

8 August 2012

Mr Rob Hansen  
Research Director  
Agriculture, Resources and Environment Committee  
Email: [arec@parliament.qld.gov.au](mailto:arec@parliament.qld.gov.au)

Dear Mr Hansen

QGC appreciates the opportunity to provide a submission to the Agriculture, Resources and Environment Committee (**Committee**) on the Mines Legislation (Streamlining) Amendment Bill 2012 (**Bill**).

QGC strongly supports the introduction of the Bill which will facilitate the efficient development of upstream infrastructure to mitigate impacts on the community and the environment, in addition to providing proponents with much needed security of tenure for pipelines built under petroleum pipeline licences.

QGC echoes the comments of the Queensland Resources Council in commending the Department and its officers.

Following QGC's review of the Bill, we suggest the following:

1. Clause 121 of the Bill proposes a new section 961 of the Petroleum & Gas Act. This section states that any written permission obtained by a pipeline licence holder prior to the enactment of the Bill will not bind future landholders. In these circumstances, pipeline proponents have no security of tenure prior to the registration of an easement.

CSG-LNG proponents are significantly advanced in securing land access for the development of the main export pipelines to Gladstone. In fact, QGC recently completed its final land access agreement for the entire route of the QCLNG Gas Collection Header and Export Pipeline and now has over 100 agreements in place.

Following completion of QGC's pipeline construction, it will be necessary for survey plans to be prepared and approved by landholders prior to the underlying easements being capable of registration. As a result, every land access agreement for QGC's pipeline would be non-binding on any transferee of land throughout the period of construction and also following completion until the easement is registered.

QGC submits that the proposed new section 961 should be replaced with a transitional provision which provides that section 399A(2)(b) does apply to existing written permissions until the later of 9 months following:

- (a) Completion of the pipeline; or
- (b) The commencement of the Bill.

2. Clause 79 of the Bill introduces a new section 30AC of the Petroleum & Gas Act which provides that the Minister may grant a new petroleum authority for an area where:
  - (a) petroleum interests are extinguished upon the acquisition of land; and
  - (b) the grant of the petroleum authority is compatible with the purpose for which the land was taken.

Subject to satisfying those two criteria, QGC submits that the grant of a new petroleum authority should occur automatically where requested by the previous authority holder. The new authority should be granted in favour of the previous authority holder for no consideration rather than being subject to application by other parties. Further, any pre-existing priority amongst overlapping tenements should be maintained.

3. QGC acknowledges that there may be some circumstances where resource extinguishment is a necessary consequence of a resumption activity. Clause 79 of the Bill introduces a new section 30AD which provides that a holder of an extinguished petroleum interest will not be entitled to compensation for the value of petroleum sterilised.

In consideration for the lack of compensation payable to the tenure holder for the lost opportunity to develop that resource, QGC submits that the tenure holder's periodical obligation to relinquish sub-blocks under section 65 of the Petroleum & Gas Act should be reduced by the area of land affected by the resource extinguishment. This would provide some mitigation to the tenure holder for the partial tenure sterilisation resulting from the taking of land.

Thank you again for giving QGC the opportunity to comment on the Bill. If you require any further information, please do not hesitate to contact me.

Yours sincerely



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