levelling the playing field for land access and compensation negotiations to ensure professional conduct was carried out on private property. Mr Stiller is a beef producer and feedlot owner and has served in local government for a total of 23 years, including 11 years as mayor of the Taroom Shire Council.

Rick Wilkinson, Commissioner

As Commissioner for Gas Industry Development for the period 1 July 2013 to 30 November 2016, Rick Wilkinson sought to ensure transparency and comprehensive standards and codes across the onshore gas industry in Queensland. Mr Wilkinson has worked in the petroleum industry for more than three decades and is a Senior Associate with EnergyQuest, an independent energy consultancy.

Profiles for period 1 December 2016 to 30 June 2017

The current Commission board was appointed on 1 December 2016 comprising a full-time Chairperson and 3 part-time Commissioners. The Chairperson was appointed in a full-time capacity for an 18 month period ending 31 May 2018. Three part-time Commissioners were appointed in a part-time capacity for three years ending 30 November 2019.

Ruth Wade, Chair

As Chair, Ruth Wade was responsible for the Commission's direction and outcomes for the period 1 December 2016 to 30 June 2017. Ms Wade is the former Chief Executive Officer of the Queensland Farmers' Federation. Prior to that role she was Executive Director of Ricegrowers' Association of Australia Inc., and has a combined 25 years of experience in agricultural and business management within Queensland and nationally. Ms Wade served nine years as part-time member of the National Native Title Tribunal, mediating between indigenous groups and other landholders with interests in land about coexistence.

Ms Wade has a long association with the agricultural industry, with her former roles including Executive Director of The Cattlemen's Union of Australia, Director of Meat & Livestock

Australia Ltd and as a former Director of QRAA (formerly Queensland Rural Adjustment Authority).

Fleur Anderson, Commissioner

Fleur Anderson is a landholder from Theodore. She is a past President of Dawson Valley's Cotton Growers' Association and an elected non-executive Director of Cotton Australia since 2013. Ms Anderson is a passionate advocate for small businesses and rural communities and is the founder of the Rural Business Collective which aims to create an entrepreneurial culture in rural Australia and to increase regional economic diversity.

Ian Hayllor, Commissioner

Ian Hayllor is a landholder and irrigator who has grown cotton and grain crops on the Darling Downs since the 1980s. Mr Hayllor is an effective rural leader who has a passion for effective engagement with the coal seam gas industry. Mr Hayllor has been a GasFields Commissioner since 2013 and taken a lead role in water and salt management to ensure access to groundwater and its quality are not compromised.

Rick Wilkinson, Commissioner

Rick Wilkinson is a Senior Associate with EnergyQuest, an independent energy consultancy. He has worked in the petroleum industry for more than three decades and served as a GasFields Commissioner since 2013. Mr Wilkinson has held positions as the Chief Technical Officer for the Australian Petroleum Production and Exploration Association (APPEA), President of Queensland operations and GLNG, a CSG to LNG project with Santos, and overseas positions with technology service company Schlumberger in Iran, Iraq, Egypt, Sudan and the USA.

Commission meetings attendance

For the period 1 July 2016 to 30 November 2016, the board met on 4 occasions with attendance by Commissioners as follows:

Commissioner	Position	Meetings attended
John Cotter	Chairman	3
Shane Charles	Commissioner	4
Don Stiller	Commissioner	4
Steven Raine	Commissioner	4
Ray Brown	Commissioner	4
Ian Hayllor	Commissioner	3
Rick Wilkinson	Commissioner	3

For the period 1 December 2016 to 30 June 2017, the board met on 4 occasions with attendance by Commissioners as follows:

Commissioner	Position	Meetings attended
Ruth Wade	Chair	4
Fleur Anderson	Commissioner	4
Ian Hayllor	Commissioner	4
Rick Wilkinson	Commissioner	4

Our People

The Commission employed nine (9) staff members as at 30 June 2017, equivalent to 8.8 full-time equivalents (FTE). The General Manager is appointed on an individual employment agreement, as required under the *Gasfields Commission Act 2013*. Other staff members are employed under the *Public Service Act 2008*. The General Manager's position was vacant from 1 July 2016 to 21 October 2016.

Prior to 1 December 2016, the permanent separation rate was 40% (2 FTE). The Queensland Government recommendations following the Scott Review necessitated an organisational restructure, and between 1 December 2016 and 30 June 2017 the permanent separation rate was reduced to 20% (1 FTE).

Strategic Workforce Planning

The Commission's staffing levels are based on the annual operational plan and budget. Candidates for permanent employment undergo merit-based selection and are sourced through online and print advertising, as well as through recruitment agencies and referrals. The Commission also engages contractors for specialist advice and project work.

Employee Performance Management

All new staff members undergo a corporate induction program that includes orientation to the Commission's role and functions, policies and procedures, and IT and records management systems. Each year, staff members are formally reviewed through a performance evaluation process that includes the development of annual performance and learning plans (which include professional development opportunities) and key performance indicators. The results of performance reviews are considered in the annual salary review process, and they inform decisions regarding staff suitability for salary increments, where applicable.

Flexible Working Arrangements and Healthy Work / Life Balance

In order to attract and retain an inclusive, diverse and capable workforce, the Commission enables staff (where appropriate) to negotiate:

- part-time work
- flexible working hours
- working from home and telecommuting arrangements.

The Commission supports a healthy work / life balance and, to that end, encourages staff to take recreation leave on a regular basis.

An employee assistance program is available to support managers and employees with confidential counselling in regard to workplace and personal issues.

Leadership and Management Development

With a new Commission board, management team and strategic plan in place, the Commission will identify and implement relevant programs to develop the capability of managers and supervisors in 2017-18.

Industrial and Employee Relations

An employee consultation model is in place for the review and implementation of the Commission's policies and procedures. In addition, staff members receive training on changes to policy when new and/or revised policies are adopted. The General Manager manages any workplace complaints, investigations and WorkCover claims that may arise. Investigations may be outsourced where specialist knowledge or skills are required, or where there may be a perceived conflict of interest.

We engage the Corporate Administration Agency (CAA) under a Service Level Agreement to support the Commission in these activities.

Early Retirement, Redundancy and Retrenchment

No redundancy, early retirement or retrenchment packages were paid during this period.

External Reviews

GasFields Commission independent review

On 18 December 2015, the Queensland Government determined it would commission an independent review of the GasFields Commission. This review was managed by the Department of State Development (DSD) with Mr Robert Scott appointed as the independent reviewer.

The purpose of the review, as outlined in the terms of reference, was to:

- evaluate whether the GasFields Commission is achieving its purpose
- evaluate whether the functions given to the GasFields Commission are sufficient to allow it to effectively manage disputes about land access and other disputes between resource companies and landholders
- evaluate whether the functions given to the GasFields Commission should include a role in managing or facilitating responses to public health and community concerns arising from onshore gas activities
- investigate whether an alternative model, such as an independent Resources Ombudsman, is needed to provide a mechanism for dispute resolution between resource companies and landholders
- investigate whether harmonisation between the CSG Compliance Unit and the GasFields Commission would provide efficiencies and improve dispute resolution between resource companies and landholders
- any other relevant matters the reviewer considers appropriate.

Release of independent report and government response

On 1 December 2016, the Minister for State Development and Minister for Natural Resources and Mines announced the release of the independent report and the government response.

The government's response detailed a range of measures to be adopted based on the review report including:

- a renewed focus by the Commission on extension and communication activities to improve the availability of information on the coal seam gas industry particularly for landholders
- establishing a Land Access Ombudsman to deal with disputes between landholders and resource companies in relation to conduct and compensation agreements
- structural and operational changes to the Gasfields Commission that will enable it to work more effectively
- developing in consultation with stakeholders improved approaches to negotiation and alternative ways to resolve land access disputes.

Performance

During the year, the Commission was subject to the finalisation of the GasFields Commission review, its release, and the government response.

During this period, the existing Commission maintained its operations, held necessary governance meetings, and prepared for the likelihood of changes brought about by the review.

Upon the appointment of the new Chairperson and Commissioners, the Commission immediately set about implementing the recommendations of the review as supported or amended by the Queensland Government in its response.

Key Commission activities (1 December 2016 – 30 June 2017) included:

- adopting a more conventional governance structure
- rebranding of the Commission
- developing and adopting a new four-year strategic plan
- building organisational capability by appointing new senior staff, including a Policy and Engagement Director, a Communications Director, and regional engagement officers based in Dalby and Roma
- consolidating office resources to be nearer to key government, industry and peak bodies
- introducing 'best practice' office management and efficiency systems, including the rollout of mobile technology to support all staff
- working collaboratively with key stakeholder government agencies and peak bodies
- publishing "On New Ground – lessons from the development of the world's first export coal seam gas industry"
- introducing a new website and social media platforms
- conducting regular Community Leaders forums in key gas field areas.

In addition, work has begun on:

- stakeholder engagement, extension and communication plans
- draft Terms of Reference for a Health Reference Group
- a data collection, management, reporting and publishing system
- a mobile information sharing and reporting app

Of the 18 recommendations there are 30 individual parts where the Commission was named as leading and a further 2 recommendations where the Commission was named as a key support. Of these, 11 have been completed and 15 others are in various stages of completion as of 30 June 2017, as summarised below.

Scott Recommendation	Government Response	Status
<p><i>Recommendation 1</i></p> <p><i>d) the current membership of the Gasfields Commission author a document setting out the learnings of the Commission in discharging its responsibilities; that paper being in a form suitable to inform others embarking upon a task similar to that which confronted the Commission</i></p>	<p>Completion of a learnings document.</p>	<p>Complete. Published "On New Ground – lessons from the development of the world's first export coal seam gas industry ", hard copies were distributed and an electronic version has been posted on the Commission's website.</p>
<p><i>e) individual peak producer bodies and local governments impacted by the onshore gas industry be invited to attend Commission meetings and make submissions or raise issues with the Commission on a regular (annual or biannual) basis</i></p>	<p>To be delivered through the Gasfields community leaders council (Act s.29).</p>	<p>Implemented. Schedule of Commission meetings and locations around the State for 2017 has been agreed and community leaders will be invited to attend forums associated with these and other meetings.</p>
<p><i>f) the Gasfields Commission encourage CSG companies to develop innovative and effective methods of engaging with landholders and associated gasfields communities to maximise the opportunities for trust and collaboration</i></p>	<p>To be delivered through the Gasfields community leaders council (Act s.29)</p>	<p>Implemented. Ongoing core function of the Commission.</p>
<p><i>g) the Gasfields Commission review its Strategic Plan (consistent with the recommendations and observations in this report) and instruct the Chief Executive of the Commission to prepare an Operational Plan</i></p>	<p>Strategic plan to be prepared (see Act s.21(b)) having regard to recommendations from the review</p>	<p>Implemented. The 2017-2021 Strategic Plan is published on the Commission's website. The 2017-2018 Operational Plan is being drafted for submission to the Commission board.</p>
<p><i>Recommendation 2</i></p> <p><i>c) review and report on the performance and effectiveness of government entities in implementing regulatory frameworks that relate to the onshore gas industry</i></p>	<p>This is an existing function of the Commission (Act s.7(b))</p>	<p>Implemented. Ongoing core function of the Commission.</p>
<p><i>f) make recommendations to the relevant minister that regulatory frameworks and legislation relating to the onshore gas industry be reviewed or amended</i></p>	<p>This is an existing function of the Commission (Act s.7(d))</p>	<p>Implemented. Ongoing core function of the Commission.</p>
<p><i>g) make recommendations to the relevant minister and stakeholder representative bodies about leading practice or management relating to the onshore gas industry</i></p>	<p>This is an existing function of the Commission (Act s.7(e))</p>	<p>Implemented. Ongoing core function of the Commission.</p>
<p><i>h) partner and network with other entities for the purpose of conducting research related to the onshore gas industry in relation to issues of science as well as legal arrangements, practices, policies and other</i></p>	<p>This is an existing function of the Commission (Act s.7(k))</p>	<p>Implemented. Ongoing core function of the Commission.</p>

<i>innovations identified in Queensland or in other jurisdictions</i>		
<i>j) in response to requests for advice from the chief executive under the Regional Planning Interests Act 2014 about assessment applications under that Act, advise that chief executive about the ability of landholders, regional communities and the resources industry to coexist within the area the subject of the application</i>	This is an existing function of the Commission (Act s.7(ca))	Implemented. Ongoing core function of the Commission.
<i>k) obtain advice about the onshore gas industry or functions of the commission from government entities</i>	This is an existing function of the Commission (Act s.7(i))	Implemented. Ongoing core function of the Commission.
Recommendation 3 <i>That the Gasfields Commission, together with the Queensland Ombudsman, provide information to landholders about the Queensland Ombudsman service, including the circumstances in which it is available in the context of government regulation of the CSG industry and how landholders can make complaints.</i>	The Gasfields Commission will be requested to liaise with the Queensland Ombudsman in relation to making information available to landholders about the Queensland Ombudsman's services.	Implemented. The Commission will make information available to landholders as required as part of the extension and communication role.
Recommendation 1 <i>c) the Gasfields Commission publish and communicate its role with clarity. It should say what it does and what it does not do by reference to examples</i>	Implementation through the extension and communication plan (recommendation 2(b)).	In progress. Current draft description of the role - under review and consultation with Department of Natural Resources and Mines (DNRM). Will be reviewed subject to the amendment of the <i>Gasfields Commission Act 2013</i> .
Recommendation 2 <i>b) implement an extension and communication programme that:</i> <i>(i) helps landholders to become informed and self-reliant and aware of their legal rights in their dealings with coal seam gas companies, including negotiations for a conduct and compensation agreement or a make good agreement</i> <i>(ii) helps landholders in the management of land subject to a conduct and compensation agreement or a make good agreement and the management of any complaints or disputes that arise</i> <i>(iii) informs landholders of current information and developments in science; leading practice or management; regulation, law or policy relating to the onshore gas industry</i> <i>(iv) helps regional local governments, local businesses and communities to understand the timing and impact of CSG projects in their area including any business opportunities that may be generated</i> <i>(v) ensures the consistency of information being publicly provided by government</i>	The Gasfields Commission will be requested to develop an extension and communication plan.	In progress. Communications Director started on 22 May 2017. Policy and Engagement Director started on 12 June 2017. Extension and communication plan under development. New website introduced June 30 2017. New social media platforms activated June 30 2017. Mobile App development underway.

<i>agencies with respect to the onshore gas industry</i>		
<i>d) obtain, monitor and publish comprehensive relevant data concerning all recorded formal interactions between landholders, CSG companies, government agencies and judicial and quasi-judicial bodies (including the Queensland Ombudsman, the Land Court, the proposed Moderator and arbitration process) to identify trends, deficiencies and any need for intervention or change of processes and mechanisms</i>	<p>Request the Commission work with the relevant organisations to ensure the publication of relevant, useful and current information with due regard for privacy constraints in relation to personal or commercially sensitive information.</p> <p>The GFCQ may consider it efficient to deliver this recommendation through a state of the sector report.</p>	<p>In progress.</p> <p>Discussions held with all key stakeholders in relation to sharing data for incorporation into the state of the sector report. External expertise engaged to determine specific technical requirements and a concept design for a data management and publishing solution.</p> <p>Commission will build on the Queensland CSG Industry Snapshot currently produced and work with stakeholders to utilise existing data and ensure that accurate and timely information is provided.</p>
<i>e) collect, maintain and publish information and data which quantifies and describes the growth of the onshore gas industry within rural Queensland including such matters as the number of properties affected, the number of wells and processing facilities on properties, the amount of funding invested and the number of jobs created. The purpose of this information is to assist stakeholders in identifying the level of impact of the CSG industry in Queensland. Such information may inform the need for intervention or change in policies</i>	<p>Existing function under the Act.</p> <p>The GFCQ may consider it efficient to deliver this recommendation through a state of the sector report (see recommendation 2(d)).</p>	<p>In progress.</p> <p>Discussions held with all key stakeholders in relation to sharing data for incorporation into the state of the sector report. External expertise engaged to determine specific technical requirements and a concept design for a data management and publishing solution.</p> <p>Commission will build on the Queensland CSG Industry Snapshot currently produced and work with stakeholders to utilise existing data and ensure that accurate and timely information is provided.</p>
<p><i>Recommendation 5</i></p> <p><i>That information be provided to landholders setting out the different types of alternative dispute resolution processes and what they involve (including less common types of alternative dispute resolution such as case appraisal). In order to reach its required audience this information should be compiled by the Gasfields Commission and distributed in accordance with its extension and communication role.</i></p>	<p>The Gasfields Commission will be requested to provide relevant information on the availability and different types of alternative dispute resolution processes and what they involve.</p> <p>Ensuring the currency of this information should be included within the extension and communication programme (recommendation 2(b)).</p>	<p>In progress.</p> <p>Draft document and process flow diagram have been developed and are undergoing internal review prior to external stakeholder consultation. This information will be regularly updated in response to legislative or procedural amendments related to alternative dispute resolution.</p>

<p><i>Recommendation 11</i> <i>That the CSG Compliance Unit, the Office of Groundwater Impact Assessment and the Department of Environment and Heritage Protection provide clear and readily available information to stakeholders about their respective roles (including clarification of what they do not do).</i></p>	<p>The Gasfields Commission will be requested to liaise with the CSG Compliance Unit, the Office of Groundwater Impact Assessment and the Department of Environment and Heritage Protection, to identify where improvements can be made to current information available consistent with the Commission's extension and communication programme (see recommendation 2(b)).</p>	<p>In progress. The Commission has drafted a description of its role and will engage DNRM, EHP and OGIA to clarify information and develop role descriptions for those entities.</p> <p>Preliminary discussions have been held about role clarification with each agency and this will be further developed with the extension and communications plan.</p>
<p><i>Recommendation 12</i> <i>That the Department of Environment and Heritage Protection and the CSG Compliance Unit publish service delivery benchmarks for their CSG related functions and report against these benchmarks. These reports should be evaluated by the Gasfields Commission in the exercise of its function of independently reviewing the effectiveness of government entities (section 7(b) Gasfields Commission Act).</i></p>	<p>The Gasfields Commission will be requested to work with the Department of Environment and Heritage Protection and the CSG Compliance Unit on appropriate benchmarks and reporting arrangements including consideration of providing information on the performance of regulatory agencies in an annual 'state of the sector' report (see recommendation 2(d)).</p>	<p>In progress. Consultation and internal development work underway on establishing performance metrics and mechanisms for capturing data for reporting.</p>
<p><i>Recommendation 13</i> <i>That:</i> <i>a) the Gasfields Commission publish a document that refers to the CSG Compliance Unit as the preferred single point of contact for all landholder inquiries and complaints regarding the CSG industry and includes the Compliance Unit's contact information</i></p>	<p>The Gasfields Commission will be requested, through the extension and communication programme in Recommendation 2(b), to prepare a whole of government protocol outlining the roles and responsibilities of each agency involved in managing CSG landholder concerns.</p> <p>Ensuring the currency of this information should be included within the extension and communication programme (recommendation 2(b)).</p>	<p>In progress. Commission will work with the respective agencies to ensure consistency of information around roles and responsibilities and efficient provision of referral services.</p> <p>Commission will build on the Queensland CSG Industry Snapshot currently produced to ensure accurate and timely information provided (linked to government reporting cycles).</p> <p>Discussions with CSGCU and EHP are ongoing.</p>

<p><i>b) the Gasfields Commission, CSG Compliance Unit and Department of Environment and Heritage Protection publish a document explaining expectations of timeframes for responses to enquiries and complaints and how feedback to enquirers and complainants will be provided</i></p>	<p>The Gasfields Commission will be requested through the extension and communications programme (see Recommendation 2(b)) to provide information setting out how complaints are dealt with by government including timeframes (see also response to Recommendation 13(a) above).</p>	<p>In progress. See recommendation 13(a)</p>
<p><i>c) the Gasfields Commission, CSG Compliance Unit and Department of Environment and Heritage Protection provide guidance to landholders on the appropriate escalation steps and procedures if they are not satisfied with how their enquiry or complaint has been handled</i></p>	<p>The Gasfields Commission will be requested through the extension and communications programme (see recommendation 2(b)) to provide information setting out how complaints are dealt with by government, the appropriate escalation steps (see also response to recommendation 13(a) above) and performance of agencies to be monitored and reported (see recommendation 12).</p>	<p>In progress. See recommendation 13(a)</p>
<p><i>d) the CSG Compliance Unit be responsible for providing feedback to enquirers and complainants on the outcome of their enquiry or complaint and include information on how complaints can be escalated</i></p>	<p>The Gasfields Commission will be requested through the extension and communications programme (see recommendation 2(b)) to provide information setting out how complaints are dealt with by government, the appropriate escalation steps (see also response to recommendation 13(a) above) and performance of agencies to be monitored and reported (see recommendation 12).</p>	<p>In progress. See recommendation 13(a)</p>
<p><i>e) the Gasfields Commission develop a memorandum of understanding with the CSG Compliance Unit and the Department of Environment and Heritage Protection to formalise the Commission's dealings with these government agencies agreeing on arrangements for referral of enquiries and complaints and provision on strategic information</i></p>	<p>See recommendation 13(a) whole of government protocol.</p>	<p>In progress. See recommendation 13(a)</p>

<p><i>Recommendation 16</i> <i>b) the Gasfields Commission facilitates the provision of information on mental health awareness and services through its extension and communication initiative</i></p>	<p>The GFCQ will be requested to make available information provided by Queensland Health (see recommendation 16(a) above) through the extension and communication programme (recommendation 2(b)).</p>	<p>In progress. Initial meetings held with QLD Health to discuss mechanisms for working together to ensure the Commission can assist increasing awareness by coordinating and facilitating dissemination of information.</p> <p>The <i>Gasfields Commission and Other Legislation Amendment Bill 2017</i> was introduced in Parliament on 10 May 2017. Subject to being passed, this Bill proposes amendments to the functions of the Commission to include health and wellbeing matters relating to the onshore gas industry.</p>
<p><i>Recommendation 17</i> <i>That the community reference group, as envisaged in the 2013 Queensland Health Report, be formed whereby:</i> <ul style="list-style-type: none"> • <i>an appropriate agency at the discretion of Government, lead and support the convening of the reference group.</i> <i>Government could call on the Gasfields Commission to assist in the formation of the reference group, if required</i></p>	<p>The Gasfields Commission will be requested by government to convene the reference group.</p>	<p>In progress. The Commission convened a 'Think Tank on Health Issues and CSG' in Toowoomba with representation from community, research, government and industry. Discussions included composition of stakeholder reference group at a strategic, local and technical level, as well as practical and effective mechanisms for disseminating information.</p> <p>A draft Terms of Reference for the Community Health and Wellbeing Reference Group has been developed by the Commission.</p>
<ul style="list-style-type: none"> • <i>in consultation with the reference group, Queensland Health, together with the Department of Environment and Heritage Protection, Department of Natural Resources and Mines, and the Department of Science, Information Technology and Innovation, should undertake further work in the assessment of health risks and environmental monitoring as a follow-up to the 2013 Queensland Health Report</i> 	<p>The scope of this assessment will be considered and delivery coordinated through the community reference group (see above).</p>	<p>In progress. This will be a key focus for the Commission and the Community Health and Wellbeing Reference Group through engaging technical experts and facilitating research where gaps in knowledge are identified.</p>

Amendment to the Gasfields Commission Act 2013

On 10 May 2017, the Minister for State Development and Minister for Natural Resources and Mines introduced the *Gasfields Commission and other Legislation Amendment Bill 2017* (GCOLA 2017) into the Legislative Assembly.

The Bill proposes to make the amendments to the *Gasfields Commission Act 2013* that were recommended in the independent review and supported by government. Subject to passage, these amendments will deliver the structural and operational changes to the Commission, such as allowing the appointment of a part-time Chairperson and the reclassification of the General Manager as Chief Executive Officer. A range of consequential amendments as a result of these structural changes are also required, such as attendance at board meetings, leave and delegations.

The Bill was referred to the Infrastructure, Planning and Natural Resources Committee which was requested to report to parliament by 14 July 2017.

Audit and Risk Management Committee for period 1 July 2016 to 30 November 2016

Section 35 (1) of the *Financial and Performance Management Standard 2009* states that statutory bodies may (but are not required) to establish an audit committee. The former Commission board decided to establish an Audit and Risk Management Committee (the Committee). This Committee comprised four Commissioners, with the General Manager and Operations Manager attending meetings as observers.

The Committee focused on developing the frameworks and procedures for effectively managing business risk and provided advice on the control mechanisms to mitigate the identified risks, protect the Commission's people, reputation and assets, and promote efficient and effective work practices.

The Committee was subject to the terms of reference developed to guide its operation as outlined in its Charter.

Audit and Risk Management Committee meetings attendance

During the period 1 July 2016 to 30 November 2016, the Committee met on 3 occasions with attendance by Committee members as follows:

Commissioner	Position	Meetings attended
Steven Raine	Chairman	3
Shane Charles	Member	3
Ray Brown	Member	3
Ian Hayllor	Member	2

At its 13 December 2016 meeting, the Commission board resolved to disband the Audit and Risk Management Committee. Responsibility for maintaining the Commission's risk management system was delegated to the General Manager. It was also resolved that the risk management register would be reviewed prior to each Board meeting with the General Manager providing a briefing on any significant new risks.

Operational Reviews

Corporate governance and policy review

In March 2017, the Commission's corporate governance framework and associated documents were reviewed and revised to ensure that they:

- remain fit for purpose to enable the Commission to meet its legislative and statutory requirements in an efficient and effective manner
- continue to reflect current whole-of-government policies, standards and directives
- provide a useful guide for Commissioners and officers of the Commission in carrying out their responsibilities.

This review will be finalised subject to the passing of the above-mentioned amendment Bill in the Queensland Parliament. Legislative changes requiring implementation will be reviewed and incorporated into the Commission's corporate governance framework.

Maintaining effective recordkeeping and information systems

The Commission recognises its obligations regarding the use and storage of, and access to, commercially sensitive information, particularly with respect to its powers to obtain information to support and manage coexistence.

Following an independent audit in 2015, a comprehensive implementation plan was endorsed by the Commission board aimed at delivering a compliant and cost effective records management solution over the next 24 months. The first phase of the plan has been the design and development of an intranet for the Commission's records utilising Microsoft 365 SharePoint software.

ICT security risk audit

In May 2016, the Commission engaged an external contractor to undertake an ICT security risk audit of its ICT environment, to review the current security posture and provide a clear roadmap for addressing any key risks identified. This security posture snapshot provided the Commission a high-level view of its current security operating environment, in particular the Commission's ability to resist a range of threats from targeted cyber intrusions to compromise its business assets.

The audit report identified nine findings and made 22 recommendations aimed at improving the Commission's ICT security environment. This roadmap has provided the Commission a strong business case for implementing a suite of prioritised ICT strategies over the next 12 to 18 months.

There have been no breaches of information security during the financial year.

IT environment

In June 2016, the Commission engaged Corporate Administration Agency to undertake a review of its information technology (IT) environment. The purpose of this review was to provide a high-level specification of the Commission's current IT state and a proposed future IT environment. The scope includes a current state review, including:

- an overview of business operations
- current IT environment (Brisbane CBD)
- any new and ongoing IT initiatives
- key data / information flows
- IT risk management (policy, procedures, and organisation).

The proposed future state design proposal is due to be presented to the Commission in July 2017 and will incorporate the recommendations from the ICT security risk audit.

Ethical procedures, values and practices

The Commission is committed to maintaining the highest ethical standards in fulfilling its responsibilities and performing its functions. The Commission's policies, procedures and practices align with the ethical principles established in the *Public Sector Ethics Act 1994* (integrity and impartiality, promoting the public good, and commitment to the system of government accountability and transparency).

The Commission has adopted the Code of Conduct for the Queensland Public Service as it applies to the General Manager (appointed under the Act) and other officers of the Commission (appointed under the *Public Service Act 2008*). Commissioners' contracts include the requirement to abide by the Code of Conduct and to disclose any potential or actual conflicts of interest. In addition, the Australian Institute of Company Directors Code of Conduct has been adopted for Commissioners.

Financial Summary

Detailed financial statements are included in a later section of this report. The Commission is totally reliant on annual grant funding from the Queensland State Government, with modest additional revenues generated from interest on cash balances.

Expenditure totalled \$2.253 million, with the major items of expenditure being employee expenses (\$1.235 million) and supplies and services, including travel, engagement activities, contractor services and corporate service level agreements (\$0.995 million).

The Commission received an unqualified audit report from the Auditor General confirming the Commission's financial statements were a true and accurate reflection of the Commission's transactions for the financial year 2016-17.

Comparison of budget and actual results

In 2016–2017, the Commission's revenue exceeded expenses, resulting in an operating surplus of \$0.273 million. The table below compares budget and actual results. The Commission regularly monitors its financial position to ensure that its financial resources are directed towards achieving the Commission's strategic objectives.

The Commission closely monitors internal resources and its capacity to manage project delivery and other issues internally or through outsourcing. The Commission remains confident that it has the financial capacity to deliver on its strategic objectives as well as being responsive to emerging coexistence issues as they arise.

	2016-17 Actual \$ '000	2016-17 Budget \$ '000	Variance \$ '000
State Government Grant	2,500	2,500	-
Other Revenue	26	45	19
Draw down from cash reserves	0	320	320
Total Revenue	2,526	2,865	339
Employee Expenses (including seven Commissioners)	1,235	1,800	565
Supplies and Services	995	1,025	30
Other Expenses	23	40	17
Total Expenditure	2,253	2,865	612
Operating Surplus (Deficit)	273	0	273
State Government Grant/Total Revenue	98.97%		
Employee Expenses/Total Expenditure	54.82%		

Significant variances

Employee Expenses

In 2016-17, employee expenses were underspent by \$0.565 million due to a reduction in remuneration paid to current Commissioners from 1 December 2016 and vacancies awaiting recruitment processes within the Commission's organisational structure.

Financial Statements for 2016-2017



Gasfields Commission Queensland Financial Statements

for the year ended 30 June 2017

General Information

These financial statements cover Gasfields Commission Queensland. It has no controlled entities.

The Commission is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Commission is:

Level 15, 53 Albert Street

BRISBANE QLD 4000

A description of the nature of the Commission's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Commission's financial statements email enquiries@gfcq.org.au or visit the Commission's Internet site gasfieldscommissionqld.org.au.

Amounts shown in these financial statements may not add to the correct subtotals or totals due to rounding.

Gasfields Commission Queensland

Statement of Comprehensive Income for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
OPERATING RESULT			
Income from Continuing Operations			
Grants and other contributions		2,500	2,500
Interest		26	29
Total Income from Continuing Operations		2,526	2,529
Expenses from Continuing Operations			
Employee expenses	2	1,235	1,632
Supplies and services	5	995	757
Other expenses		23	27
Total Expenses from Continuing Operations		2,253	2,416
Operating Result from Continuing Operations		273	113
Total Comprehensive Income		273	113

The accompanying notes form part of these statements.

Gasfields Commission Queensland

Statement of Financial Position as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Current Assets			
Cash and cash equivalents		1,169	862
Receivables		42	14
Other current assets		8	-
Total Current Assets		1,219	876
Total Assets		1,219	876
Current Liabilities			
Payables and other liabilities	6	157	36
Accrued employee benefits	7	83	134
Total Current Liabilities		240	170
Total Liabilities		240	170
Net Assets		979	706
Equity			
Accumulated surplus		979	706
Total Equity		979	706

The accompanying notes form part of these statements.

Gasfields Commission Queensland

Statement of Changes in Equity for the year ended 30 June 2017

	Accumulated Surplus \$'000
Balance as at 1 July 2015	593
Operating Result from Continuing Operations	113
Balance as at 30 June 2016	<u>706</u>
Balance as at 1 July 2016	706
Operating Result from Continuing Operations	273
Balance as at 30 June 2017	<u>979</u>

The accompanying notes form part of these statements.

Gasfields Commission Queensland

Statement of Cash Flows for the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Service Appropriation Receipts	2,500	2,500
GST input tax credits from ATO	(2)	10
Other	26	29
<i>Outflows:</i>		
Employee expenses	(1,286)	(1,632)
Supplies and services	(879)	(764)
GST paid to suppliers	(26)	(7)
Other	(26)	(22)
Net cash provided by operating activities	307	114
Net increase in cash held	307	114
Cash and cash equivalents at beginning of financial year	862	748
Cash and cash equivalents at end of financial year	1,169	862

The accompanying notes form part of these statements.

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

Note 1:	Basis of Financial Statement Preparation
Note 2:	Employee Expenses
Note 3:	Key Management Personnel (KMP) Disclosures
Note 4:	Related Party Transactions
Note 5:	Supplies and Services
Note 6:	Payables
Note 7:	Accrued Employee Benefits
Note 8:	Commitments for Expenditure
Note 9:	Contingencies
Note 10:	Events occurring after Balance Date

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

1. Basis of Financial Statement Preparation

Objectives and Principal Activities of the Commission

The Gasfields Commission Queensland ("the Commission") is an independent statutory body established under the *Gasfields Commission Act 2013*. The Commission's objective is to manage and improve sustainable coexistence among rural landholders, regional communities and the onshore gas industry in Queensland.

The Commission was established on 1 July 2013 to develop and perform the following functions:

- facilitate better relationships between landholders, regional communities and the onshore gas industry;
- reviewing the effectiveness of government entities in implementing regulatory frameworks that relate to the onshore gas industry;
- advising Ministers and government entities about the ability of landholders, regional communities and the onshore gas industry to coexist within an identified area;
- making recommendations to the relevant Minister that regulatory frameworks and legislation relating to the onshore gas industry be reviewed or amended;
- making recommendations to the relevant Minister and onshore gas industry about leading practice or management relating to the onshore gas industry;
- advising the Minister and government entities about matters relating to the onshore gas industry;
- convening landholders, regional communities and the onshore gas industry for the purpose of resolving issues;
- obtaining particular information from government entities and prescribed entities;
- obtaining advice about the onshore gas industry or functions of the Commission from government entities;
- publishing educational materials and other information about the onshore gas industry;
- partnering with other entities for the purpose of conducting research related to the onshore gas industry; and
- convening advisory bodies to assist the commission to perform any function listed above.

(a) Compliance with Prescribed Requirements

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, the Commission has applied those requirements applicable to not-for-profit entities, as the Commission is a not-for-profit public sector entity. Except where stated, the historical cost convention is used.

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

1. Basis of Financial Statement Preparation (cont'd)

(b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the Commission. The Commission does not have any controlled entities.

(c) Grants and Other Contributions

Grants, contributions, donations and gifts which are non-reciprocal in nature are recognised as revenue in the year in which the Commission obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

(d) Cash and Cash Equivalents

Cash and Cash Equivalents include all cash and cheques received at 30 June as well as deposits held at call with financial institutions.

(e) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(f) Employee Benefits

Short-term employee benefits - wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

Prior history to date indicates that on average, sick leave taken in each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Other long-term employee benefits - annual and long service leave

The liability for annual leave represents an accrued expense. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

Accrued annual leave represents the amount which the Commission has a present obligation to pay resulting from employees' services provided up to balance date.

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Commission to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Commission's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Superannuation

Superannuation benefits are provided through either defined contribution (accumulation) plans or the QSuper defined benefit plan, in accordance with employees' conditions of employment and employee instructions as to superannuation plan (where applicable).

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

1. Basis of Financial Statement Preparation (cont'd)

(f) Employee Benefits (cont'd)

Defined Contribution Plans – Employer contributions are based on rates specified under conditions of employment. The Commission's contributions are expensed when they become payable at each fortnightly pay period.

QSuper Defined Benefit Plan - The liability for QSuper defined benefits is held on a whole-of-government basis and reported in those financial statements. Employer contributions to QSuper are based on rates determined on the advice of the State Actuary. The Commission's contributions are expensed when they become payable at each fortnightly pay period. The Commission's obligations to the QSuper plan are limited to those contributions paid.

(g) Taxation

The Commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Commission. GST credits receivable from, and GST payable to the ATO, are recognised in the Statement of Financial Position.

(h) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chair of the Gasfields Commission Queensland at the date of signing the Management Certificate.

(i) Other Presentation Matters

Currency and Rounding - Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero unless disclosure of the full amount is specifically required.

Comparatives - Comparative information has been restated where necessary to be consistent with disclosures and classifications in the current reporting period.

(j) Implementation of the Shared Services Initiative

The Corporate Administration Agency (CAA) provides the Commission with corporate services under the "Shared Services Provider" model. The fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial services
- Human resources, recruitment and payroll

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

1. Basis of Financial Statement Preparation (cont'd)

(k) New and Revised Accounting Standards

The Commission did not voluntarily change any of its accounting policies during 2016-17. Australian accounting standard changes applicable for the first time for 2016-17 have had minimal effect on the Commission's financial statements.

No Australian Accounting Standards have been early adopted for 2016-17.

Accounting Standards Applied for the First Time

AASB 124 - Related Party Disclosures

The only Australian Accounting Standard that became effective for the first time in 2016-17 is AASB 124 *Related Party Disclosures*. This standard requires note disclosures about relationships between a parent entity and its controlled entities, key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. As Queensland Treasury already required disclosure of KMP remuneration expenses, AASB 124 itself had minimal impact on the Commission's KMP disclosures compared to 2015-16 (refer to Note 3). No comparative information about related party transactions is required in respect of 2015-16.

Future Impact of Accounting Standards not yet Effective

AASB 16 - Leases

This standard is effective for financial years on or after 1 January 2019. The new standard introduces a single lease accounting model which requires the recognition of all leasing arrangements on the balance sheet. The standard requires a lessee to recognise a right-of-use asset and a financial liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the the Commission's activities, or have no material impact on the Commission.

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

		2017	2016
		\$'000	\$'000
2. Employee Expenses			
Employee Benefits			
Wages and salaries		936	1,257
Employer superannuation contributions	*	114	157
Annual leave expense	*	61	83
Long service leave levy	*	16	23
Employee Related Expenses			
Workers' compensation premium	*	5	5
Payroll tax	*	54	72
Other employee related expenses	*	49	35
Total		1,235	1,632

* Refer to Note 1(f).

The number of employees as at 30 June 2017, including both full-time employees and part-time employees, measured on a full-time equivalent basis is:

	2017	2016
Number of employees:	9	9

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

3. Key Management Personnel (KMP) Disclosures

Details of Key Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Commission during 2016-17. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Chair	Responsible, in consultation with other Commission members, to develop the strategies, objectives, and policies of the Commission and to ensure the Commission functions in a proper, effective and efficient manner.
Commissioners	Develop the strategies, objectives and policies of the Commission and to ensure the Commission functions in a proper, effective and efficient manner.
General Manager	Responsible for ensuring the Commission's function and objectives are fulfilled in accordance with the strategy, policies and programs approved by the Board.

KMP Remuneration Policies

The remuneration policy of the Chair and Commissioners is set by the Governor in Council. The remuneration of the General Manager is set by members of the Commission.

Remuneration expenses for key management personnel comprises the following components:

Short term employee expenses which include:

- **Monetary expenses** - consisting of base salary, allowances and leave entitlements paid and provided for the entire year. For Part-time Commissioners, remuneration for approved out-of-session activity is also included; and
- **Non-monetary benefits** - consisting of provision of a motor vehicle together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment benefits include amounts expensed in respect of employer superannuation obligations.

Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

No performance bonuses were paid to any key management personnel.

The following disclosures focus on the expenses incurred by the Commission during the respective reporting periods that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

The current reporting period is split into two tables to reflect a change in Commission Board appointments on 1 December 2016. The term of appointment for the initial Commissioners appointed on 1 July 2013 was extended in June 2016 until 30 November 2016, pending the outcome of the Independent Review of the Gasfields Commission Queensland. On 1 December 2016, the Minister for State Development and Minister for Natural Resources announced the release of the review report and the appointment of a new Commission Board, comprising a new Chair and three Commissioners.

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

3. Key Management Personnel (KMP) Disclosures (cont'd)

Remuneration Expenses

1 July 2016 – 30 November 2016

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chair	199	7	3	15	0	224
General Manager *	16	0	0	1	0	17
Commissioner	19	0	0	2	0	21
Commissioner	18	0	0	2	0	20
Commissioner	17	0	0	2	0	19
Commissioner	20	0	0	3	0	23
Commissioner	17	0	0	2	0	19
Commissioner	17	0	0	2	0	19
Total Remuneration	323	7	3	29	0	362

* Commencement date 24 October 2016

1 December 2016 - 30 June 2017

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chair	110	0	2	11	0	123
General Manager	92	0	2	8	0	102
Commissioner	3	0	0	0	0	3
Commissioner	3	0	0	0	0	3
Commissioner	7	0	0	1	0	8
Total Remuneration	215	0	4	20	0	239

1 July 2015 – 30 June 2016

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chair	325	10	8	36	0	379
Commissioner	46	0	0	6	0	52
Commissioner	46	0	0	6	0	52
Commissioner	41	0	0	5	0	46
Commissioner	54	0	0	6	0	60
Commissioner	45	0	0	6	0	51
Commissioner	54	0	0	7	0	61
General Manager	131	0	2	10	0	143
Total Remuneration	742	10	10	82	0	844

4. Related Party Transactions

Transactions with people/entities related to KMP

There are no transactions to disclose

Gasfields Commission Queensland

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

	2017	2016
	\$'000	\$'000
5. Supplies and Services		
Corporate service charges	331	325
Contractors	472	196
Travel	55	82
Repairs and maintenance	31	19
Minor plant and equipment	7	2
Motor Vehicle	39	47
Stakeholder Engagement	18	40
Communications	12	12
Advertising and promotion	8	15
Administration costs	22	19
Total	995	757
6. Payables		
Trade and other creditors	148	13
Accruals	9	23
Total	157	36
7. Accrued Employee Benefits		
<i>Current</i>		
Salary and wages payable	18	13
Provision for annual leave	52	105
Superannuation payable	2	3
Accrued leave loading	6	8
Long service leave levy payable	5	5
Total	83	134

The current provision for employee benefits for the Commission includes \$2,231 of annual leave accrued but not expected to be taken within 12 months (2016: \$31,655). The provision has been classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Gasfields Commission Queensland
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2016-17

8. Commitments for Expenditure

Commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

	2017	2016
	\$'000	\$'000
Not later than one year	163	157
Later than one year and not later than five years		163
Total	163	320

9. Contingencies

There are no legal or any other contingencies that are known to the Commission at 30 June 2017.

The Commission has not been subject to, and is not aware of any pending legal actions, litigations or any other court matters as of 30 June 2017.


10. Events Occurring after Balance Date

As at 30 June 2017, the Commission is not aware of any post balance date events.

**Management Certificate
for Gasfields Commission Queensland**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62 (1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Gasfields Commission Queensland for the financial year ended 30 June 2017 and of the financial position of the Commission at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.


.....
Ruth Wade
Chair
Gasfields Commission Queensland

Date: 30/08/17

INDEPENDENT AUDITOR'S REPORT

To the Board of Gasfields Commission Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Gasfields Commission Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Rachel Vagg
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page ii
Accessibility	Table of contents	ARRs – section 9.1	Page iii
	Glossary		Page 45
	Public availability	ARRs – section 9.2	Page i
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page i
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Page i
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page i
General information	Introductory Information	ARRs – section 10.1	Page 1
	Agency role and main functions	ARRs – section 10.2	Page 3
	Operating environment	ARRs – section 10.3	Page 14
Non-financial performance	Government’s objectives for the community	ARRs – section 11.1	Page 4
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	n/a
	Agency objectives and performance indicators	ARRs – section 11.3	Page 5
	Agency service areas and service standards	ARRs – section 11.4	n/a
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 23
Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 6
	Executive management	ARRs – section 13.2	Page 7
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	n/a
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 11
	Queensland public service values	ARRs – section 13.5	n/a

Abbreviations

APPEA	Australian Petroleum Production and Exploration Association
ARRs	<i>Annual reporting requirements for Queensland Government agencies</i>
CSG	Coal Seam Gas
CSIRO	Commonwealth Scientific Industrial Research Organisation
DNRM	Department of Natural Resources and Mines
FAA	<i>Financial Accountability Act 2009</i>
FPMS	<i>Financial and Performance Management Standard 2009</i>
GISERA	Gas Industry Social and Environmental Research Alliance
LNG	Liquefied Natural Gas
OGIA	Office of Groundwater Impact Assessment
The Act	<i>Gasfields Commission Act 2013</i>
The Commission	GasFields Commission Queensland