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AGRICULTURE, RESOURCES AND ENVIRONMENT COMMITTEE

Proof

Members present:

Mr IP Rickuss (Chair)
Mr DF Gibson MP
Mr JM Krause MP

Staff present:

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

PUBLIC HEARING—MINES LEGISLATION (STREAMLINING) AMENDMENT BILL

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 10 AUGUST 2012

Brisbane

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Committee commenced at 12 pm

CHAIR: Good morning, ladies and gentlemen. I now declare the hearing of the subcommittee of the Agriculture, Resources and Environment Committee open. For the benefit of those who are here this morning, my name is Ian Rickuss. I am the member for Lockyer and chair of the committee. Also present are the member for Beaudesert, Jon Krause, and the member for Gympie, Dave Gibson. The deputy chair, Jackie Trad, extends her apologies, as do other members of the committee. The purpose of this meeting is to assist the committee in its examination of the Mines Legislation (Streamlining) Amendment Bill. Today we will hear from a number of individuals and organisations that have made submissions about the bill. I have a couple of housekeeping announcements. If for any reason you have to evacuate the chamber, we will ask you to make your way down the main staircase to the ground floor and through to the Speakers Green, our assembly point, and wait for further instructions. Please note that this hearing will be broadcast live via the parliament of Queensland's website.

MONSIEGNEUR, Ms Ursula, Convenor, Ipswich and Lockyer, Queensland Greens

CHAIR: Good morning, Ursula. Would you like to make an opening statement?

Ms Monsiegneur: I am here today to speak on behalf of the Queensland Greens. I was invited last night to stand in for Libby Connors, who made a submission on behalf of the Queensland Greens, and I will also be touching on my personal submission which I submitted to the committee. There are a number of concerns which, coincidentally, mirror each other. One of them says that we are concerned about no community groups, environmental groups or catchment groups being mentioned in the explanatory memorandum, and I did note that that was brought up by Mr Gibson. I was very concerned with the answer that only resource companies were consulted as the bill concerns administrative issues which engage industry and is not really relevant to landholders. I want to bring up the issue that Mr Rickuss raised regarding the transport of brine salts for instance. Once that legislation changes, it will affect local communities.

For instance, when the Arrow Surat EIS submission was being put forward and people were asked to put forward objections, there were a number of people who did not put forward objections because they would have thought they were not affected by that because, under the current Water Act, they could not move brine and CSG water off site. Once this bill is passed—I have just heard today—CSG water and brine will be able to be moved off site which means that that Arrow Surat Basin submission actually did not cover all of those people who would be affected. For instance, truck movements across the range were not covered in their submission which was something that I addressed in my submission to the Arrow Surat Basin project in which I said that these truck movements are therefore not covered, even though I was expressly told that would not be the issue. However, Swanbank was mentioned as one of the sites for the removal of that water. Once this bill gives them permission, that removes that legislative restriction on them moving that water to Swanbank, and that will not be the only community that is affected but certainly on a personal level that will be my community because that is the area that I live in. So those kinds of direct effects do affect the community. I think it is a bit poor to say that community groups, environmental groups and catchment groups should not be informed when these kinds of administrative issues and laws will affect the local communities.

The issue raised by the Queensland Greens as well notes that the now lapsed resource legislation bill on which the new bill is largely based included urban restricted areas where some types of mining could not occur. The Greens are concerned that the new bill has omitted these restrictions. I did note that you mentioned those, but I did not hear any comment as to whether that would be reintroduced. There was a recommendation in our submission that, irrespective of where they live, people are seriously affected by light, dust and noise, often for 24 hours a day, seven days a week. We understand that four kilometres is a realistic minimum buffer area for impacts of this type. Certainty is required in this bill that there will be no resources exploration or production tenures in an urban centre or locality or within a minimum of four kilometres of the boundary of any urban centre or locality. That has not been addressed that I have heard so far, although I did hear two kilometres mentioned a couple of times. The Greens therefore recommend that the urban restricted area provisions be reinstated.

There was also a specific mention of section 290. I did not catch the number from the public gallery as the wind is whistling through the window up there so it is a bit hard to hear, but I did not think I heard it was section 290. I am not sure. It says in our submission that we do not support the intent of section 290, which proposes to give new powers to the minister to grant and renew mining and petroleum leases for purposes of transparency, accountability and community confidence. We support this power remaining with the Governor in Council and we already have had issues concerning that particular issue at Ebenezer for instance where the minister signed to renew a mining licence after it had lapsed three years previously. So we have already had these kinds of issues. That is currently in court, so I cannot discuss those court

issues because I am not present or involved in that court case. However, that was something that has occurred when we supposedly have a transparent system, let alone when there are changes to bills being muted which would give extra powers to somebody. So we are quite concerned that that would occur.

I have mentioned the salt issues. There are also issues on human and flora impacts and other movements that were mentioned in this bill. As I said before, this bill is administrative. It was extremely difficult for me to access, unfortunately, in terms of the links that came with your bills. Having been given only seven days and working as a teacher as well, I have been up until two o'clock in the morning just preparing these couple of words I have said now. I am afraid I do not have much more to add to the submissions I have already put forward or the Greens and myself have put forward. Please feel free if you have anything specific to ask.

CHAIR: Thank you very much for that brief summary, Ursula. We did discuss some of that two- and four-kilometre buffers, and hopefully that will be picked up in the regional planning that Mr Seeney is doing now as Deputy Premier and planning minister. In terms of the pipelines and brine, I will ask the department that question again this afternoon. My thinking was that they were only going to be allowed to be piped to another tenement.

Mr GIBSON: It talks about transport, so I guess it is open.

CHAIR: Yes. That is a question that we will need to ask again this afternoon. As for the Governor in Council or the minister, unfortunately the committee really is not looking at those sorts of issues. It is more for an executive part of government to make those decisions. As a committee we are more examining the management of the bill, but it is a fair comment.

Ms Monsiegneur: May I ask a question? It was meant to be part of what I was mentioning, and you raised it earlier from what I could hear from the public gallery. You were talking about who owns resources. I could not see where that was relevant in either our submission or in the bill, but from my understanding of the resources and current ownership people who have a freehold lease that was signed prior to 1911 actually own the resources under their land.

CHAIR: Pre to the Torrens titles; that is right.

Ms Monsiegneur: That is right, so it is not correct for the person who was sitting over here to say that the resources belong to the state. They only belong to the state if that freehold lot lease was signed after 1911. So that was an incorrect statement. It concerns me that that would influence decision making made by this particular House if there is a misunderstanding of what the laws are surrounding resources.

Mr GIBSON: I am not sure there are many leases.

CHAIR: There are some though.

Mr GIBSON: Yes, but as a percentage I do not think it would be high.

CHAIR: No, very small.

Ms Monsiegneur: Whether it is small or not, the point is there has to be a greater understanding of what the laws are.

CHAIR: That is a good point.

Mr GIBSON: I have a question for some clarification, and you made a very good point and the chair has acknowledged that with regard to some further questions. One of the things we heard with regard to the transport of water and brine from CSG in particular—and I hope you heard similar to what I did—was that that could generate some better environmental outcomes and aggregate treatment facilities of a better standard that would be able to process that. Is the Greens view that you are opposed to any movement of water—you want to keep it locked on to the current tenement—or would you be accepting of that argument that allowing the transportation of water can actually provide better environmental outcomes than what we currently have?

Ms Monsiegneur: I think I would have to speak to the Greens more broadly to see what their broad view is on that. I can see concerns with the end result of permissions that give them broad permission to say, 'Yes, I'm treating something,' when they are actually not. To say that it is going to be used as fertiliser or table salt is highly improbable. It may be possible, but at this point in time table salt can be got from much cheaper sources than trucking it across the Toowoomba range and taking it to Swanbank and treating it as table salt.

Mr GIBSON: Not tying into specifics like table salt but broad environmental outcomes, is your preference that the water remains on site or are you happy for water to be transported if it achieves better environmental outcomes?

Ms Monsiegneur: I do not think I am happy with the mining process as a whole and the CSG mining process as a whole.

Mr GIBSON: Acknowledged, but, on my specific question, what would you prefer—water to remain on site or water to move if there were better environmental outcomes?

Ms Monsiegneur: I would prefer the water to stay in the ground.

Mr GIBSON: Okay. Acknowledged.

CHAIR: Thank you very much for that, Ursula. Thanks for making the effort to come and put up some interesting points here this morning.

Ms Monsiegneur: No worries.

PEARSON, Mr Brendan, Vice-President, Government Relations, Peabody Energy Australia Ltd

THORNTON, Mr Julian, Group Executive Operations, Peabody Energy Australia Ltd

CHAIR: Thank you for making yourself available this morning. Would you like to make an opening statement?

Mr Thornton: Thank you, Mr Chairman. Thank you for affording us this opportunity. I will cut to the chase as far as we are concerned. Our main concern around this legislation is clause 173 of the legislation. Those provisions require coal producers to relinquish 40 per cent of an exploration lease within three years of GRLT and 50 per cent of the remaining tenure over the following two years. Our concern with this in fact is not so much around the actual legislation, because it is not that different from the current legislation; our main concern is around how that is actually applied in practice. Currently there is a lot of discretion allowed by the department when it reviews these applications for renewal. Our concern is that it is that level of discretion that may change with the new legislation. To that end, what I would like to do is just pass this sheet out and then talk to it. What I have just handed out is a chart that we have titled 'Indicative Process for Tenement Awards'. Across the top there are years, and you will see it starts off at year minus 2, minus 1 and then goes to years 1, 2, 3 et cetera and down the left-hand column are various processes that take place. If you look at the line between minus 1 and year 1, you will see that there is a star—the third star down. That is actually the grant by the government to, say, a coalmining company of an EPC. That is the point at which the clock starts ticking in terms of clause 173.

I thought it would be useful just to run through some of the issues and how the whole process works as far as the coalmining industry is concerned, and these are indicative numbers. When we actually apply for an EPC, that would be the first star there on the left-hand side right at the top. So we would then apply for an EPC. There is then an assessment done by the Department of Natural Resources and Mines and then some period after that we would then be, assuming we were successful, notified that we were the preferred applicant, and that could be approximately six months after we have applied. We then have to do quite a bit of work. We have to do, for example, a strategic cropping land assessment. We have to get an environmental authority. We might have to have an EPBC referral. We have to go through native title and then all of that needs to get referred back to the government department and they perform that technical assessment and then it could be a year to 18 months after that that the actual exploration licence is granted to us.

At that point in time we then would start having land access negotiations with the landholder. There is quite a lot of variation in the time that can take. It can be a relatively straightforward process time wise. That could be maybe six months or it can be quite a protracted process lasting up to a year or even longer, particularly if the two parties cannot find each other by negotiation and access to the land finishes up going, for example, through the Land Court.

We also have to get cultural heritage clearance on the land. The way that works in practice is that we will get a fairly big area granted for an exploration licence, but we have to put forward a specific drilling program. Generally with an exploration licence you have fairly widespread drilling, because you are trying to get a good appreciation generally about what is in the EPC. The cultural heritage clearance generally is very site specific. So we will get specific cultural heritage clearance for specific drill sites. So it is not a cultural heritage clearance for the whole EPC; it is very specific to where we intend to drill. That can take six months to achieve that.

Once we do that, then we are in a position to mobilise to site. Our mobilisation to site and subsequent drilling is very impacted by weather. This year, we have had significant stand-by time, where we have not been able to get on to site or not been able to drill because of ground conditions caused by rain. In the 2010-11 wet season, when obviously a lot of Queensland was affected by weather, we had about nine months consecutively where basically we could not drill a hole anywhere in Queensland. So there you can see the land access, the cultural heritage, the weather delays.

So we would then do our first round of drilling, for example, in year 1. We would assess those results. Depending on those results, we would then design our second round of drilling, which is generally outside of a wet season. We then have to go again and get cultural heritage clearance for those particular sites. That again takes potentially up to six months to get those sites cleared from a cultural heritage point of view. Then we can go and drill, assuming it is not raining. So that cycle goes on.

As you can see, we would want to do that. You can see the exploration lines there. We might want to do that several times as we home in on what we might think might be an actual economic deposit. We then have to do a prefeasibility study and then apply for an MDL. So we are already potentially up to year 5 of that. Under the current legislation, we are down to potentially 30 per cent of the lease area already before we are even at the stage to put in an MDL application. So the process goes on and you can see typical

time lines there. If you follow the process down and it is rigorously applied without this discretion that I have been talking about, by the time we are ready to go, potentially, we have lost a significant part of the deposit that we have access to.

I think I would also like to draw your attention to the state of the EPCs at the moment in Queensland. If I could just stand here and just show you this. This is obviously a map of Queensland and it has the coal EPCs. That is all the EP exploration permits in Queensland that have been granted. They are colour coded. So the green is zero to four years old. This is as of about a couple of months ago we did this. Then we move on to purple, which is five to nine. So that is these ones here. Just to orientate yourself, this is typically the Bowen Basin in here, the Surat Basin in there and this is the Galilee Basin around here. So that gives you a feel for it. The 10 to 14 years are these brown ones and then there is a few over 15 years. If you could refer to your chart, a lot of these ones—these pink ones—would be in this preaward phase. So people have made an application at that point. These pink ones would be in that period of the minus-two to minus-one year phase. So they have been applied for, but the government is going through that technical assessment phase and the various proponents are doing the sort of work outlined in there in that minus-one year and minus-two year phase.

So you can see that there are a lot of tenements that are fairly aged and they are all going through this process. It is this discretion that the government departments allowed these tenements to age, as you can see, because of a lot of the issues that are outlined in there—that process that has to be gone through. So that is really what we wanted to highlight to the committee—the actual process, the status at the moment, and that we would want that discretion to remain in place.

CHAIR: Thanks very much for that, Julian. I understand where you are coming from. Can we have that document?

Mr Thornton: Sure, no problem.

CHAIR: I will just ask for leave of the committee if we can table these documents. All agreed? Right. We will table those documents. Thank you very much. Surely, if we start to bring in some of this streamlining and improvement, for an organisation the size of Peabody—a very efficient group, I am led to believe—this should help you out. At the moment we have a lot of charlatans and carpetbaggers going around putting in mining leases and applying for exploration permits and all of that sort of thing just to try to onsell and all of that sort of stuff. Would this not work more to the favour of a professional company like yours?

Mr Thornton: As I say, we do not have any objection to the particular change in that clause that is proposed, except that the reality is that there are a lot of things that we have to go through and I have tried to give the committee an indication of that. No matter how efficient you are, there are still a lot of things that we have to do, and weather plays a big role in how much we can drill. We cannot dictate to landowners that they reach an agreement with us quickly. So there are a lot of things.

CHAIR: I represent some of the coalmining areas up around Ipswich. Some of those tenements are 40 and 50 years old and they are still mucking around with exploration and stuff. So the government must have been fairly relaxed about what they have done with them.

Mr Thornton: We would certainly recommend that the government has the discretion but applies it sensibly.

CHAIR: All right. Thank you. Any questions? Thank you very much for that very informative discussion.

BRAGG, Ms Jo-Anne, Principal Solicitor, Environmental Defenders Office Queensland

CHAIR: Some of the resource industries will be very pleased to see that you are supporting them on this bill, Jo.

Ms Bragg: I do not think I wrote that.

CHAIR: Welcome, Jo. I am pleased to have the Environmental Defenders come along to these committee hearings. You always have some interesting comments to make.

Ms Bragg: Thank you very much.

CHAIR: Start whenever you want.

Ms Bragg: How long is allocated for me?

CHAIR: Ten minutes.

Ms Bragg: We lodged one submission on Wednesday, which was labelled ‘draft’ and I have given essentially a fresh copy. It is the same but it has not got ‘draft’ on it, but attached to that fresh copy are a few attachments.

CHAIR: I will ask the committee for leave. Carried.

Ms Bragg: So here is a spare copy, but I do not have a copy for everyone, sorry.

CHAIR: Are you going to discuss some of the issues that you raised this morning?

Ms Bragg: Okay. Great. What I have brought with me, but I was not proposing to table, are two books that might be of interest to the committee. There is a book freshly out called *Rich Land, Wasteland* by Sharyn Munro, which looks at the impacts of various mining in various communities in New South Wales and Queensland. It has examples in there that may be of interest. I was not proposing to table it, because it is my copy and I need it. There is also an interesting book by Paul Cleary, which is also about issues relating to mining and communities and legislation. They are particularly pertinent, current books that you might be interested in.

CHAIR: Thank you.

Ms Bragg: In relation to the submission itself, I have made some points early on about the very short time frames. I think this will have excluded members of the public from getting their submissions in. We have not been able to comprehensively address and read the bill, but we have a few points that we thought we would come forward with. The prime point that I wanted to make was about the urban restricted areas, the prime point being in what I will call the lapsed bill, the Resources Legislation (Balance, Certainty and Efficiency) Amendment Bill. That bill had some streamlining provisions for the mining industry but it also had provisions to establish urban restricted areas. Essentially, the point of it was that a mining company, when it puts in its application for a lease or whatever other tenure it is, cannot be accepted if it includes those urban restricted areas; it has to leave them out of its application. So that means that at a very early stage people living in urban areas can have confidence that they are not going to get mining or other resources over certain land.

CHAIR: We discussed that this morning. Like I said, the regional planning structure—I think you might have heard us talking to Ursula about it, too—will, hopefully, include more urban areas. I have a lot of villages in my area that have nowhere near 1,000 people in them. Hopefully, with the regional planning scheme, that will come in and assist some of those smaller villages as well. The Deputy Premier is doing that right now.

Ms Bragg: Yes. There were provisions in that lapsed bill that are not in this bill, the Mines Legislation (Streamlining) Amendment Bill. It is really, to my mind, a grave omission. The reasons are that if you get those urban restricted areas in here, there is no debate about giving small communities not a huge lot of protection but a few kilometres—

CHAIR: That is what I am saying. Small communities were actually ignored with that 1,000 people.

Ms Bragg: That is right.

CHAIR: In my area, 1,000 people is a large community; it is not a small community. It is probably a two-pub town.

Ms Bragg: Sure. In fact, in the submission we did on the lapsed bill we said that localities, which are 200 people or more, should also be given the same protection as those communities of over 1,000 people. The reasons we think they should be protected are those that people are fairly familiar with—the severe impacts of noise, the severe impacts of dust. I have attached to the submission a couple of pictures, because I think here in Brisbane it is easy to lose track of just the sheer size of some of these mines. For example, 30,000 hectares is a mine that I know—the Wandoan mine. That is 17 square kilometres. The impacts from a mine of that size can be vast. So I have attached here pictures showing the size and dust and issues that you get with mines of that size. There are also issues with blasting. For example, with the Acland mine, Peter Faulkner from the Oakey Coal Action Alliance says that 15 kilometres from the New Hope Acland mine they can feel the tremors from the blast.

The attachments were to emphasise some of the impacts. One of the attachments is from Doctors for the Environment. They think there should be a 10-kilometre area from localities or towns for no resources, no mining, because of the serious health impacts from fine particulates from mining or other resources which are not controlled by watering. So I am just emphasising the seriousness of the impacts and my agreement with the need to protect the small communities. The reason I think it needs to be in the legislation and not wait for regional plans is that regional plans, in my experience—and I have a lot of experience of regional planning—do not precisely and clearly give that sort of protection to communities. They are usually somewhat general documents.

CHAIR: The South East Queensland Regional Plan is extremely tight.

Ms Bragg: I beg to differ on that. I am quite familiar with it. In terms of protecting the natural environment or communities it has positive words in there, but when you get down to looking at a particular area its not precise enough. I think it is very important that you get in the legislation clear provisions that mean that you cannot even get an application—and we are only talking about a couple of kilometres around these communities—through the regional planning process and if the community has the resources to try to object, which many do not, you can then put larger zones. You can put more elaborate and detailed conditions, but I really think it is very important that you get provisions protecting localities and urban areas in the legislation and do not leave it up to the communities to try to put their views through the objection and other process.

Mr KRAUSE: But Jo, isn't RA 384—the restricted areas—still in place in South-East Queensland?

Ms Bragg: Yes, it is still in place and I put that in the submission. That is a good start. As far as I am aware, it does not protect those smaller communities, as the chair said, and it was meant to be a temporary measure until things were put into legislation. So it is good that it is still in force, but for certainty

for these communities, so they are not having to worry constantly about proposed mining, as a lawyer of 20 years experience I can say that we need to put this sort of thing in the legislation. That is probably my main point. Did people want to ask me further why I think it should be in legislation? It is for certainty and security for communities, really.

CHAIR: I have confidence in the Deputy Premier and planning minister to enshrine some of this stuff in the appropriate planning process. Hopefully, the local governments will pick it up and do a good job of it as well, simply for the fact that if that is what they want to have put in place then that is what they will be able to put in place. That is what I have been advised. So I would assume that it will be fairly well done. If you want to stay there, Jo, we have the Environmental Defenders Office of Northern Queensland on the line now.

Ms Bragg: If I could raise one thing further on a different topic, there is a proposal to change the decision maker on grant of the mining lease to the minister rather than the Governor in Council. We strongly suggest that it should stay the Governor in Council and go through cabinet so that the agriculture and tourism ministers can have their say about these mining or other resource proposals.

CHAIR: All right. Thank you. That is noted. We will go to Patrick now.

PEARLMAN, Mr Patrick, Principal Solicitor, Environmental Defenders Office of Northern Queensland

CHAIR: Good afternoon, Patrick. There are quite a few people from the department and the other Environmental Defenders Office and the Greens present.

Mr Pearlman: Okay. I think I heard Jo Bragg speaking.

CHAIR: Yes, that is right.

Mr Pearlman: Would you like me to go ahead and begin?

CHAIR: Away you go.

Mr Pearlman: Okay. First of all, I would say good afternoon, members, and thank you, Rob, and the committee as well, for inviting me to participate in this. I am sorry that I am doing so by phone and I appreciate you making the arrangements to allow me to participate this way, although obviously I would have preferred to be there in person. Very quickly, by way of introduction, I am the principal solicitor with the Environmental Defenders Office of Northern Queensland. We are an organisation that, like Jo Bragg's organisation, provides community legal centres that provide legal services relating to environmental law and planning law in the public interest to members of the community. Our area of coverage extends from Sarina to the north—to the Strait. Jo's coverage obviously is from Sarina to the south. That is very briefly my role and our organisation's role.

We submitted comments in response to the Mines Legislation (Streamlining) Amendment Bill and I will speak to those very briefly. Then I am available, obviously, to answer any of the committee members' questions, if that is appropriate.

CHAIR: Yes, that is okay.

Mr Pearlman: Okay. Obviously, the first concern that we raised in our submissions—and I will not speak to this for very long; I will get to the substance of the amendments themselves—was about the amount of time available for the review of the provisions of the proposed amendments as well as the explanatory notes and some of the reports implementing the streamlining approvals project that were referred to in the explanatory notes. The committee is well aware, I know, that we have had essentially four working days or thereabouts to review everything and prepare submissions. That was a cause of some concern. We have not had an opportunity to consult with any of the government agencies in the past. That, I think, compounded our concerns with regard to having a really short time frame within which to prepare submissions and provide them to the committee.

With regard to the main points of our submissions, I would like to focus on two, if I may. The first concern that we had really related to the compulsory acquisition provisions contained in a number of provisions in the amendments. We agree with the explanatory notes to the extent that they recognise that those provisions raise concerns about fundamental legislative principles being violated. We agree with that. To our minds, the proposal to allow the acquiring authority to essentially resume property and effectively make a determination to extinguish mineral interests on the property without providing compensation for the taking of those minerals or the extinguishment of those mineral interests raises serious concerns about violating those fundamental legislative principles; namely, the obligation of the government to provide compensation to property holders where property is taken for a public purpose. We have a concern that there are a number of provisions that make it very easy for the acquiring authority to determine that those mineral interests that underlie the land have not been extinguished. Also, even in the situation where those interests have been extinguished, as we read the amendments it appears that no allowance would be made for the value of the mineral interests underlying the land in any of them.

Then, compounding that, there does not appear to us, at least upon the review that we have been able to make of the amendments, to be adequate provision for judicial review of those determinations regarding resumption and extinguishment, or criteria, if you will, that are to be applied by the acquiring

authority in implementing those provisions. So those are two very fundamental concerns that we have. I realise that the Environmental Defenders Office is probably not the first organisation that comes to anyone's mind in terms of speaking up for holders of mineral interests.

CHAIR: No. We note your support for the resources companies there, Patrick.

Mr Pearlman: It truly is, I think, more support for what we view—

CHAIR: The basis of law.

Mr Pearlman: The traditional rule of law. To the extent that the mineral resource holders are entitled to the protection of the law, we fully support that.

Our second concern—and it is not so much a concern as it is, I suppose, just a comment—is with regard to the online services delivery platform. Really, there are only two points that we would urge the committee to take on board and consider, the first being that we certainly support the development of an online platform. We think that it is a great idea. It will certainly increase efficiency and reduce regulatory costs and burdens, but we would ask the committee to consider expanding that online platform to include members of the public having access to certainly basic information regarding applications.

CHAIR: We raised that issue with the department this morning, Patrick, and we are progressing down that way. They feel that it should be made available very shortly.

Mr Pearlman: Good. Okay. I appreciate that response and I am happy with it. The only other issue that we raised in our submissions regarding the online platform, again that we would ask the committee to take on board, is this provision about the registrar determining the priority of applications that are received on the same day, or may have been received on paper by one applicant and online by another applicant. We very much question and have concerns about what we view as sort of a wide-ranging discretion of the registrar to make a determination about the relative merits of an application. That does, as I think the explanatory notes concede, raise concerns about fundamental legislative principles as well. We think the solution is really quite easy and does not need to allow for a government official to utilise discretion in resolving these priorities. It is simply to utilise online date stamping to the extent that applications come in after the close of trading hours, to simply treat them as being lodged on the following business day.

CHAIR: The department has accepted that. Anything after 4.30 is going to be treated as on the next day's date.

Mr Pearlman: Thank you. I appreciate that. If you will convey that to the department, then that would certainly allay our concerns in that regard.

CHAIR: All right. Thank you.

Mr Pearlman: That really sums up our submissions. I am happy to answer any questions that the committee has.

CHAIR: Thank you very much, Patrick. That was very comprehensive.

Mr Pearlman: Okay.

BARGER, Mr Andrew, Director, Resources Policy, Queensland Resources Council

MULDER, Ms Katie-Anne, Industry Policy Adviser, Queensland Resources Council

CHAIR: Welcome, Andrew and Katie. It is nice to make some time to come and see us again.

Mr Barger: Thank you for the opportunity.

CHAIR: That is okay. Were you here for this morning's hearing?

Ms Mulder: Yes, I was.

CHAIR: Katie has a fair handle on what we have already discussed, Andrew. If you would like to make an opening statement, please do so.

Mr Barger: I am at real danger of just reading out the entire submission to you. I am conscious that not only are there a lot of our members who are coming to speak to the committee individually but also there are a lot of other stakeholders who have expressed an interest in the bill. I will try to keep it very brief and give you the maximum opportunity to ask questions so that I can defer to Katie. What we wanted to do this afternoon was give you some brief context for the legislation, because we are aware that a lot of the stakeholders have seen the pace with which the committee is reviewing the legislation and taken that as indicative of a process that has been fast-tracked, that the legislation is a product of haste. I guess what we wanted to put on the table was that the legislation that is under discussion is the result of a longstanding process. There has been a series of reviews and the legislation reflects discussions that were had in the previous parliament.

There are other aspects of the legislation, but the essence of the streamlining amendments is really to allow the department to move from what is essentially a 19th century paper based, really resource intensive process of managing tenures to say, 'Can we step that forward into an online world?' In electrifying, if you like—if you are moving away from paper towards electrons—that has provided a process to sit back and look at the whole process for granting tenure, and what that has made clear is that there are

a whole lot of dry creeks that applications can get lost in. There are a whole lot of processes where they may be described in some detail in terms of what needs to be done but do not necessarily add value. So the streamlining, like the green-tape legislation that precedes it, is really about saying, 'What's the essential information that government needs to make a decision about tenure and what's the best way for that to be brought forward from a proponent?'

Any bit of legislation is sort of swings and roundabouts, but I guess it is a matter of record that the Resources Council has been heavily engaged in the process. We see it as a very worthwhile process. There have been lots of sorts of skirmishes fought around the detail with the department about how things might be given effect and consequential amendments to some of the changes, but, stepping back to that broad helicopter view, it is a good bit of legislation. It takes a lot of headaches out of administering tenure. Potentially, some of the other stakeholders in the process, like local government, environmental groups and agricultural groups, get much greater transparency in that documents that have always been public will now actually be online so that you do not have to choof down to the registrar's office and get something stamped to access information. It is much more readily available. I will probably pause there. I am happy to go through our submission in more detail, but I suspect you probably did that.

CHAIR: The committee did discuss some of the points made in your submission this morning. I know that the Sustainable Planning Act has some time lines in it in that local government departments have to meet time lines. In terms of the previous discussion with Peabody Energy, are you getting the feeling from your members that things just get lost in departments? What is actually happening?

Mr Barger: Sorry, but I was not here for the Peabody presentation.

CHAIR: The people from Peabody were saying that the legislation has some pretty strict time lines in it now in terms of the five years and that sort of thing, but they feel while they are going through the process they are getting lost in departments and so it is taking them that length of time to get out there, whereas some of the other acts that are already current in Queensland have set time lines for departments to look at issues and get results out.

Mr Barger: Yes. The issue of time lines and setting deadlines for processes is a bit of a two-edged sword in that often if something is not proceeding it is because there is a miscommunication in what was required. Often what you will find is even within the Sustainable Planning Act there are statutory time lines and stop-the-clock mechanisms to say, 'Well, actually, what you've provided isn't what we're expecting,' or, 'Having looked at what you've given us, we now need some more information.' So you need a little bit of flexibility around some of those processes.

In terms of stepping back to the fundamental premise of the streamlining bill in terms of moving some of those processes online, the quandary you have always had in the past was that if you were concerned about the progress your application was making you have always had to ring up the people who are doing it and chew into the time that they have to process your application to get an update on the progress. Moving the key milestones online means that that becomes immediately visible to you, so you are immediately removing that demand for reporting time on the people making the assessment. The long winded, roundabout argument is that I think if you move the process of tenure processing online inherently there is a reporting mechanism there which takes away some of the demands on people's time which hopefully pulls back from the pressure for those regulatory deadlines.

CHAIR: Katie, is there anything you would like to add?

Ms Mulder: Yes. Just being here for Peabody's presentation, I note that their concerns were with regard to the three- and five-year relinquishment rates which are currently in this bill for the Mineral Resources Act. Just reflecting their concerns, I guess there is a need for those time frames around relinquishment. But I am just reiterating their concern that there still needs to be the ability to have discretion around those time frames as well for things like floods, land access arrangements and so forth.

Mr GIBSON: I just wanted to pick up on something you said earlier. You alluded to the amount of time that has occurred in consultation on this bill and on the precursor to this bill which it is fundamentally based upon. From an organisation and industry perspective, do you feel that that consultation has been sufficient or could more have been done?

Mr Barger: It is hard for an industry association rep to ever say that there has been enough consultation because that is sort of how we pay our mortgages. I guess what is unusual about this process—perhaps even in distinction to the green-tape process, which I would also argue characterised very deep and thorough engagement—is that it just has not been a bilateral conversation between industry and government. There have been a series of public reports that have been quite openly discussed, so the motivation—the premise—for the streamlining bill has been in the public domain since 2009. That idea of moving the system online is not a new one. In a lot of ways it is moving us towards parity with some of the other resource jurisdictions in Australia.

The other aspect of that, though, is the way that those ideas are fundamentally given effect and the specific wording of the legislation. Again, in an ideal world I think the committee process would have been given more time for other stakeholders to have a look at that. Resource legislation tends to be complicated, so as soon as you start amending things there is a real risk that that will have consequential implications elsewhere. There are some examples of that in our submission and I think you will hear from some of our other members around those issues.

Again, I guess I draw a distinction between the premise of the legislation—the intent—and the specifics of how the legislation is given effect. Any time new legislation is being brought forward for the House to consider, the more time you have to consider it the better. But I guess weighing up with that is the fact that this is a process that has been in train for a while, particularly at the moment where the news out of the resources sector seems to be less bullish than it has been in the past and so projects are looking hard at their prospects for development and we are starting to see some of the urgency go out of those projects. I understand the importance of scrutinising the wording of the legislation, but that imperative of getting Queensland's resources into play so that they can continue to prop up the economy should not be understated either.

CHAIR: All right. Is there anything else that either of you want to say?

Ms Mulder: No, that is fine. Thank you, Chair.

CHAIR: Thank you very much for making your time available today. We will move on. Thank you.

Mr Barger: Thank you.

AIROLDI, Ms Margaret, Private citizen

CHAIR: Good morning, Margaret. Margaret has made a submission in which her two points were that an urban restricted area needs to be implemented and the time frame for the bill was too short.

Ms Airoldi: And the aggressive takeover of good agricultural land.

CHAIR: I will cover a couple of the points that we have covered. The committee does not actually set the time frames; the parliament does. That has come to us and we really do not have much control over that, but your point has been raised before. In terms of urban restricted areas, we have discussed that point and the Deputy Premier is now doing sustainable planning for a lot of the regional areas of Queensland that should take in some of those restricted urban areas, particularly with the support of local councils. That is just a brief overview of what we have already discussed this morning.

Ms Airoldi: Okay.

CHAIR: Would you like to make an opening statement?

Ms Airoldi: I thought you were going to ask me something.

CHAIR: What are your issues?

Ms Airoldi: My main issue is that one about the urban restricted areas and the aggressive takeover of good agricultural land. If we are supposed to be the supplier for the Asian food bowl, how can we when so much of our good agricultural land is being made useless? You have taken up time frames. What I am pointing out in most of my submission is that the mining industry delivers so much less benefit to the Australian community than the mining industry claims. I am asking and wondering why they get so much preference and why things are pushed through for them when small business and farmers might take a year to get their issues resolved. We were only given a week to look at this issue. I understand what you are saying in that it is not your decision or ability or capability to set the time frames, but I would hope that people take into account that when mining companies are preparing their submissions to government they would take a lot more than a week. On top of that, they pay people to do it. We are all volunteers who are very busy anyway, and we just have to find time.

CHAIR: Thank you, Margaret. That is a point that is well noted, of course. They are issues that the committee and the parliaments of Queensland and Australia do have to deal with—food security and good agricultural land. We have only been in power now for 150 days or something and we are still looking at reviewing sustainable agricultural land and those sorts of policies, as well as some of the statutory planning that the Deputy Premier is reviewing about even small communities where there are only several houses and a shop and a hall and a school. Those are the sorts of things that we do want to protect and we do not want to ruin Queenslanders' lifestyle.

Ms Airoldi: I do recognise you have not been in power long, but I understand that I can still get some material to you over the next couple of days because one of the biggest issues for small communities which I have not brought up is the issue of voids. The Collinsville mine alone has 20 pools of toxic waste, some of them lying in floodplains, and they have been told by the mining companies that that has been environmentally allowed.

CHAIR: That is probably not quite covered in this regulation, but I will discuss that with the department later this afternoon.

Ms Airoldi: Thank you.

CHAIR: Thank you. Does that cover your issues, Margaret?

Ms Airoldi: They are my main issues. I had imagined that I might be questioned on some of what I have had to say, but, yes, they are my main issues.

CHAIR: Thank you very much for that.

TURNER, Mr Nathan, Commercial Analyst, QGC

WAKE, Ms Cecile, Vice-President, Commercial, QGC

WOODLAND, Mr Paul, Manager, External Relations, QGC

CHAIR: Good afternoon and thank you for making the time available to be here. Who would like to go first?

Ms Wake: Good afternoon, Chair, Deputy Chair and committee members, and thank you for the opportunity to come and speak to you.

CHAIR: This morning we did discuss some of the issues in your submission. We went through and looked at some of those issues.

Ms Wake: Thank you. We are developing the QCLNG project in conjunction with our joint venture partners. It is important to say at the outset that QGC supports the bill, particularly those parts that relate to or facilitate centralised cross-tenement legislation. As you mentioned, we have made a formal submission that contains a number of technical submissions on the drafting of particular provisions. I do not propose to repeat those today, but rather to speak to how the proposed amendments will facilitate regional solutions to issues like water and brine management for our projects and serve to encourage a reduction in our industry's footprint, promote cooperation between the projects and allow the CSG-LNG sector to better co-exist with landowners and communities with whom we operate, something which is in everybody's interests.

I think others have noted already that the provisions of the streamlining bill relating to cross-tenement legislation largely echo proposed amendments that were introduced to the previous parliament in November last year, but which, due to the election, did not progress. By way of background, the QCLNG project is a $20.4 billion project which is now two years into a four-year build. We have spent in excess of $8 billion so far since March 2010 and have more than 5,000 people working on the project. The upstream component of the project is a large integrated CSG field development plan, which will require, over the life of the project, some 6,000 wells to be drilled across our acreage and water and brine and gas processing facilities to be constructed on more than 40 petroleum leases.

I think it is fair to say—and it is something that the departmental staff are likely to agree with us on—that the current legislation, when enacted, did not contemplate large scale integrated upstream developments of this nature. As such, the provisions largely operate so that individual petroleum leases almost have to be developed as a stand-alone project rather than as integrated projects, and that means that the current legislation does not facilitate regional solutions as well as it might. Some examples of these potential inefficiencies which the current act does not currently adequately support are water and brine pipelines that need to cross multiple tenements in order to transport those by-products to a centralised facility, the processing of that water or brine on a centralised facility to handle by-products from multiple petroleum leases and the provision of quarrying materials, telecoms and electricity, which are necessary to support the authorised activities on a suite of petroleum leases.

This inefficiency is exacerbated by the fact that there is a current restriction on the maximum size of a petroleum lease. We have large exploration tenements, which are called authorities to prospect. With a number of QGC's exploration tenements, by the time we look to convert them to a petroleum lease, we need to get five or six petroleum leases to cover the area of the exploration tenement. What that does is that, in upgrading our tenure from an exploration tenure to a production tenure, the current act actually operates so as to be more restrictive once we have those petroleum leases, in terms of the activities that we can do across the breadth of that area, than originally. That is a curious outcome.

Without these proposed amendments, QGC and other CSG-LNG proponents may well be required to duplicate infrastructure, such as water and brine infrastructure, on each petroleum lease. Therefore, for us a key outcome of the amendments would be to encourage the development of a smaller number of larger centralised plants. For the QGC QCLNG project alone, we anticipate that these amendments will serve to reduce the number of water treatment plants and brine ponds that our project would require from up to, say, 40 of each at its most extreme down to only three water treatment plants and one centralised brine processing facility. We will also create the opportunity for sufficient scale with brine to potentially explore commercial uses for that brine, rather than less efficient or less desirable outcomes.

In short, we see seven key benefits associated with these cross-tenement amendments. First, and very importantly, is a much smaller footprint for our upstream facilities. That in and of itself will reduce impact on landowners. In terms of a reduced clearing of native vegetation, we estimate approximately 26 hectares less clearing of remnant vegetation, simply from the reduction in the number of water treatment plants.

There will be a reduced chance of our operations distorting local property markets and a reduced number of landowners who are going to be living and conducting their businesses next to large infrastructure. By reducing the number of water treatment plants, we reduce the number of affected neighbours. Our estimate—and, admittedly, it is a little back of the envelope—is 68 fewer neighbours; that is, families who will be near water infrastructure.

Fourthly—and I think this is something that has driven some of the department's concerns for this—is that these amendments, particularly the ability to get a petroleum pipeline licence for water and brine, mean that they will be licensed separately rather than being authorised under a petroleum lease. That means that we avoid the need to maintain a petroleum lease after the resource within that petroleum lease has been exhausted.

Fifthly, these amendments will give proponents greater flexibility in determining the alignment of water and brine pipelines. We will not be restricted purely to being within the boundaries of a petroleum lease. That gives us a greater opportunity to work with communities and landowners to choose routes that minimise impacts and minimise environmentally sensitive areas. It also maximises, as I mentioned earlier, the potential for treated CSG water and brine to be used for beneficial re-use, which is consistent with the state government's CSG water management plan. If we do not have the ability to bring brine into centralised locations, it makes it much more difficult for us to attract commercialisation opportunity for that brine. To this end, QGC along with APLNG and Arrow are investing in the order of $20 million on four pilot projects to investigate the technical feasibility of selective salt recovery plants, which would take the brine wastewater stream from our reverse osmosis water treatment plants and work with companies to turn those into commercial products like sodium bicarbonate and so on, which is certainly an environmentally superior outcome than land, water or marine outlets and reinjection. To date that has been done a lot with seawater. We are investing the money with a number of companies to try to explore the technical feasibility of using that CSG water. These amendments will certainly facilitate that, should the technical outcome be successful.

Finally, the amendments will facilitate cooperation and coordination between the projects. Already we have four of these large scale projects. By being able to coordinate and centralise these facilities, the opportunities for more cooperation of the kind that we already see with ourselves and Arrow and APLNG will be enhanced. In short, we see these amendments as bringing significant beneficial outcomes for landowners, the environment and communities and that the bill is an important step in ensuring that our industry coexists better with landowners in the future.

CHAIR: A question was raised before by one of the committee members. You have said that you have some pilot products. How much salt do you think you will be able to generate out of these sorts of facilities? Do you have any ballpark, back-of-the-envelope figures on that?

Ms Wake: I will need to take that one on notice for you, but to work backwards from our volumes of water produced, the percentage of the water that comes out of our reverse osmosis water treatment plants that is potable water, permeate stream, so the clean stream, is around 90 per cent, I believe, but I will check that and come back to you.

CHAIR: That is a problem that I can see with some of your brine water, like seawater. I think just roughly from off the top of my head it is about 35,000 parts per million. A lot of the water might only be 10, 12, 20—you know what I mean—so it becomes a lot more costly exercise to do salt.

Ms Wake: The money that we are investing in reverse osmosis water treatment plants in the first place is a significant component of our upstream costs. There is in the order of $1 billion worth of investment in reverse osmosis water treatment plants. A brine plant that would produce selective salt recovery, again, is another very significant investment. It would be a loss leader in the sense that we will not be making a profit from the disposal of either the clean water that comes out of our reverse osmosis plants or the brine, so the commercialisation of those is offsetting what is a net present cost rather than a net present value.

CHAIR: Do you have any local towns that are interested in some of the osmosis stuff? Are you that far down the process?

Ms Wake: In relation to the clean water stream, around Chinchilla we have entered into an agreement with SunWater in which they transport up to 82 megalitres a day of clean water from our Kenya water treatment plant to the Chinchilla weir. It is discharged into the weir pursuant to a beneficial-use permit that SunWater holds and will be made available to local farmers for agriculture. We and SunWater are pursuing a very similar outcome for our northern area, northwards of Wandoan. There are a number of regulatory hurdles for it still to pass through and oversight there, but if successful that would see 100 megalitres a day of water transported to the Glebe weir and made available for irrigation in that area. As I understand it, that is not an area where irrigation has been available to local farmers previously.

CHAIR: Are there any questions?

Mr GIBSON: Cecile, you made what I thought was a very clear case for the committee in relation to the environmental benefits with regard to transporting water. We have heard in earlier submissions, both written and verbal, concerns about these changes and how they impact on previously approved projects or projects that have already gone through the EIS process. Could you share with us how you see this legislation would change existing projects from your own company's perspective?

Ms Wake: In relation to the cross-tenement pipelines that we are talking about, the legislation contemplates that any pipeline licence, whether it is an existing petroleum pipeline licence or whether it is extended to water or brine, would require an EIS and a water licence. There will certainly be additional approvals for us to obtain in order to take advantage of the amendments that are here.

In terms of the existing environmental approvals and so on that we have, for the most part they already include not only numerous conditions but also authority to construct infrastructure of this sort. What the amendments do is allow us, where we have a contiguous run of petroleum leases which may either have common ownership or differing ownership as we cross into different joint venture areas, to develop those leases in a way that is more efficient and moves them forward. Where we go off tenement—so were we to construct a brine pipeline to perhaps connect our northern production areas with our central production areas into a single brine facility, should that be the way forward—we would have to obtain an additional environmental approval for that.

Mr GIBSON: With regard to brine in particular, what are the environmental benefits that will occur from having just one facility as opposed to—I think you alluded to having 40 water treatment plants? The amendments in this bill scale that down to three water treatment plants and one brine treatment plant.

Ms Wake: There are a number. First and foremost, by centralising and getting scale on both water or brine you create the opportunity for greater beneficial re-use of the outproducts. Bringing all of our water in our central area into our Kenya water treatment facility has enabled us to enter into the agreement with SunWater which then allows this irrigation opportunity for local farmers. To do that on a stand-alone basis PL by PL, you are not going to get scale; you are going to have crisscrossing of smaller pipelines and more clearing associated with that. So it creates the commercial opportunity for service providers like SunWater or a brine service provider to facilitate that beneficial re-use.

Secondly, it reduces the number of pipeline easements that are going to need to be cleared for right of ways. If we were to have an RO plant on each PL, we would need to have an outlet pipeline for that clean water out of each of those.

CHAIR: Cecile, you said that most of your water is not too bad. Can the landholder still negotiate some local use? If they wanted five megalitres a day and you are delivering 20 out of their wells, could they still get some of that or are your contracts going to tie it all up for SunWater?

Ms Wake: The model that we contemplate is that we would bring—the reason I am pausing is that we have people who take what we call produced water from us of a few megalitres a day. That produced water is before it has been treated. So the uses to which you could put that are limited by the composition of that water.

CHAIR: Depending on what it is.

Ms Wake: Yes. But certainly we have done that. We then bring water into the centralised RO plant.

CHAIR: If I am a landholder and I negotiate with you that I want two megalitres a day of water that is just a little bit salty, you are still quite happy to divert that and send the rest to SunWater; is that right?

Ms Wake: None of the commercial arrangements that we have in place would preclude that outcome.

CHAIR: Thank you. That is all I wanted to know.

Mr GIBSON: This is more for my notes than anything else. You talked about what your estimate is of the reduction in the number of hectares of remnant vegetation that would not need to be cleared. I did not get the number. What was the number you were referring to there?

Ms Wake: I believe it was 26 hectares. I would put a precautionary note there that those are our best estimates.

Mr GIBSON: This is understood. That is across what area of petroleum leases?

Ms Wake: The QCLNG tenement. So that is some 15 authorities to prospect which I think will turn into about 40-plus petroleum leases.

CHAIR: Thank you very much for your attendance today. That is all we have from witnesses today, but we have the department coming back after the break.

Proceedings suspended from 1.21 pm to 1.47 pm