9 July 2014

The Research Director

Agriculture, Resources and Environment Committee

Parliament House

George Street

BRISBANE QLD 4000

Submitted by email: AREC@parliament.qld.gov.au

Dear Mr Hansen,

RE: Mineral and Energy Resources (Common Provisions) Bill 2014.

Thank you for the opportunity for comment on Mineral and Energy Resources (Common Provisions) Bill 2014 ('the Bill'). Origin is supportive of the Bill and understands that the proposed amendments are designed to reduce unnecessary red tape for industry whilst maintaining a clear and streamlined regulatory environment.

Origin would like to provide support for APPEA's submission regarding this Bill and would like to offer additional comment, outlined below.

Additional comments on Bill

Restricted Land

- s.68: In Origin's view, the definition of 'restricted land' lacks clarity. Greater clarification is suggested, specifically with regard to:
    - A building or area which was used at the time of grant of the tenement, but no longer in use.
    - Restricted land provisions applying to advanced activities only. Origin interprets this as not applying to preliminary activities, however this requires further clarification.
    - In circumstances where drilling is being undertaken on one property but falls within restricted land buffer on a neighbouring property, does this result in restricted land.
    - Where a building is 'co-existing' with authorised activities, could the definition of 'co-existing' be advised.

- s.69 & s.70: Further clarification is required for the arrangements under which consent is required for entry on restricted land. The Bill provides definitions of 'occupiers' and 'owners' in this regard, however Origin notes that the term 'occupier' is a broad class of persons, the consent of which may be difficult to obtain, especially in regard to restricted land.
    - Origin suggests requiring consent from an 'owner' only and removing reference to 'occupier' in s.69 and s.70.

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Land Access

- s.54: It is currently unclear whether s.513 of the *Petroleum and Gas (Production and Safety) Act 2004* ('P&G Act') applies to advanced activities only.
  - Origin recommends clarifying this issue in the drafting.

- s.80(4)(b): In accordance with the requirements of the P&G Act, Origin currently compensates landowners for legal costs necessarily and reasonably incurred by the landowner in negotiating or preparing a conduct and compensation agreement (CCA).
  - Origin suggests further consultation on this point to discuss the possible mechanisms to place rigor around the reasonableness and necessity test (as it is currently quite subjective).

- s.86: The provisions which allow parties to call for Alternative Dispute Resolution ('ADR') are not clear, in that judicial commentary has suggested that an ADR process can be forced upon one party by another.
  - Origin recommends clarifying this section to avoid doubt that the ADR process must be mutually agreed by both parties in writing.

- s.93: Further clarification is required to refer to 'successors in title' and 'opt-out agreements' in regard to compensation not affected by a change in the resource authority holder.
  - Origin recommends:
    - including successors in title in s.93(1)(c)
    - including opt-out agreements as well as CCAs.

Overlapping Tenures

Origin was actively involved in the creation of the White Paper on overlapping tenures in Queensland and as part of the Technical Working groups. The Bill in its current form largely represents the principles of the White Paper, however not all issues have been addressed. We will continue working closely with DNRM, APPEA, and QRC to achieve an ideal outcome for industry and the State, and highlight the following items:

- Bespoke Agreements: The Bill does not explicitly allow for parties to negotiate bespoke agreements as an alternative to the legislative defaults. This ability was a fundamental principle of the White Paper and needs to be properly reflected.

- Petroleum Lease activity over an EPC/MDL (s.144 & s.145): Origin supports that coal exploration parties should be allowed to conduct exploration activities within a Petroleum Lease (PL), if there are no adverse effects and subject to the directions from the PL holders safety officer . However, there appears to be an error in the drafting which may limit a PL holder from conducting activities over a MDL or EPC unless there is no adverse effect to the coal party. This is not in line with the principles of the White Paper and could result in coal parties being able to prohibit activity on a granted production lease. Origin recommends removing the reference to a PL in column one of the Table for Part 3 in Section 144, and changing the requirement to reflect the principles in the White Paper.

- Surat Transitional Area (s.231, 232 & 233): The Surat area was highlighted during the White Paper discussions because of its importance to the development of the CSG-LNG industry. The current Bill provides some certainty for CSG-LNG in the

Surat but represents a significant compromise from CSG's original position in the White Paper, which was for the current, existing regime to apply in that area.

- Grandfathering existing agreements/consent: Co-development agreements, co-ordination agreements and JDPs that cover un-granted Petroleum Lease and Mining Lease applications at commencement of this Bill and executed prior to commencement of this Bill need to be honored. Further work is required to determine how existing Co-development agreements, co-ordination agreements and JDP's will work.

- Existing Production Leases granted prior to commencement of this Bill need to retain their current rights: Sections 221 and 222 are meant to ensure that granted PLs and MLs that exist at the commencement of the new regime should not be subject to the new regime at all, and should continue to be governed by the old regime. This should be clearly stated in those sections, specifically, that new MLAs made from EPCs and MDLs over existing PLs and new PLAs that are made over existing MLs are to be dealt with under the old provisions.

- Outcomes of the statutory requirements of the previous Acts need to be retained: Origin queries whether an ATP or EPC and MDL holders who did not comply with the threshold requirements to seek a preference decision (i.e. did not lodge three month notices) should receive any benefit that may apply under the new regime or whether such applications should proceed under the old provision.

- Concurrent Applications: Addressing concurrent applications for Petroleum and Mineral Leases (PL/ML) requires further clarification. Origin will continue working with industry and government to develop a balanced outcome between petroleum and coal interests.

- IMA/RMA: s.126 (4) of the Bill allows the ML holder to occupy an IMA or RMA for an indefinite period to carry out rehabilitation. This occupancy could result in the PL/ATP holder being unable to enter the area to carry out activities until the rehabilitation is completed. A drop dead date for the ML holder to abandon an IMA or RMA should be stated.

- Petroleum Lease activity outside IMA/RMA/SOZ: The White Paper Principles contemplated that a PL holder would be free to carry out its activities in the balance of the PL/ML overlap area outside the IMA, RMA and SOZ, but the ML holder would have the "right of way" inside the IMA and RMA and the SOZ would be subject to safety and health arrangements. Section 131 of the Bill does not make this distinction and should be amended to align with the White Paper.

Legacy Boreholes

Origin has indicated to Government that work still remains in relation to a number of unresolved issues and Origin welcomes the opportunity to continue to engage about these outstanding issues.

Should you have any questions or wish to discuss this information further, please contact Simon Koger on (07) 3033 1860, 0415 896 586 or simon.koger @originenergy.com.au.

Regards,

Cheryl Hopkins
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LNG