



# Impact Analysis Statement template

A Summary Impact Analysis Statement (IAS) must be completed for all regulatory proposals. A Full IAS (see Box 1) must also be completed and attached for proposals that have significant impacts. Once completed, the IAS must be published.

## Summary IAS

### Details

<b>Lead department</b>	Environment and Science
<b>Name of the proposal</b>	Future Management of Lake Eyre Basin – Decision Impact Analysis Statement
<b>Submission type</b> ( <i>Summary IAS / Consultation IAS / Decision IAS</i> )	Decision Impact Analysis Statement
<b>Title of related legislative or regulatory instrument</b>	Regional Interest Planning Regulation 2014
<b>Date of issue</b>	20 February 2024

### For proposals noted in table below

Complete and delete rows where applicable. No further analysis is required.

Proposal type	Details
<b>Minor and machinery in nature</b>	This proposal is machinery in nature, requiring minor amendment to subordinate legislation to replace the current regulatory map for the Queensland Lake Eyre Basin (Qld LEB) Strategic Environment Areas (SEA) / Designated Precincts (DPs) to implement Spatial Option 3; to add gas and oil (petroleum) extraction within the DPs as an unacceptable activity to implement Regulatory Option 4, with transitional provisions to be included for a period of time for further petroleum lease applications; to expand the definitions of Environmental Attributes for Qld LEB SEAs (Environmental Attributes Option 2), and to exclude critical mineral projects within the added DP areas from the prohibition on open cut mining.

\*Refer to *The Queensland Government Better Regulation Policy* for regulatory proposals not requiring regulatory impact analysis (for example, public sector management, changes to existing criminal laws, taxation).



**For all other proposals**

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

The Qld LEB contains internationally significant intact and free-flowing rivers systems of immense cultural and environmental significance.

Particular proposed activities and associated infrastructure pose a risk to the water quality in the Qld LEB river systems. The risks arising from the potential for unconventional gas and oil extraction on the floodplains and in watercourses (the DPs) have been a focus of community concern. The current regulatory regime is untested in how it would cope with a new level of risk to manage. Contamination of surface water and land and downstream waterholes, wetlands and other ecological or cultural features is a risk arising from production scale unconventional gas extraction on floodplains and rivers. This could lead to subsequent impacts to the welfare and livelihoods of communities in the region, putting other industries (e.g. tourism, grazing, agriculture) and activities dependent on clean water and clean environments.

Industry has repeatedly indicated an intent to expand unconventional production in the LEB. A full appreciation of, and precautionary approach towards, potential future risks of such activities within the DPs is therefore appropriate and proactive given there is currently no industrial-scale unconventional gas production within the DPs at this point in time, meaning the current regulatory system's capacity to manage future unforeseen incidents is not known. Minimising future risks known and unknown in unique and irreplaceable environments that also provide vital hydrological services to other industries, is sensible and consistent with national and State frameworks.

The Queensland Government seeks to ensure the ongoing preservation of the sensitive ecological and cultural values in the Qld LEB rivers systems, whilst supporting sustainable economic activities. Protection of the Qld LEB floodplains has been a long-standing commitment of the Queensland Government. Commitments were made by the Palaszczuk Government in 2015, 2017, and 2020 to review and address deficiencies in Qld LEB river protections created in 2014 under the *Regional Planning Interests Act 2014* (which replaced declarations under the *Wild Rivers Act 2005*).

The Queensland Government's commitments also sought to ensure the voices of the Qld LEB region's First Nations peoples were heard. A key part of the project has focused on how best to support longer-term approaches of responding to First Nations' priorities and aspirations, and the Decision IAS discussed a proposition that the values and perspectives of the Traditional Owner groups of the Qld LEB are placed centrally into management approaches of the area in question.

The focus of this Decision IAS considers that the rivers systems are unique in ecological terms, given their intactness, functions in the landscapes they travel through and where they end (terminal lakes and wetlands). The Decision IAS lays out how a range of outcomes including protecting the river systems, supporting sustainable economic activities, and listening and responding to First Nations' voices can be achieved. Approaches considered throughout the process to reach this Decision IAS are exclusive to this region, its characteristics and conditions.

**What options were considered?**

A Consultation Regulatory Impact Statement (RIS) was released on 2 June 2023, outlining a range of potential options which were developed following engagement with a special Stakeholder Advisory Group (SAG) convened to provide information, advice and positions on key issues. The SAG comprised Traditional Owners, industry bodies, environmental groups, agricultural groups, local government, and scientific experts. The Consultation RIS canvassed stakeholder and public comment and feedback on the following spatial, regulatory, and environmental options:

**Spatial Options (extent of mapped protections):**

- Option 1. retain the status quo – no change to current spatial extent of mapped areas for protection.
- Option 2. expand current SEA / DPs boundaries to add those river and floodplain areas, and special ecological features, considered to be of greatest ecological significance, to create a new regulatory map. These additions would largely be consistent with previously mapped areas of higher protection under pre-2014 river declarations, and would extend existing use provisions for such areas.
- Option 3.** build on the above option by including additional areas of ecological significance, adding to the breadth of spatial coverage of hydrological features.



#### **Regulatory Options (permitted future activities):**

- Option 1. retain the status quo – no change to current regulatory frameworks.
- Option 2. augment the current regulatory regime to require a more detailed and comprehensive assessment approach to test for alignment, with pre-determined criteria for acceptable uses/activities within the DPs such as hydraulic fracturing, to provide certainty to industry regarding oil and gas extraction in the floodplains and rivers.
- Option 3. not allow future unconventional oil or gas extraction as potential high impact activities in the regulatory mapped floodplains and rivers (i.e., the finalised SEA / DP areas) of the Queensland LEB.
- Option 4. not allow any future oil and gas activities in the regulatory mapped floodplains and rivers.

#### **Options for environmental attributes of the Queensland LEB river systems:**

- Option 1. retain the status quo – no changes to current environmental attributes.
- Option 2. broaden the environmental attributes, to capture the full range of key processes and functions that are considered fundamental to the preservation of the LEB's natural system, including geomorphic processes, riparian functions and wildlife corridors.

The Consultation RIS did not indicate government's preferred approaches. While it provided a detailed analysis of the policy, regulatory, and other issues associated with the region, it held over the assessment of impacts, benefits, and costs (economic, ecological, cultural) of any specific direction to the Decision IAS. This Decision IAS concludes the impact assessment process following consultation, has added a further review of options, and consideration of benefits, financial factors and other outcomes. It supports a series of recommendations for decision and implementation.

#### **What are the impacts?**

##### Spatial impacts:

The impact of the preferred spatial option is expected to be limited in practice, with the proposed Option 3 expanding the DPs by 4.7% of the total Qld LEB. Solutions to avoid certain activities within DPs (such as open cut mining, dams, irrigated agriculture) are already in place and well-tested and used by industry, given DPs have co-existed alongside industry operations and production for some time.

##### Regulatory impacts:

Option 4 provides the strongest protections from both the potential risks arising from large-scale, fully operational industrialised unconventional extraction in the DPs, and safeguards the intactness of the Qld LEB from the prospect of conventional extraction in the DPs becoming more industrialised and employing some features of unconventional extraction practices (which create contamination risks and interruptions or modifications of overland flow from expanded operating footprints). It is also the most straightforward in regulatory and administrative terms, as over the long term it obviates the need for detailed definitions and other information regarding distinctions between conventional and unconventional gas/oil. Transitional arrangements have been proposed for a defined period for certain proposed conventional extraction in the expanded DPs.

##### Environmental impacts:

More comprehensive recognition of the full range of key processes and functions that are fundamental to the preservation of the LEB's natural system through expanded Environmental Attributes will result in more ecologically sensitive areas being protected from the most threatening activities.

Environmental attributes of the SEAs form part of the criteria for assessing RIDA applications and aid in the tests of whether certain activities will avoid widespread or irreversible impacts.

Further dialogue with First Nations people and groups about recognising and considering Aboriginal Cultural Heritage values will assist in identifying how to best protect and support cultural as well as environmental outcomes.

##### Impacts on the oil and gas industry:

All present gas/oil production activities under existing Petroleum Leases (PLs) and critical mineral mining will be unaffected regardless of location in the Qld LEB. Potential future developments and production activities in these areas will largely also be unaffected. The recommended approaches will not be

retrospective, thus providing certainty to the resources industry currently present in the Qld LEB, its investors, and the economy of the region.

For existing production, operators can continue without any impacts from new regulation, including for those who through a spatial expansion may find that their operations now sit within a DP. The new regulations will apply to new PL applications in the Qld LEB.

To enable the transition to the new regulatory regime, holders of existing petroleum Authority to Prospect or an Authority to Prospect with a Potential Commercial Area declaration over it in areas within the amended DPs will be able to submit Petroleum Lease Applications for conventional gas or oil before 30 August 2024. Any such applications, along with Petroleum Lease applications for conventional gas or oil already submitted on 22 December 2023, will otherwise continue to be assessed under the existing framework.

#### Impacts on the critical minerals industry:

None of the options are anticipated to affect future 'critical new economy minerals' mining, but to provide certainty, the prohibition on open cut mining will not apply in the added DP areas in the case of critical mineral projects. These projects will remain subject to site specific assessment.

#### Economic and social impacts

Economic matters are influenced by industry's capacity to continue to operate in a commercially viable way into the future. Given that current operations would be able to remain, there is no immediate impact to the economy of the region (including council revenues and associated flow-on spending for community benefit).

Longer term, industry retains the capacity to explore and extract outside of DPs including from sites underneath the DP with infrastructure located directly adjacent to it. Existing constraints will continue to apply with respect to environmental authority requirements much as they do now (e.g., dams and irrigated agriculture in the DPs is an already-prohibited activity).

The only potential direct economic impacts from changes to the mapping of the DPs *per se* (prior to any regulatory changes) flow from the expanding of the existing regulatory regime within the DPs, but this is not anticipated to have impacts in practice. It is also expected that preserving the integrity of the Qld LEB by ensuring ecologically sustainable activities will maximise the social, economic, cultural and health benefits that its natural values provide to local people and communities. This also relevant to those whose welfare, businesses and livelihoods rely on the ecological integrity of the Qld LEB (e.g. First Nations of the Qld LEB; and organic grazing, agriculture, tourism and ecotourism ventures).

The Department of Environment, Science and Innovation (DESI) sought advice and guidance from environmental economists about the most comprehensive approach to recognising all the worth, values, benefits and impacts of protecting the rivers and floodplains of the Qld LEB, including traditional economic considerations, environmental accounting principles and means of acknowledging the non-monetary and non-use considerations. Accordingly, a Total Economic Value Framework for the Qld LEB has been developed to illustrate all the relevant factors in appreciating the worth of the region.

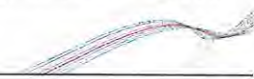
#### **Who was consulted?**

A Queensland inter-departmental committee met through 2021 and 2022 where members were briefed on developments and invited to attend the Stakeholder Advisory Group (SAG) meetings as observers.

Options were developed in consultation with the science community; the SAG (which included oil, gas and critical minerals industries, local communities, First Nations partners, and representatives from the tourism, conservation, and agriculture sectors). These options formed the core of those presented to government in the Consultation RIS.

The Consultation RIS was supported by a twelve-week consultation process that included briefings with community, local government, First Nations representatives, conservation groups, academics and industry. Some 17,000 discreet submissions were received from in response to the Consultation RIS, from various sector peak bodies and representative organisations including First Nations groups, conservation groups, resource companies, local governments, scientists and individuals with knowledge of, or strong interest in, the Qld LEB region.

Subsequent to this process, and as part of forming the DIAS, DESI has consulted extensively with key agencies (the Department of Premier and Cabinet, Queensland Treasury, Department of Resources, Department of Regional Development Manufacturing and Water, the Department of Agriculture and Fisheries, and the Department of Housing, Local Government, Planning and Public Works). Feedback from these agencies has been considered and incorporated into the final Decision IAS.



What is the recommended option and why?
<p>The recommended approaches are to:</p> <ul style="list-style-type: none"> <li>• broaden the mapped Qld LEB DPs to include other areas previously mapped through scientific analysis (Spatial Option 3);</li> <li>• establish regulatory prohibitions on future gas or oil production within DPs (Regulatory Option 4), with some transitional arrangements for certain proposed conventional extraction in the expanded DPs;</li> <li>• expand the definition of Environmental Attributes to capture the full range of key processes and functions that are considered fundamental to the preservation of LEB's natural system (Environmental Attributes Option 2); and</li> <li>• ensure critical mineral open cut mining projects in the added DPs be subject to site specific assessments but not regulatory prohibition.</li> </ul> <p>These approaches can be achieved with minimal impacts on current and future resources extraction (gas, oil or minerals). They were also overwhelmingly supported by consultation respondents. The IAS also recommends confirmation of a set of responses to Qld LEB First Nations peoples' priorities and aspirations. It also acknowledges additional priorities, processes and protocols for ongoing dialogue and negotiations over long-term outcomes.</p>

### Impact assessment

#### All proposals – complete

	First full year	First 10 years**
Direct costs – Compliance costs*	\$0	\$0
Direct costs – Government costs	\$0	\$0

\* The *direct costs calculator tool* (available at [www.treasury.qld.gov.au/betterregulation](http://www.treasury.qld.gov.au/betterregulation)) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. \*\*Agency to note where a longer or different timeframe may be more appropriate.

#### Significant proposals – also complete this table and a full IAS (refer box 1 below):

	First full year	First 10 years
Total costs***	Not Available in \$s terms	Not Available in \$s terms
Total benefits***	Not Available in \$s terms	Not Available in \$s terms
Net present value***	Not Available in \$s terms	

\*\*\* Detail and assumptions should be recorded in the Full IAS.

**Director-General**  
**Department of Environment and Science**

20 / 02 / 2024

**LEANNE LINARD MP**  
**Minister for the Environment and the Great Barrier Reef**  
**Minister for Science and Minister for Multicultural Affairs**

24 / 02 / 2024