

9 August 2012

Mr Rob Hansen
Research Director
Agriculture, Resources and Environment Committee
Parliament House
George Street
BRISBANE QLD 4000
Email: arec@parliament.qld.gov.au

Dear Mr Hansen

Thank you for the opportunity to provide a submission to the Agriculture, Resources and Environment Committee ('the Committee') on the *Mines Legislation (Streamlining) Amendment Bill 2012* ('the Bill').

As you know, the Queensland Resources Council (QRC) is the peak representative organisation of the Queensland minerals and energy sector. QRC's membership encompasses exploration, production, and processing companies, energy production and associated service companies. The QRC works on behalf of members to ensure Queensland's resources are developed profitably and competitively, in a socially and environmentally sustainable way.

QRC has long been involved with the development of the Bill, dating back to 2009 when the [Streamlining Mining and Petroleum Tenure Approvals Project Report](#) outlined a new tenure approvals platform for Queensland. In response to that report, I chaired an Industry Working Party ('the IWP') to review and make industry recommendations to improve the tenure approvals processes in Queensland. The IWP published its report [Supporting Resource Sector Growth](#) in April 2010 which was followed by intensive government and industry participation on a series of working groups to work through the recommendations. Last year the report titled [On the Right Track](#) provided industry support to implement the initiatives that are now outlined in the draft legislation outlined in the Bill and in the already passed, *Environmental Protection (Greentape Reduction) Amendment Act 2012* ('the Greentape Act').

The Greentape Act and the Streamlining Bill go hand in glove to deliver much needed reforms to deliver greater certainty, predictability and transparency to the mining and petroleum tenure approvals process - they bring with them the ability for resource tenures to be managed through a world-class online management system, moving the approvals process into the 21st century by using the latest mapping and tracking technology.

QRC is pleased the Queensland Government recognises the importance of the amendments in the Bill for the resources industry and has moved to implement the amendments in the Bill as soon as practicably and reasonably possible. The *Streamlining Approvals Project* is overwhelmingly supported by industry. QRC members support the Bill's focus of cutting red tape to enable industry to get on with job of getting projects into production, in line with the Government's commitment to growing the four pillar economy.

QRC would like to acknowledge that with these legislative changes comes a need for a cultural shift and additional expertise within the Department of Natural Resources and Mines ('DNRM'). QRC members continue to grapple with the challenges of receiving inconsistent information and advice from different DNRM staff. One of the benefits of a move to an online system will be to reduce the demands on DNRM tenures team.

QRC is highly supportive of the following proposed amendments:

- Amendment to all resources legislation to enable the online lodgment and management of resource tenure in Queensland.
- Amendments to all resources legislation through a sensible transition process to create common chapters for the process of requesting information and dealings. This will reduce unnecessary complexity by having one common process for these types of processes/transactions.
- Amendment to the *Mineral Resources Act 1989* (MRA) to align with the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) to allow the Minister to approve mining leases. The current process is a tick and flick process that provides no additional assessment prior to approval or refusal, it only adds up to six weeks to the mining lease and petroleum lease (under *Petroleum Act 1923* only) approval timeframe.
- Amendments to the P&G Act to enable great flexibility of managing water and brine and provide for greater flexibility of production commencement.
- Amendments to the *Work Health and Safety Act 2011* to ensure major hazard facilities at coal and mine sites continue to be regulated under the *Coal Mining Safety and Health Act 1999* and the *Mining and Quarry Safety and Health Act 1999*.

QRC has worked closely with DNRM on the Bill in its many forms, which has enabled the large majority of issues QRC has previously raised to be resolved. I would like to extend my sincere thanks to the officers involved in the development of this Bill. Their ongoing commitment for innovation and continuous improvement is commended and highly valued by industry. I have no doubt that getting to this point would have required tremendous skill of determination, patience and endurance of the individuals involved.

QRC offers a couple of comments relating to a number of amendments in the Bill for the Committee's consideration.

Compulsory Acquisition (all resource acts)

As mentioned in the Bill's explanatory Notes (page 12), there was limited consultation on the compulsory acquisition amendments proposed in this Bill. QRC raised questions to DNRM on the broader policy issues surrounding compulsory acquisition, including the intentions of Government to enable the re-grant of tenure, the full exploration of options with the tenure holder prior to extinguishment and limitations of compensation. Specifically, QRC finds it appropriate that where the two criteria, (1) tenure was extinguished upon acquisition and (2) the

grant of a new tenure is compatible with the purpose for which the land was taken (outlined in new section 30AC for the P&G Act and new section 10AAC in the MRA), have been met, it should prompt an automatic grant of a new tenure when requested by the previous tenure holder. QRC also submits that priority should be provided to the previous tenure holder prior to extinguishment. QRC would be happy to work with DNRM in the future to work through these matters, including how these proposed amendments interact with the current overlapping tenure regime (eg. pre-existing priority of tenure).

Another aspect QRC highlights is the requirement for proponents to periodically relinquish land throughout the life of the exploration tenure. It seems reasonable that any land compulsorily acquired should be counted towards a proponent's periodic relinquishment. Further, in the circumstance where a large amount of the land acquired is in the principal area of the tenement, that a relinquishment credit be available towards the proponent's remaining tenements. This is similar to the concession offered to explorers under the previous government's urban restricted area policy. QRC is happy to work with government on developing this further.

Prohibited dealings (all Resource Acts)

DNRM has worked very closely with QRC to try and reach an agreed solution on the drafting language and unintended consequences of this proposed amendment. QRC is greatly appreciative of the efforts of the instructing drafting officers at DNRM in their efforts on this particular proposed amendment, however 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.

Duplicative processing (s 309A, *Environmental Protection Act 1994*)

QRC raised issues previously on s 309A with the newly named Resource Sector Facilitation unit now in the Department of State Development, Infrastructure and Planning (DSDIP). QRC understands that this amendment has potential to create, in effect, a de facto approval by the Department of Environment and Heritage Protection (DEHP) of an activity that is already approved under the P&G Act and also detailed either in an Environmental Management Plan (level 1) (approved by DEHP) or to be carried out in accordance with a proponent's Environmental Authority conditions (level 2).

QRC is pleased DNRM has agreed to work towards a uniform approach with industry on the lodgement of infrastructure reporting.

Encouraging exploration in Queensland (s 139, MRA)

QRC understands the Government's desire for exploration tenures to move quickly to production tenure, and with that comes more frequent turnover of land. In DNRM's policy paper to industry back in early 2011, it relayed its intentions that exploration permit holders who met their obligations, would be permitted to continue to explore that land.

Industry is simply seeking certainty of tenure. The amendment for periodic reduction of exploration permits for coal and minerals in the MRA alone does not raise critical concern for industry, however compounded by other future possible amendments affecting investment attractiveness in Queensland is cause for concern. One such amendment would be a total

timeframe limit over the life of an exploration permit. In this circumstance, QRC would urgently seek greater clarity for criteria describing exceptional circumstances.

Continuity of Access (s 961, P&G Act)

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 in the Bill. As outlined earlier in this submission, certainty of tenure is paramount to industry; however the new proposed section 961 provides that existing landholder permissions are non-binding on future landholders once the amendment comes into effect. As this could have significant consequences for proponents who are already going through or have even completed land access arrangements for the development of pipelines for export through Gladstone, 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.

Thank you again for the opportunity to comment on the Bill. If you require any further information, the contact on this matter is QRC's Resources Policy Adviser, Katie-Anne Mulder, who can be contacted on 3316 2519 or alternatively via email at Katie-annem@qrc.org.au.

Yours sincerely



Michael Roche
Chief Executive