# *AGRICULTURE, RESOURCES AND ENVIRONMENT COMMITTEE*



**Members present:**

Mr IP Rickuss (Chair)
Mr DF Gibson MP

**Staff present:**

Mr R Hansen (Research Director)
Ms A Jarro (Principal Research Officer)

## PUBLIC BRIEFING—MINES LEGISLATION (STREAMLINING) AMENDMENT BILL

### TRANSCRIPT OF PROCEEDINGS

**FRIDAY, 10 AUGUST 2012**

**Brisbane**

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**Committee commenced at 10 am**

**BLUMKE, Mr John Blumke, Director, Project Facilitation, Resource Sector Facilitation Group, Department of State Development, Infrastructure and Planning**

**CRONIN, Ms Rachael, Executive Director, Service Delivery, Mining and Petroleum Operations, Department of Natural Resources and Mines**

**DATE, Mr Bill, Director of CSG Engagement, Surat Basin, Department of State Development, Infrastructure and Planning**

**DITCHFIELD, Ms Bernadette, General Manager, Mining and Petroleum Industry Policy, Department of Natural Resources and Mines**

**MATHESON, Mr Stephen, Chief Inspector, Petroleum and Gas, Department of Natural Resources and Mines**

**SKINNER, Mr John, Deputy Director-General, Mining and Petroleum, Department of Natural Resources and Mines**

**SQUIRE, Mr Warwick, Director, Land and Resources Policy, Department of Natural Resources and Mines**

**CHAIR:** Good morning, ladies and gentlemen. Thank you very much for turning up this morning. It is now 10 o'clock. One our colleagues, David Gibson, will turn up very shortly, he assures me. Apparently the train from Gympie is late. He is being very frugal and is catching the train down. I declare this meeting of the Agriculture, Resources and Environment Committee open. I would like to acknowledge the traditional owners of the land. I am Ian Rickuss, the member for Lockyer and chair of the committee. Jon Krause is beside me and Mr David Gibson, as I said, is going to be late. The deputy chair, Ms Jackie Trad, has also apologised and so have other members of the committee for not being here this morning. It was called at fairly short notice. Today's briefings and hearing will be conducted by a sub-committee of the committee. Please note that these proceedings are being broadcast live via the Parliament of Queensland website.

The purpose of the meeting is to receive a briefing from officers of the Department of Natural Resources and Mines on the Mines Legislation (Streamlining) Amendment Bill 2012. The bill was introduced by the Minister for Natural Resources and Mines, the Hon Andrew Cripps, and subsequently referred to the committee for consideration on 2 August 2012, with a reporting deadline of 16 August 2012. We hope that the briefing today will give everyone here a better understanding of provisions of the bill.

The primary policy objectives of the bill are to clarify the legislative framework relating to the compulsory acquisition of land as it relates to resource interests; implement part of the Streamlining Approvals Project; confirm and clarify current jurisdictional arrangements in relation to the regulation of hazardous chemicals, major hazard facilities and operating plants; and provide increased regulatory certainty for all parties involved in the state's emerging coal seam gas to liquid natural gas industry. Joining us today for the briefing will be the officers from the Department of Natural Resources and Mines. Welcome ladies and gentlemen. Would you please introduce yourselves by name and position. Thank you. I will call you to do that in a moment. These officers have given their time to be here today to provide factual information. They are not here to give opinions about the merits or otherwise of the policy behind the bill or alternative approaches. Any questions about the policy of the government that the bill seeks to implement will be directed to the responsible minister, namely, the Hon Andrew Cripps, the Minister for Natural Resources and Mines, not these officers.

I have a couple of housekeeping announcements. If for any reason we have to evacuate the chamber today, will you please make your way down the main staircase to the ground floor and through to the Speaker's Green, our assembly point, and wait for further instructions. Before we start, can all phones be put on silent. John Skinner, would you like to make a start?

**Mr Skinner:** Thank you. I am the Deputy Director-General, Mining and Petroleum in the Department of Natural Resources and Mines.

**CHAIR:** If everyone could introduce themselves first for Hansard. It will make it a bit easier.

**Ms Ditchfield:** Bernadette Ditchfield, General Manager, Mining and Petroleum Industry Policy.

**Mr Matheson:** Stephen Matheson, Chief Inspector, Petroleum and Gas, Department of Natural Resources and Mines.

**Mr Blumke:** John Blumke, Director, Project Facilitation, Resource Sector Facilitation Group, Department of State Development, Infrastructure and Planning.

**Mr Squire:** Warwick Squire, Director, Land and Resources Policy, Department of Natural Resources and Mines.

**Ms Cronin:** Rachael Cronin, Executive Director for Service Delivery for Mining and Petroleum Operations.

**Mr Date:** Bill Date, I am the Director of CSG Engagement in the Surat Basin for the Department of State Development.

**CHAIR:** All right. We will commence, ladies and gentlemen.

**Mr Skinner:** Thank you, chair. I would like to start by acknowledging the chair of the Agriculture, Resources and Environment Committee, the honourable member for Lockyer, and the member for Beaudesert. As mentioned, the member for Gympie is joining us later. Thank you very much for your time today. I would like to firstly tender an apology from Dan Hunt, who is the Acting Director-General of the Department of Natural Resources and Mines. Unfortunately, Dan is unable to attend today's briefing as he is interstate attending a meeting of the Standing Council on Energy and Resources. As such, I am appearing on his behalf with the support of my departmental colleagues.

I would like to offer for your consideration a suggested format in terms of the departmental briefing today. Firstly, I will provide the committee with an overall explanation of the bill. This will include the policy context, the nature of the bill, why the bill was developed, an outline of the key amendments included in the bill, including matters that have been raised during the process of consultation or drafting of the bill, and then open the floor for questions about the bill that I or my departmental colleagues will be able to answer in detail. So if the committee is comfortable with that approach, I will proceed with that.

**CHAIR:** That is very good. Thanks, John.

**Mr Skinner:** Thank you. Firstly, in terms of an outline of the bill, consistent with the government's resource and energy strategy, the objective of the Mines Legislation (Streamlining) Amendment Bill 2012 is to facilitate the sustainable growth of the resources industry. To deliver this, legislative amendments to resources legislation are required to ensure that resource projects and infrastructure can be delivered efficiently with a minimal risk profile whilst not compromising the integrity of the assessment and approval systems. A number of the amendments contained in the bill are reintroductions from the Resources Legislation (Balance, Certainty and Efficiency) Amendment Bill 2011—the RLA bill—which was introduced into the Legislative Assembly in November 2011. This bill was referred to the former Industry, Education, Training and Industrial Relations Committee for detailed consideration at the time and a public briefing was held on the RLA bill on 12 December 2011. The RLA bill subsequently lapsed with the dissolution of the Legislative Assembly in 2012.

The reintroduced amendments include changes to, one, the resource legislation associated with the implementation of part of the streamlining project; two, the safety and health legislation that confirm and clarify jurisdictional arrangements, and three, the petroleum acts to provide certainty to all parties involved in the coal seam gas, CSG, to liquified natural gas, LNG, industry. In addition to the previously introduced amendments, the bill includes amendments that will clarify compulsory acquisition processes as they relate to resource interests. These amendments are critical to the government delivering on its contractual obligations to the Surat Basin rail joint venture, which is scheduled to reach final financial close in November 2012.

Also, as the committee may have seen from the comparison provided of the RLA bill and this bill, a major change is the removal of the amendments relating to urban restricted areas. An alternative approach is being adopted on this issue and the interface between resource exploration around population centres is now being managed through a comprehensive and consultative statutory regional planning framework. The Mines Legislation (Streamlining) Amendment Bill 2012 that you have before you is an omnibus bill. It contains amendments and consequential amendments to 17 pieces of Queensland legislation listed on page 25 of the bill. This includes amendments to what is commonly referred to in the bill's supporting document as Queensland's resources legislation, which include, one, the Geothermal Energy Act 2010, the Greenhouse Gas Storage Act 2009, the Mineral Resources Act 1989, the Petroleum Act, 1923 and the Petroleum and Gas (Production and Safety) Act 2004.

The bill divides these amendments into primarily three chapters. Firstly, chapter 2, page 29 of the bill contains all amendments that are to commence on assent. Chapter 3, page 109 of the bill, contains those amendments that are to commence by proclamation. Chapter 4, page 280 of the bill, contains amendments of a minor and administrative nature that restructure the Mineral Resources Act and also provide for consequential amendments resulting from the restructure of the Mineral Resources Act.

In briefing you today, I will cover the key elements of the bill and the briefing officers from the department are available to walk you through any specific questions that you may have on clauses of the bill. In a summary of the amendments, the bill contains amendments that have been categorised under

four policy objectives: one, to clarify the legislative framework relating to the compulsory acquisition of land as it relates to resource interests, compulsory acquisition; implement part of the Streamlining Approvals Project, streamlining; thirdly, confirm and clarify current jurisdictional arrangements in relation to the regulation of hazardous chemicals, major hazard facilities and operating plants, safety and health; and, fourthly, provide increased regulatory certainty for all parties involved in the state's emerging CSG to LNG industry.

In relation to a compulsory acquisition framework, a clear and well understood compulsory acquisition framework is critical to facilitate timely and fiscally responsible infrastructure developments to support Queensland's economic growth. Queensland is currently experiencing unprecedented growth in the resources sector. In 2010-12, the resource industry contributed $38.9 billion, or 15 per cent, of the state's total gross state product. With such significant growth in the resources sector in Queensland, particularly in the Surat, Galilee and Bowen basins, the development of linear infrastructure such as roads and rail is critical. The compulsory acquisition process will be central to the timely development of these key infrastructures to support industry growth. The government is currently seeking to facilitate the Surat Basin rail project to advance economic development in the region. As part of this process, advice has been received by the government that, under the current legislative framework, the compulsory acquisition of land extinguishes all resource interests and gives the resource interest holders the right to claim compensation. Past compulsory acquisition processes have not generally recognised resource interests and have not intentionally extinguished these rights. Historically, it has been the understanding of the state that the compulsory acquisition of land did not generally affect resource interests. Resource related activities and infrastructure can and have for many years coexisted. For example, exploration for mineral and activities such as CSG production has and will continue to coexist with development activities such as the building of road and rail infrastructure. The two are, in fact, intrinsically linked. The amendments in the bill will clarify the legislative framework relating to the compulsory acquisition of land as it relates to resource interests. In summary, the bill will make it clear that the compulsory acquisition of land by a construction company will not extinguish resource interests with the exception of instances where a potential or real conflict exists.

The bill will introduce a discretionary power for constructing authorities to acquire resource interests where there is a conflict with the purpose of the proposed take, for example, a rail corridor that needs to be acquired that would directly impact on the pit of a proposed open-cut coalmine; ensure that past compulsory acquisitions of land generally did not extinguish resource interests unless constructing authorities took specific action, for example, issuing relevant notices to intentionally distinguish the interests; and also, finally, provide a process for the granting of mining tenements over acquired land where the administering minister is satisfied that the grant of the tenement is compatible with the purpose for which the land was taken. For example, if a constructing authority was required to extinguish native title through the acquisition of all interest in land, including the resource interest, then an exploration tenure could be regranted over the acquired land as it would be consistent with the use of the land.

The amendments are necessary to ensure that the state's legislative framework correctly reflects the practice of compulsory acquisition and provides the flexibility that is needed for the state's resource sector and infrastructure needs to coexist. Without these amendments projects such as the Surat Basin rail project and other key linear infrastructure projects could be put in jeopardy. Industry, peak bodies and government stakeholders have been consulted in the development of these amendments.

Turning to the Streamlining Approvals Project, the government has been partnering with the industry over the past three years to deliver the Streamlining Approvals Project. The aim of the project is to modernise Queensland's mining and petroleum regulatory approval system. In 2009, the first report of the streamlining project was released titled *Streamlining approvals project mining and petroleum tenure approval process*. A key finding of this report was that antiquated paper based systems constrained information flows and limited information in service delivery options. An integrated electronic management system was the main recommendation of the review—a system that would modernise Queensland's processes to achieve best practice technologies and catch Queensland up with the progress made by other Australian states. Ultimately, the streamlining project will drive efficiencies through the introduction of MyMinesOnline, an online service delivery system. However, to attain the ultimate goal of an online system that integrates work flows between government agencies and industry and to improve process efficiency and reduce assessment times, amendments to the Queensland resources act are required. The amendments proposed in this bill address these requirements and are a significant step in achieving the objectives of the streamlining project.

Broadly, the streamlining related amendments proposed in the bill include removing barriers to and supporting the implementation of the online lodgement and sharing of data between agencies; transferring power to grant mining leases under the Mineral Resources Act 1989 and the petroleum leases under the Petroleum Act 1923 from the Governor in Council to the minister, thus improving approval times; making changes to the administration of mineral and coal exploration permits under the Mineral Resources Act 1989 to provide clarity of process; providing a single process common across all resource acts for resource authority holders to deal with business transactions and changes of ownership; providing a consistent process across all resource acts for the department to request additional information about any resource authority application; giving flexibility to the chief executive to exercise authority under the Mineral Resources Act 1989; clarifying that environmental studies are permitted under a mineral and coal

exploration permit; allowing the department to give notice to resource authority applicants to progress their application if they are unreasonably delaying its progress; clarifying that applications for mining claims and leases referred to the Land Court can be remitted to the mining registrar if all objections to the application have been withdrawn before the hearing starts; and, finally, reducing the term of a mining claim from 10 years to five years. The bill contains the amendments necessary to transition Queensland from a paper based system to an online delivery system and modernise Queensland's regulatory approvals process. In addition, the amendments proposed in the bill will increase transparency of the tenure approvals process.

I turn now to safety and health. These amendments will confirm and clarify the current jurisdictional arrangements in relation to the regulation of hazardous chemicals, major hazard facilities and operating plants. The Work Health and Safety Act 2011 was passed in May 2011 to meet Queensland's commitment to the Council of Australian Governments' national harmonisation of general work safety laws. Certain provisions of the act were not commenced as they would have unintentionally transferred the regulation of hazardous chemicals and major hazard facilities from the specialist mining legislation to the Work Health and Safety Act. The proposed amendments will rectify this situation. The Department of Natural Resources and Mines has consulted extensively with the Department of Justice and Attorney-General in relation to these amendments.

In relation to the CSG to LNG industry, the bill contains amendments that adjust Queensland's resources legislation in response to the emergence of the new CSG to LNG industry. The CSG to LNG amendments proposed in the bill will provide regulatory certainty and efficiency for the landholders, future landholders, communities and the CSG industry alike. The proposed amendments do not establish any new policy positions for CSG and do not alter or dilute the established rights of landholders, but rather adjust the existing regulatory framework to provide clarity and flexibility for application to the emerging CSG to LNG industry. In summary, the CSG amendments enable the registration of pipeline easements, allow leaseholders to seek ministerial consent for changing production commencement where a relevant arrangement is in place, allow permit holders to adapt production schedules to facilitate access by coal parties to land held by the leaseholder and optimise development of the state's resources by enabling gas extraction prior to coal extraction.

In addition, the amendments will extend provisions for pipeline licence instruments to allow the transport of produced water, including CSG water and brine, between petroleum lease areas and off petroleum lease areas. In addition, they will apply existing provisions for environmental approvals, water regulation, land access and health and safety to infrastructure associated with the transport and treatment of CSG water and brine. The amendments will allow the construction and operation of common user water treatment and brine processing facilities on petroleum leases, will allow for incidental activities such as roads, electricity lines and fibre optic cables to be constructed across adjacent petroleum permit areas and, finally, will provide a leaseholder to submit an annual infrastructure report for incidental activities to support authorised activities between permit areas.

In relation specifically to CSG water and brine, these particular amendments will enable CSG companies to comply with the government's CSG water management policy. The proposed amendments will provide mechanisms that will allow CSG companies to aggregate, transport and treat CSG water to achieve better economic, environmental and community outcomes. For example, CSG water could be piped to areas where it can be used for agricultural use. Also, the bill provides the amendments that are necessary to allow for brine to be moved off the landscape to centralised processing facilities, resulting in environmental benefits. This could be commercialised to saleable products, which could generate employment in regions. These amendments in no way remove the rights of landholders. The pipeline licence holders will still require a conduct and compensation agreement before entering any affected landholder's property.

In relation to easements, currently, proponents are negotiating easement options agreements along the 400-pipeline route from the gas fields to the state development areas in Gladstone. However, under the current legislation these easements are unable to be registered. These amendments will provide for the registration of easements for pipelines over private land and forest land, which will provide certainty for both the landholder and the proponent. The pipeline licence holders will be able to register the easement after the pipeline has been constructed. Under these amendments, the owner's written permission to construct and operate a pipeline will survive a land transaction. These amendments provide a balance between landholder rights and proponent rights.

In relation to incidental activities and reporting, the amendments also provide for incidental activities such as roads, electricity lines and fibre optic cables across adjacent tenures. This will lead to infrastructure efficiencies and a reduced impact on the landscape. Petroleum leaseholders will also be required to provide annual reports of their infrastructure and works constructed in the previous year, which will assist in the management of their petroleum tenures. The existing environmental legislation continues to apply to any activities across tenure, or off tenure. A CSG proponent must obtain an environmental authority prior to a pipeline licence being issued.

Further, these amendments strengthen environmental obligations by requiring licence holders to complete infrastructure reports under the Petroleum and Gas (Production and Safety) Act 2004 and the Environmental Protection Act 1994, which will assist government agencies in regulating these activities.

Obviously, these activities have been informed by issues and concerns that have been raised by the community and environmental groups regarding the aggregation and removal of salt from the CSG to LNG industry.

Finally, the government has committed to reducing red tape and providing regulatory certainty to investors. The Mines Legislation (Streamlining) Bill 2012 is a step in the delivery of this commitment. That concludes my opening brief and I and the other members of the department are available for questions.

**CHAIR:** Thanks for much for that, John. That was a very comprehensive brief on some of the issues that have been raised. I happen to have a dump at Ebenezer that is registered to take brine water. Unfortunately, one of the mines in the Surat Basin has just flagged that it will be delivering all of that brine to Ebenezer. Of course, all the red flags go up and all of that sort of stuff. So those are the sorts of issues that we have to look at and manage properly. Thanks very much.

I think most of you might have a copy of a summary of the submissions. Some of them are very well put together and others are just more comments. We might work our way through some of those submissions. Would that be okay with you, John?.

**Mr Skinner:** Yes.

**CHAIR:** In the first couple no clause is mentioned. There is a bit of comment about the two kilometres. I think you have covered that pretty well. The statutory plans that I realise another department is putting in place should take into account that two-kilometre, four-kilometre boundary. That will be up to the local government areas to work that out.

**Mr Skinner:** There is an arrangement in place under what is called restricted area 384, which was gazetted in the context that, for any town in Queensland with a population over 1,000 people or more, there be a two-kilometre buffer. That is still in place. The government has indicated, though, that it sees the statutory regional planning process as a further refinement and development in this space with an emphasis being placed on developing statutory regional plans for the Darling Downs and Central Queensland in terms of the priorities. Work has started on that in terms of using the statutory regional planning process to deal with the issue of interface between the various sectors. That has been a major government priority, as outlined by the Deputy Premier.

**CHAIR:** Thanks for that, John. I would imagine that would take in towns of fewer than 1,000 people, too, when they do that planning.

**Mr Skinner:** That planning takes into account towns of all sizes.

**CHAIR:** Yes. That could be of benefit to the community, I feel.

**Mr Skinner:** It is not prescriptive in terms of the planning process.

**CHAIR:** People in Brisbane do not realise that there are a lot of villages out there that are a couple of houses, a shop and a school.

**Mr Skinner:** That arrangement was at the time really an interim measure in itself.

**CHAIR:** The next one from Lock the Gate is about 290. I think that was about granting the minister powers. I do not think the department needs to comment on that. That is probably out of your criteria. Over the page are lawyers HopgoodGanim. I did read that one in the early hours of this morning—

Criteria should be considered to for determine what is 'is incompatible with the purpose for which the land is being taken'.

Could the department clarify what its thoughts are on what HopgoodGanim have said there?

**Mr Skinner:** I will ask Warwick Squire to talk about that.

**Mr Squire:** We currently have officers working on a response to that question. Could we take that on notice, please?

**CHAIR:** You certainly can. The next point is from HopgoodGanim Lawyers, who state—

(b) in excluding the value of the resource interest known or supposed to be known on or below the surface of the land (s.10AAD(2)) substantially reduces the value of the compensation payment ...

Are landholders paid at the moment for what resources might be under their land when we acquire land if they do not have a mineral licence?

**Mr Skinner:** Obviously there are compensation agreements entered into with landholders which recognise the impact upon the landholder's activity. Clearly, it has always been the case within the state—certainly for most of the state's history anyway—that the resources that sit below the land belong to the people of the state, so the citizens of Queensland. That is a separate issue to landowners being compensated for impacts on their business—

**CHAIR:** But not necessarily for the minerals that are under their land, even if they have—

**Mr Skinner:** Well, no, they are not the property of the landholder as such. That is separate.

**CHAIR:** Under the resource tenements, is the department's feeling that even though they have an exploration permit they are not actually the property of the company?

**Mr Skinner:** Certainly that has been the view. This advice was sought, and I think the important aspect which you have to remember is that an exploration permit covers a very large area of land and normally by its nature it is very large. It comprises multiple sublots. Now there may not be any resource under that. Having an exploration permit is a permit to explore, not a permit to mine. Certainly there are a

range of aspects to this, particularly if you take, for example, a rail corridor. The costs in compensation for government, potentially local government, or any authority would be substantial potentially in terms of being able to put that infrastructure in front. Certainly you cannot make an assumption that the two are incompatible, that in fact they cannot coexist because it may be quite possible that that infrastructure is in place and the resources can be extracted so technically it may be possible. The government does not want to sterilise the resource as part of that process either so it may be possible it can still be extracted underneath that infrastructure by various means. They are the range of aspects.

**CHAIR:** Could you give us a ballpark figure of how much of Queensland is under resource exploration permits at the moment?

**Mr Skinner:** A large percentage of the state. As to the exact figure—

**CHAIR:** I have heard figures quoted of over 80 per cent.

**Mr Skinner:** I have not got the percentage. I can come back to you. It is a very large percentage of the state. If you look at that from an exploration context in terms of the potential costs associated with putting in infrastructure and compensation it could be—

**CHAIR:** Prohibitive almost.

**Mr Skinner:** I can come back to you with the figure.

**CHAIR:** No, that is all right. I have seen something a figure of around 80 per cent.

**Mr Skinner:** I used to have it at the top of my head.

**Mr KRAUSE:** In relation to where you are putting in place easements for infrastructure like a railway line, for example, and it runs across land where there are mining tenements in place, whether they be exploration permits, development licences or whatever, is it the view of the department that when that land is resumed for infrastructure is the mining tenement resumed in its entirety or only in respect of the block of land which is traversed by the proposed infrastructure? Because it could be quite a narrow profile in respect of some infrastructure. Does it resume the whole interest touched by that infrastructure or just the interest that is passed by that corridor?

**Mr Skinner:** Our view would be that obviously it would appear on the title and that would mean that the tenure holder is aware of that. Again, if there was an existing mine or some activity there, like compensating a landholder, that would be a different scenario to an exploration permit, for example. But the explorer, for example, would be aware that there is an easement on that tenement and therefore has to act in a way that is consistent and recognises that easement. Warwick Squire might like to add a bit more to that.

**Mr Squire:** You are right, the extinguishment only relates to the part of the land associated with the acquisition so it is not the full tenement.

**CHAIR:** On page 6, with regard to applications for mining leases, I have highlighted in my copy 'the transferee to provide security for the transfer'. There are some questions raised by HopgoodGanim Lawyers. Is it right that the transferee has to provide security for the transfer?

**Mr Skinner:** I will pass that question to Rachael Cronin.

**Ms Cronin:** Security arrangements are required for all applications for petroleum leases and mining permits, and this simply changes that obligation from the applicant to the new transferee so it is consistent with the current provisions. It is not actually making any changes. The provisions are about introducing a consistent framework across all the resources acts. So the Mineral Resources Act is going through slightly more change to modernise it, but it is effectively a process that already exists.

**CHAIR:** So it is a common-use process in the legislation?

**Ms Cronin:** Yes, it is.

**CHAIR:** At point No. 10 on the same page HopgoodGanim Lawyers raises some questions about the exclusion of pipelines for transporting produced water from the safety regime under the Petroleum and Gas (Production and Safety) Act. Has the department looked at that and come up with any issues?

**Mr Matheson:** It is intended that the relevant safety legislation will apply to water pipelines, but I seek leave of the committee to take a question on notice to fully review the matter to ensure that the appropriate safety provisions apply.

**CHAIR:** Thank you very much. At the bottom of that page they state that the definition of 'specified petroleum and gas act authorised activity' does not limit the definition of 'operating plant'. Does this need clarification? They are looking at the legislation and feel that 'operating plant' might need some clarification.

**Mr Matheson:** It is considered that the amendments as drafted provide the intended outcome, but again I seek leave of the committee to allow review to consider if any clarification is needed.

**CHAIR:** Thank you very much. If you turn the page, we can see that Powerlink is quite in favour of this legislation, which is not difficult to understand. It has come up with some different wording: 'other than taking or otherwise creating an easement'. Do we need to change the wording there?

**Mr Squire:** The wording in the explanatory notes relating to 'other than by an easement' is purely there to distinguish between the taking of land and the taking of an easement which have different interactions with the rights associated with that land. So the wording is appropriate.

**CHAIR:** Thank you. At point No. 14 at the bottom of page 8, the Environmental Defenders Office of Northern Queensland raised the two-kilometre issue again, but I think that has been covered with regional planning issues. On page 9, the environmental defenders office of Northern Queensland state—

At present, the system appears to be accessible only by industry.

Against this I have written, 'Why is this so?'. The comment was in relation to public access to the online platform.

**Mr Skinner:** I think we did comment on that in relation to transparency and accessibility in terms of the system in MyMinesOnline. I will ask Rachael Cronin to speak about that.

**Ms Cronin:** MyMinesOnline is a portal for industry to engage with government. However, as more information is incorporated into an online environment, it is our intention to release more information to the public. We have already started that process and the public are able to access what we call a public inquiry report or a registered report online via the system, and that is delivered free of charge to them via an e-mail connection. So as information is recorded we make certain information available.

**CHAIR:** That would be good. Probably the faster we can make that open and transparent the better the community will feel about it.

**Mr Skinner:** Also, the review of land access arrangements is currently being looked at by the department in terms of public inputs. Some aspects of that review which has been out for consultation have elements around public transparency and access in terms of information for the exploration sectors.

**CHAIR:** In the last column on that page I would like to note that the Environmental Defenders Office of Northern Queensland states—

The proposal to deny compensation to mineral resource holders constitutes a fundamental violation of the principle that the government is obligated to provide just compensation ...

It is good to see that the Environmental Defenders Office of Northern Queensland is sticking up for the resource companies. On the next page they urge the committee to—

... remove or substantially modify those provisions of the Bill that purport to allow mineral resource holders' property interests to be extinguished via resumption without triggering an obligation to properly compensate those resource holders.

We have commented on that enough I think. Again, in the same submission they talk about obligations to hold a relevant environmental authority for the duration of the licence. They say that licence holders must 'comply with the terms and conditions of any relevant environmental authority for the duration of the licence'. I question the need for that. Wouldn't you be required to comply with the terms of the licence? If a licence is issued, surely they have to comply with the terms and conditions for the term of the licence.

**Ms Cronin:** Yes, that is right. They do need to comply with the environmental authority for the term of the licence.

**CHAIR:** Yes, I did read that. I just have to question that, surely, it would be required. They have also commented on the water pipelines in their request.

We turn the page again to the submission of the Environmental Defenders Office of Northern Queensland, up in the top column, which states—

Fairness between applications lodged online.

You will have to clarify that a little bit for me. I have read what they have said there about the fairness between applications lodged online and the fundamental legislative principle concerns as the following—

EDONQ agrees that such concerns are indeed raised... by giving the registrar ill-defined powers to determine the 'relative merit' of applications received.

Could someone clarify that for me, please?

**Mr Skinner:** Obviously, there is always an issue that you can get two people lodge an application on the same day physically. I think we have a process to deal with that Rachael Cronin can talk about that.

**Ms Cronin:** Most of the resource acts provide for a competitive based assessment process of applications lodged on the same day. The rationale for this amendment is to allow for applications being made online and applications being made in offices. So someone who makes an application online could be unfairly advantaged if they can make an application at midnight and it is still considered for the same day merit based assessment. So the purpose of the amendment is to say that applications received after 4.30 on a given day are deemed to be received the following business day so as to not give them an unfair advantage over applicants who perhaps can lodge only by paper. That is the primary purpose for the way that has been drafted.

**CHAIR:** Okay. You have not thought of the shiftworkers, though. That is okay. If we go down to the third paragraph down there, it states—

QGC is concerned that pipeline proponents have no security of tenure prior to the registration of an easement. QGC submits...

Do we need that? Could someone give me some advice on that, please?

**Mr Blumke:** I think the issue that they are raising there relates to avoiding retrospectivity. Basically, the easement provisions state that the survivorship of an owner's written permission does not apply to a written permission provided before the commencement date of this legislation. The issue is that property owners can provide written permission to the licence holder to go and develop a pipeline, but, basically, any of those agreements before this legislation comes into place does not put an obligation on future owners in that regard and QGC is concerned about that.

**CHAIR:** What are the department's thoughts on that? Has QGC got to go out and renegotiate all of those agreements then?

**Mr Blumke:** It only applies to future owners. In other words, all the agreements are fine that they have in place. They can go and register easements et cetera for those. The concern is that, if they are doing a land transaction and a future owner comes in, that does not bind that future owner. So all the existing agreements are fine. They can go and register easements. The only issue is, in the case of a land transaction, all the agreements signed before this legislation comes in does not bind that future owner.

**CHAIR:** Okay. But what about even if there is a pipeline on that easement?

**Mr Blumke:** Let us say they are constructing a pipeline, once they complete the pipeline and once this legislation is in place, they can then go and register the easement with the titles.

**CHAIR:** So once the physical work has been done.

**Mr Blumke:** That is right.

**CHAIR:** It really will not extinguish that easement, if they do the right thing.

**Mr Blumke:** That is right. It only impacts in the scenario where that landholder wishes to sell the property to a future owner. That is the only case that this impacts on. It is all about avoiding retrospectivity.

**CHAIR:** Okay. Is there any ability then for the landholder—say I have a block of land—just to transfer that deed into my son's name to extinguish that application to leverage more money out of a commercial transaction?

**Mr Blumke:** I do not want to enter into conjecture as to what may happen but, basically, the easement option agreements that have been signed can be utilised to register easements once the pipelines have been constructed. If, let us say, someone was trying to frustrate those agreements then there may be an ability to.

**CHAIR:** It does sound like there may be some. Welcome, Mr Gibson.

**Mr GIBSON:** My apologies.

**CHAIR:** No, that is all right. We will not mention QR here. That is an interesting point, though. I feel that that could create some difficulties for streamlining, put it that way.

**Mr Skinner:** Do you want us to come back with any further—

**CHAIR:** Yes, just have a bit of a look at that, just simply for the fact—

**Mr Skinner:** Or take that on notice.

**CHAIR:** Yes. You understand what I am coming from, though, John?

**Mr Skinner:** Yes.

**CHAIR:** Okay. David, we are on page 11 of the submissions. The second bottom paragraph, submission No. 15, the QGC, titled 'Amendment of section 30AC'. It states—

The proposed new section 30AC of the Petroleum & Gas Act provides for two criteria whereby the Minister may grant a new petroleum authority. QGC submits that section 30AC should also include circumstances whereby: *The grant of a new petroleum authority should occur automatically where requested by the previous authority holder.*

Could someone explain what they are getting at there for me, please?

**Ms Cronin:** I might have to take that question on notice, if I may.

**CHAIR:** All right. Thank you. If we turn over to page 12, at the third paragraph I have 'two kilometres' highlighted again. Just for Dave's information, the two kilometres, which has been raised on a number of occasions here, is going to be picked up in the regional planning study that Mr Seeney's department is looking after. The next one is the Queensland Greens, submission No. 16, 'S271 replacement of s271 (Minister to consider application for grant of mining licence)'. They have recommended that that clause be deleted. But that is probably an issue for politicians more so than it is for departments. Submission No. 17, QR National, 'Insertion of new Part 19 Division 16 and in particular proposed section 789', states—

QR National does not support inclusion of proposed section 789(2) whereby mining leases are excluded from the operation of transitional provisions of section 789.

QR National requests that proposed section 789 and in particular section 789(20) be referred to the Office of Best Practice regulation to determine the impact of that section on the industry.

Has anyone done that or has there been any look at that?

**Ms Squire:** That particular transitional provision relates to some negotiations that the department had with the Department of Transport and Main Roads, which was concerned that past compulsory acquisitions that it had undertaken were intended to limit mining activity in the acquired land even if no

actions had been taken indicating the extinguishment of the resource interests, basically to protect their infrastructure—so key road and rail infrastructure. The exception to the transitional arrangements has been included to minimise any risk of damage to transport infrastructure from mining activity in those areas and maintains the status quo in relation to compulsory acquisition legislation prior to the commencement of this particular element of the legislation.

Whilst there is definitely a compensation risk there in terms of QR's activities in terms of acquisition associated with mining leases, it is significantly limited by the transitional arrangements—significantly limited in terms of, if no changes were made, where the compensation risk would spread to exploration permit holders and all other forms of tenure.

**CHAIR:** All right. If we turn over to page 13 now.

**Mr GIBSON:** Sorry, can I just pick up on that? You said 'significantly limited'. Can you just take the committee through how that occurs?

**Ms Squire:** Basically, the extent of the state covered by exploration tenures and under the Mineral Resources Act and also under the Petroleum and Gas (Production and Safety) Act is significant. Therefore, there is a much higher likelihood that compulsory acquisitions associated with linear infrastructure would have had an historic interaction with those forms of tenure. It is impossible to quantify the compensation risk associated with those interactions. Mining leases on the other hand are the most intensively worked of all the types of tenure. So they are most likely to actually have a potential conflict with linear infrastructure and they cover a very significantly lesser area than those exploration permits. So, therefore, by making these changes that include that transitional arrangement, there is a compensation risk but it is limited specifically to transport infrastructure acquisitions that are associated with mining lease areas. So instead of 80 per cent of the state, with lots of rail corridors intersecting, you have a very, very compartmentalised intersection of mining leases, railway corridors, road corridors.

**Mr GIBSON:** Has there been any modelling as to what the level of that risk is?

**Ms Squire:** Given the level of compulsory acquisition that has occurred in Queensland over the past 50 years, it is difficult to assess. I understand that there have been a few cases identified where there is an interaction between potential mining leases and road and rail corridors. However, we are unsure of the full quantum.

**Mr GIBSON:** Sorry, just so that I am clear, as a result of this particular bill, has the department done any potential modelling as to what that level of risk might be for a government?

**Ms Squire:** Not at this stage.

**CHAIR:** We turn over the page now to page 12. The first couple are about the Governor in Council again. If we go to paragraph 3, 'Amendment of sections 552A and 552B'm this submission by Santos states—

New sections 552A and 552B introduce a requirement for petroleum lease holders to lodge annual infrastructure reports.

...

*It will be important for the Government to seek opportunities for streamlining rather than duplication of reporting requirements.*

Has the department looked at that issue and can someone comment on that?

**Ms Cronin:** Currently, on a petroleum lease a company is able to put infrastructure anywhere within that petroleum lease. Under an environmental authority, the Department of Environment and Heritage Protection assesses the environmental impact of that infrastructure, but it does not actually pinpoint where that infrastructure must occur. So to have a better understanding of exactly where all the infrastructure is to support the coal seam gas/LNG industry, we feel that it is important that regular reports are submitted so we know exactly where all the pipelines are should any incidents occur.

**CHAIR:** Would that relate to some of the little pump heads or wellheads, or whatever? Does that relate to that as well? Do they not have to report exactly where that is?

**Ms Cronin:** They are required to give us daily drilling notices, daily drilling reports and well completion reports that give us an understanding of where the wellheads are, but we do not necessarily understand how all the gathering pipelines pull together to connect those wellheads together. We do not necessarily know exactly where the compressor stations are. This is to provide us with that level of detail.

**CHAIR:** The next paragraph, of the submission, again by Santos, states—

New sections 175AA and 175BB involve applications to amend the production commencement date of a petroleum lease ... Proponents should not be precluded from applying to change the production commencement date of a lease if they do not already have a relevant arrangement in place; and

(2) Section 175AA(c) should be amended to allow applications to be made up to 3 months before the existing production commencement date.

Is that a reasonable request by Santos or are they just pushing the envelope?

**Ms Cronin:** The current legislative framework for petroleum leases state that the holder must produce within two years or to delay that production commencement date they need to have a relevant arrangement—contract or some other commercial arrangement—in place to approve that delayed commencement. Also under the current framework, once the production commencement date is set it cannot be amended. So what this amendment proposes to do is to introduce the ability for the production

commencement date to be amended and, if it is being amended, an amendment that is likely to be delayed beyond the two years. It is calling in the current framework to approve that process, which is a requirement to have a relevant arrangement or some other commercial contract in place. The amendment's purpose is not to change those requirements; it is simply to allow for the production commencement date to be changed.

**Mr Skinner:** The advantage of that and the purpose of that, if I add a little bit more, clearly there is a balance to be achieved in terms of expectations, in terms of the state and in terms of royalties, that production will occur and in what periods and the issue of some of these long-term contracts which are being signed up. Achieving that balance—and obviously the state wants the resource to be utilised and to gain the benefits—the company will sign up long-term contracts which might mean that the resource is not actually utilised in the short term or even, perhaps, in the medium term. It is about giving that flexibility, but being able to understand that there are commercial arrangements in place over that period that the resource will be extracted, over an extended period, rather than the time that is originally intended under some of the original legislation.

**Mr GIBSON:** John and Rachel, can I pick up on that. Appreciating that it is flexibility we are trying to achieve where previously there was none, how many times can we amend that production date? Can it be done half a dozen times if a company is having a particular problem or is it limited to only one amendment in the date? Could you enlighten us on that?

**Ms Cronin:** The legislation is silent on how many times it may be amended.

**Mr GIBSON:** Do you think that is ideal? Noting the flexibility, could we have a situation where we are looking at something that we expected to occur in 2014, but it gets bumped out to 2015, bumped, bumped and bumped again? I have a concern, noting the flexibility that we need to bring in, that we do not want to make it open slather so that, John, exactly as you said, the state does not miss out on that benefit that we are expecting to occur at some point in time.

**Ms Cronin:** To apply to delay your production date, you have to go through quite a rigorous assessment process. One of the reasons for containing the relevant arrangement or commercial or contract provisions means that the applicant needs to demonstrate how collectively their resources pull together to achieve that objective. The minister must give regard to that and determine whether it is in the best interests of the state for that to be achieved. There is a distinct decision-making process there for the minister to give regard to.

**Mr GIBSON:** Noting that, but isn't it a situation at that point where the power balance is in the proponent's favour because they have an approval, they have sought one extension and everybody is wanting this project to come on board. It would be a very courageous minister who did not grant an extension. I wonder what leverage we have over the proponent. Obviously, they have their board which is looking at their share price and determining that the project comes online. From a legislative perspective, what influence do we have over that to ensure that we do not see a series of delays occurring unnecessarily?

**Ms Cronin:** I guess, conversely, there is also a power inside the act where the minister can direct them to produce. There are opportunities inside the act as well to facilitate that, to balance it.

**Mr Skinner:** Certainly there would be a rigorous process and advice to the minister based on all the information available and to inform the minister's decision in that space. It does take into account a range of factors as outlined and the minister would then make a decision based on that information provided.

**CHAIR:** The second last one by Santos is the amendment to section 30AD. Could someone explain that to me? I must admit I have read their understanding of what they are saying under the 2004 act. Could someone explain that to me?

**Mr Skinner:** On my reading of—

That consideration to the tenure holder for the lost opportunity to develop the resource, the requirement to compulsory relinquish sub-blocks...

We have said this is really about not extinguishing the resource and, therefore, again there is an assumption in the exploration that there is a resource underneath that exploration, which may not be the case. This does not extinguish the resource. I would ask Warwick Squire to comment a little further than that. Certainly, as we have discussed, it is probably a little bit of the fact that, given the vast percentage of the state is under exploration, the challenge is what has potential or not under the area where a rail corridor goes through. Again, the focus of this change maintains that intent, which is about the coexistence and, in fact, that these things can coexist in terms of infrastructure and resource activity. I will ask Warwick if he has any more comments to make.

**Mr Squire:** Thanks, John. Certainly John is right: this is about that policy position of coexistence. In terms of the compulsory acquisition amendments, the policy position has generally been that the key areas of conflict would revolve around mining leases. Petroleum activities by their nature, whether they be exploration or production, are quite flexible and certainly can work around infrastructure corridors without any significant impact on their operations. In terms of the comment made by Santos about compensation, the compensation limitations associated with acquisition relate only to what is in the ground, not limiting

their ability to claim compensation in the unlikely event that an acquisition occurs in relation to expenditure on exploration on the affected area and those other compensatable elements under the Acquisition of Land Act.

**CHAIR:** In the last paragraph there, Santos is more or less saying it wants to have first chop. Does the act cover that process? Could you explain that for us, too?

**Mr Squire:** I will take that one, if that is okay?

**Mr Skinner:** We will come back to you on that one.

**CHAIR:** Warwick has it.

**Mr Squire:** The department explored options for priority regrant of tenures as part of the compulsory acquisition process and found that it was not possible due to requirements under the Commonwealth Native Title Act. Basically, if the legislation provided a priority to a company that held the tenure, it might put in jeopardy any actions taken to extinguish native title associated with that particular acquisition, therefore, priority was not appropriate. There is an ability for the tenure holder to apply for the land to be reincluded in the tenure at renewal or, if they wish, to go to a higher form of tenure, but that is subject to a ministerial test and consultation with the constructing authority about the appropriateness of the use on that land.

**CHAIR:** Turning to page 14 and Santos again, amendment to section 399A, which states—

Section requires the registration of an easement within 9 months of the notice of completion of the construction of the pipeline. Santos submits that 12 months is a more realistic time frame for easement areas to be surveyed and to obtain executed documents from what may be a considerable number of land owners which the pipeline crosses.

Do you have any comment on the nine-month time frame to the 12-month time frame?

**Mr Blumke:** Really, the nine-month time frame was proposed as a balance with urgency. Basically, they have nine months from the completion of the pipeline to register these easements, to get their surveys and register these things. It provides sufficient time to do this and we are not keen for them to rely on the written provision simply. So the process is to provide urgency to get these easements sorted out once the pipelines have been constructed.

**Mr GIBSON:** Can I just pick up on urgency then; why not six months?

**Mr Blumke:** I think it was a discussion we have had with the proponent in terms of what is reasonable and what is a reasonable time to get these things sorted out. There was a balancing act to come to nine months as approximately an appropriate time to work through these issues, to work through this process.

**CHAIR:** Just on the second paragraph, Santos again, amendments to 437A—

However, Santos submits that there may be inconsistencies with sections 366(2) and (3) of the *Land Act 1994* in relation to the payment by the public utility provider to the landowner of the costs...

Is there any conflict?

**Mr Blumke:** I think we will have to take that one on notice and talk to some of our colleagues who manage the Land Act. I would like to do that, please?

**CHAIR:** Just on a point of interest: I have always been a bit of a proponent for rental agreements. Powerlink pays a one-off easement cost for power. Are most of these easement costs on the pipelines going to be on a rental type basis or are they going to be on a one-off basis; do you know?

**Mr Blumke:** The situation is that they are all subject to conduct and compensation agreements, so they are commercial issues between the proponents and the landholders. They are negotiated, so they are all subject to conduct and compensation agreements, so I am not precisely sure of the terms of those agreements.

**CHAIR:** For Telstra towers, they pay a yearly rent whereas for Powerlink towers you are get a one-off payment and, bang! It is there. The Powerlink towers almost become a liability whereas Telstra towers almost become an asset. That is just the difference. Just take that on notice, John.

**Mr Skinner:** There has not been a standardised formula. We will take that on notice and provide you with some comment on that.

**Mr Date:** From observation, my experience is that they generally go one-off. They go through, as John described, a CCA process, but generally it is a one-off payment.

**CHAIR:** Like I said, I have the experience that the one-off payments, unfortunately, end up being a liability and the pipeline becomes a liability, whereas if it is a rental basis it becomes an asset. Even if it is only a small rental amount, you are getting that on a rental basis. I think that might be something that landholders should think about, anyway.

**Mr Skinner:** Yes, it is a good point.

**CHAIR:** I do not think I have anything else much on that page. It is just about compulsory acquisition. Turning to page 15, the Queensland Resources Council. They have highlighted a few things. The first paragraph on 'Prohibited dealings' states—

QRC feel that the intent to not prohibit or void such commercial arrangements, outlined in the explanatory notes, is not adequately reflected in the current Bill. Industry's concern, including recommendations for resolving that concern, is detailed further in the Freehills submission made to the Committee on 8 August 2012.

I think that is below us actually, so we might let that one go unless someone wants to have a go at it?

**Ms Cronin:** The streamlining acts already provide a framework that these types of dealings are prohibited. The intention is not to prohibit commercial transactions. That has been alluded to here. It is really, having had negotiation, we have had this amendment previously in the prior submitted bill that lapsed. There was feedback from the Resources Council about the drafting of that section. We have incorporated that feedback and have gone back and forth with them on different ways to draft it. It is not the intention to void commercial agreements. It is the intention to void any transfers that divide the part of a permit that is consistent with the frameworks currently inside the acts. We feel the section as drafted achieves that affect of keeping commercial agreements intact.

**Mr GIBSON:** Rachel, with the greatest respect, as legislators a large part of our work is fixing problems where there was intent, but some judge or some bright spark of a lawyer decided it was not spelt out clearly and the intent is not reflected in a decision that is made. How can we be confident that the intent is communicated strongly enough that it will be supported? Can you take us through what you believe will ensure that intent is achieved?

**Ms Cronin:** I will have to refer to a specific section of the act where we specifically say that the intention is not to incorporate commercial transactions. The section is drafted specifically to catch that up, but I can refer to that specific section, if you like.

**Mr GIBSON:** If you could come back to us on notice, that would be appreciated.

**CHAIR:** Could I encourage you, John, just to advise the minister that it might be worthwhile including that in his second reading speech as well.

**Mr Skinner:** Yes

**CHAIR:** The next one is in column 3, again from the Queensland Resources Council in relation to section 961. It states—

QRC has raised issues previously with DSDIP regarding the proposed new section 961 of the P&G Act and the need instead for a transitional arrangement to s 399A ... QRC requests the exclusion in s 961 be removed and the inclusion of a new transitional arrangement to s 399A that allows existing written permissions to apply after a reasonable period of time. QRC refers to Submissions made by QGC and Santos GLNG on further comments regarding this proposed amendment.

What is your comment there?

**Mr Blumke:** This is the same issue that we discussed before about retrospectivity. Basically, the survivorship of the owner's written permission does not apply to agreements before this legislation comes into effect. I suppose the principles behind that is that avoiding retrospectivity is a fundamental legislative principle and that the concept is to support landholder rights and certainly not overstep the mark in that regard.

**CHAIR:** Okay. Then I think we go into the Freehills submissions about commercial arrangements again. Would that be right, Rachael—the second last paragraph on that page?

**Ms Cronin:** Yes, that is right. It is the same matter as raised by QRC.

**CHAIR:** Freehills has questioned the time period in section 318AA. I think we have already covered that issue. Over the page there are just some private submissions. I actually have 'rant' written down there on one of them.

**Mr GIBSON:** A contribution.

**CHAIR:** Yes, a contribution about the scrutiny of the Governor in Council and the advice to the ministers. I think we have covered that before. On the last page I have just highlighted the four kilometres, which is going to be picked up in the regional planning, the statutory planning.

**Mr Skinner:** Two kilometres.

**CHAIR:** Yes, someone has decided that it is four in the last page. That is Ursula Monsiegneur. I think she is a Greens candidate in my area.

**Mr Skinner:** When I say that, I mean—

**CHAIR:** Councils might decide that.

**Mr Skinner:** The statutory regional planning may make that larger. Potentially, it may vary.

**CHAIR:** That is right. I think we are trying to give a bit of those powers back to local governments to make some of those decisions.

**Mr Skinner:** It could be four; it could be one.

**CHAIR:** I just have a few more general questions that the committee has worked very hard to come up with. Several submissions have expressed concerns in relation to the bill impacting on the environment. Can the department comment on the environmental issues that were considered during the drafting of the bill?

**Mr Skinner:** As I have outlined, the environmental regulations are still in place, in particular the aspects of being able to, through the pipeline arrangements, move product from local areas—where there may well, if they are left there, create environmental problems—to another area, where they can be processed properly and dealt with. They are clearly strong environmental drivers that underpin these changes and, obviously, maintain the integrity of the environmental requirements, particularly for pipelines to move product. I will invite Warwick to comment, or Rachael, in terms of the consultation provided.

**Ms Cronin:** With all the amendments relating to streamlining approvals, we have worked hand in glove with the environmental regulator. We do not believe that there are any amendments proposed that necessarily impact on the environment.

**CHAIR:** All right. Thank you very much. Can the department expand on the rationale for designating mining registrar powers to the chief executive?

**Mr Skinner:** We can certainly comment on that.

**Ms Cronin:** The Mineral Resources Act is the only act that provides for the statutory provision of the mining registrar. The mining registrar has certain powers under the act so that they can accept an application locally and take necessary compliance action. The amendment just simply provides for the chief executive to undertake those same powers.

**Mr Skinner:** So the mining registrar's role still remains and the position still remains in place.

**CHAIR:** I just have a few general questions. Some of these come from the Mackay Conservation Group. Firstly—

*Does streamline involve short cuts and which may prove more costly in the long run because things were missed?*

That is a general question.

**Mr Skinner:** The essence of streamlining is about having a modern system that is electronic rather than paper based. The system can increase the streamlining, reduce time but also increase transparency but without sacrificing either environmental or any other compliance activity. So streamlining really brings our system into line with other types of systems that exist dealing with other activities and frees up a lot of the paper based type of activity, allows concentration on the most important issues and some of the issues that would be of concern to various sectors. That is very much what streamlining is about in terms of streamlining processes, red tape, electronic processes, but without sacrificing the environment.

**CHAIR:** I have just a quick question on that before I cross over to Dave. With the resources under the railway tenements, have the other states already gone down that process? Have we looked at Western Australia or New South Wales?

**Mr Skinner:** I think we did, yes.

**Mr Squire:** Yes, all other states have compulsory acquisition laws that interact with the resource interests. In the majority of the states, the default is that the interests are extinguished unless expressly stated in a notice. So the default is the resources taken unless otherwise stated. The Northern Territory has a similar system to Queensland in that the default is that the resource interest is not taken unless expressly stated as part of the resumption process.

**CHAIR:** Okay. So we are very similar, if not the same.

**Mr Squire:** The principle is consistent across the states.

**Mr GIBSON:** John, if I could, just going to the Greens and noting some of the submissions, there has been some criticism with regard to consultation. Appreciating that there are various components within this bill, if I look at the consultation section with the Greens, we see a date with regard to streamlining—that certainly between October 2010 and April 2011 you started various working groups. Can you take us through what consultation has occurred in the other sections of this bill and what, if any, consultation has occurred with the broader public, because it does seem to be from what is reflected here very stakeholder-specific consultation?

**Ms Cronin:** The aspects of the streamlining components of the bill have occurred only with resource companies. That is largely because the amendments are really administrative amendments to provide a consistency across the operations of the act. So they are not actually intending to change the intent of the way those sections operate. They do not impact on any landholder rights or interests; it really is about cleaning up the provisions so that we get greater efficiencies in how we administer tenure administration. That is the primary reason.

**Mr GIBSON:** And that started as early as October 2010.

**Ms Cronin:** Yes, the streamlining project began in January 2009 and we have been engaging with industry progressively throughout that time.

**Mr Squire:** In relation to the compulsory acquisition amendments, we have consulted with relevant constructing authorities with the state and government owned corporations and also with the resource sector as they were the parties that were directly impacted by the legislation. The broader community was not impacted by the compulsory acquisition amendments.

**Mr GIBSON:** Just for the benefit of the committee, when did that consultation commence?

**Mr Squire:** Last month.

**CHAIR:** Most of the constructing authorities are very positive about it all.

**Mr Skinner:** Obviously, there have been key stakeholders. Also, I should again mention, as I discussed in my opening, that there has been a public briefing late last year in relation to these in a previous hearing. So certainly the intent has been to make them well and truly public.

**CHAIR:** Yes, it has been around for a long time.

**Mr Skinner:** But certainly, they have been in that—

**CHAIR:** So some of them protesteth too loudly.

**Mr Skinner:** Certainly, there has been informing exercises. The consultative processes that have been in place with, for example, key stakeholder groups et cetera in relation to issues of concern about water management and the Surat Basin engagement process have all informed these amendments, particularly the issues, for example, around the need to move water, the best available, the best use of water et cetera, removing things like brine from local areas. Those sorts of issues of concern to landholders have been coming out strongly in the various forums and consultation processes and they have been identified with the GasFields Commission. So those things sit in these changes that are being made.

**Mr KRAUSE:** Just on that point, can you clarify exactly what facilitating the efficient transportation and treatment of CSG water and brine entail? Is there a view on the efficient transportation and treatment of CSG water and brine?

**Mr Blumke:** With respect to CSG water and brine, at the moment the focus is on trying to encourage within the petroleum leases these activities to occur within petroleum leases. By allowing proponents to move across petroleum leases or off petroleum leases we can get better, more economic environmental and community benefits out of these arrangements. In other words, we optimise what we do with CSG water and brine. Basically, it allows any solutions to be developed that are consistent with government policy so that there for some community benefits, for example, if a common-user facility for salt could be created for employment in the region. But it is all about finding the optimal solution for CSG water and brine, which, under the current legislation, is constrained.

**Mr Skinner:** So if you cannot move water or brine, then you cannot address potential environmental issues at a local level nor, in terms of the best use of the water, for example, for irrigation or any other purpose, to an area which is wanting to use it for that purpose.

**Mr KRAUSE:** So under the present legislation, if you want to deal with brine, it has to be dealt with on a particular site, a particular tenement if you want to set up a facility processing that water. These amendments will allow that to be transported—a single place—to achieve efficiencies in that process?

**Mr Skinner:** And potentially aggregate it into an industry to deal with that.

**Mr KRAUSE:** Potentially.

**Mr Skinner:** And the economies of dealing with it in one spot in a much more efficient and environmental manner than multiple locations, which may be not particularly of an optimum size, or whatever and may not be desirable to be there in that location by either the companies or the community.

**Mr KRAUSE:** Has there been any work done or can you shed any light on some of the possible uses for brine in a commercial way?

**Mr Blumke:** Yes, I believe the proponents are working on that together and individually. They are looking at commercial options for, say, soda ash, or soda bicarbonates. I believe there is work happening. Certainly, these legislative arrangements will assist in further developing those options, which may lead to some sort of employment in the regions. Certainly, the big benefit is that it would take a large salt load off the landscape if that could be effectively used commercially.

**CHAIR:** Does not Dalby town use some of the brine water from one of the facilities near it? I think it is getting some of the water purified and used to assist their town water. Do you have any other questions, Dave?

**Mr GIBSON:** No.

**CHAIR:** I thank all the departmental officers very much for being here this morning. It was an interesting morning. A lot of these sorts of matters are always complex with the environmental concerns weighed up against the industrial concerns. Time has been short, but it has been long. So there is a bit of a conundrum there as well. Thank you very much for putting yourselves out here and coming down this morning. Thank you.

**Mr Skinner:** Thank you.

**Proceedings suspended from 11.30 am to 12 pm.**