

Mineral and Energy Resources and Other Legislation Amendment Bill 2024

Submission No: 30
Submitted by: Queensland Resources Council
Publication:
Attachments: No attachment
Submitter Comments:

10 May 2024

Dr Amanda Ward
Committee Secretary
Clean Energy Jobs, Resources and Transport Committee
Parliament House
George Street
Brisbane Qld 4000
E. cejrtc@parliament.qld.gov.au

To the Clean Energy, Jobs, Resources and Transport Committee,

The QRC thanks the Committee for the opportunity to make a submission to the *Mineral and Energy Resources and Other Legislation Amendment Bill 2024* (the Bill) see **Attachment 1** – QRC Submission MEROLA Bill 2024. The QRC would welcome an opportunity to appear before the Committee and speak in support of this submission.

QRC's submission focuses on promoting sustainable coexistence, improving regulatory efficiency, implementing an appropriate and workable subsidence management framework and the Financial Provisioning Scheme.

QRC supports the overarching vision of the *Queensland Resources Industry Development Plan* (QRIDP) which contemplates "A resilient, responsible and sustainable Queensland resources industry that grows as it transforms". QRC is committed to enhancing and promoting sustainable coexistence between the resource sector and landholders, as well as enhancing regulatory efficiency within Queensland's resources industry. However, several aspects of the Bill create an environment that is counterintuitive to industry growth and could lead to unintended consequences, impacting investment and ultimately affecting Queensland's long-term energy security.

The Bill as presented lacks appropriate governance and consultation given the highly complex and technical nature of these reforms. QRC has significant concerns around the following issues:

- Lack of an Exposure Bill or draft material published prior to the 300-page Bill being introduced into Parliament.
- Lack of a *Regulatory Impact Statement*.
- Limited timeframes for stakeholders to respond to the complexity of the Bill and provide meaningful and well-considered feedback.
- The truncation of timeframes in the Parliamentary Committee process to hasten the Bill's return to Parliament sets a precedent for other legislation to be fast tracked without due regard to a thorough and considered Parliamentary Committee process.

QRC acknowledges the high-level consultation undertaken by the Department involving a PowerPoint presentations and discussion papers, and we appreciated the opportunity to engage at these earlier stages. This does not however remove the need for an Exposure Bill before the Bill was introduced into Parliament. Stakeholders were initially given 9 days to provide a submission to this complex Bill which was eventually extended to 15 days after applying for an extension which is severely inadequate to appropriately assess the implications for industry and other stakeholders.

QRC emphasises the importance of transparency and clarity, accompanied by ample consultation time with all relevant stakeholders when it comes to proposed reforms. This is in sharp contrast to the proposed amendments in this Bill relating to Financial Provisioning which involved a regulatory impact assessment and allowed industry to provide appropriate feedback and be heard and considered.

When stakeholders are not afforded a reasonable opportunity and sufficient time to respond to significant legislative changes there are often unintended consequences and unworkable solutions that can result in sovereign risk for Queensland and affect the long-term investment environment for decades.

Subsidence Management Framework

QRC is supportive of the review of a Subsidence Management Framework, however, many of the proposed elements within this framework are not practically feasible or workable in their current form, including:

- Multiple aspects of the framework lack clarity, and without further refinement, these issues may pose implementation challenges and unintended consequences.
- The lack of transitional provisions for existing tenure and operations may impose retrospective restrictions on approved and constructed development and may result in significant delays to production, stranded assets with infrastructure lying dormant and significant consequences for project feasibility and ongoing operations.
- Regulatory duplication and misalignment between the existing regulations including the *Regional Planning Interest Act 2014* and the proposed amendments (coupled with the lack of transitional provisions) means there are now two regimes regulating the same impact, with different considerations and different enforcements/compliance pathways. This is duplicative and will cause confusion and delay for all stakeholders including landholders seeking resolution of their concerns.
- Project delays and uncertainty due to protracted timeframes including introducing provisions that have the potential to halt production on new wells, adversely affect a tenure holders' ability to conduct a business with no reasonable justification. Increased delay and uncertainty affect landholders and industry and is not a solution.

The QRC strongly believes the Subsidence Management Framework, as proposed in the current Bill, requires further refinement and consideration to ensure its effectiveness and alignment with industry needs and regulatory standards while safeguarding landholder interests. Given the complexity of the issue at hand, we strongly advocate for these key concerns to be addressed through further stakeholder consultation to ensure that the Subsidence Management Framework is robust and effective and provides a timely

solution to resolve stakeholder concerns. Further engagement and collaboration with stakeholders will help to identify potential shortcomings and mitigate unintended consequences that may arise from the implementation of the framework.

The Federal Government's Future Gas Strategy released on 9 May 2024 includes as one of its key principles:

"New sources of gas supply are needed to meet demand during the economy-wide transition. Government policies to enable natural gas exploration and development should focus on optimising existing discoveries and infrastructure in producing basins."

The QRC thinks that the proposed Subsidence Management Framework will be counter to that intention.

Coexistence Institutions Funding Model

In principle, the QRC is supportive of the proposed amendments to the expansion of the GasFields Commission Queensland (GFCQ) and the Land Access Ombudsman (LAO), as well as the proposed expansion of the Office of Groundwater Impact Assessment (OGIA) functions to support and deliver on the principles of coexistence.

However, QRC cannot support the proposed funding model for the OGIA and for the LAO due to the lack of detail around how the proposed funding model for these institutions is intended to operate, including the actual rate and method of calculating service or cost recovery fees or levies. This makes it extremely difficult to determine the financial implications on industry. Fundamentally both the OGIA and the LAO should be State funded entities due to the nature of their activities within a coexistence framework and as the industry already contributes significantly to government revenue through the payment of royalties.

It should be acknowledged that none of the proposed funding models were presented in the consultation papers in late 2023 nor has any dialogue occurred scrutinising the funding changes until its introduction during a Stakeholder Advisory Group meeting hosted by the GFCQ in February 2024. The QRC requests that the Committee seek a full Regulatory Impact Statements for the Bill including the proposed new funding model before the Bill is reintroduced into Parliament.

Improving Regulatory Efficiency

QRC supports improved regulatory efficiency and has for many years advocated for streamlining approvals and business processes to create a modern regulatory system. The proposals in the *Improved Regulatory Efficiency* paper which were reflected in the Bill lack meaningful detail in many instances and there is insufficient information to inform proper comment on several of the proposed amendments. In fact, most of the 'regulatory efficiency' amendments appear to be more related to compliance activities rather than increasing efficiency of the regulation itself.

QRC raised an issue related to the proposed amendments to strategic land releases where there is apprehension that these changes may lead to the aggregation of smaller potential tenure offerings into larger, strategic releases. Such an approach could potentially disadvantage junior explorers who may lack the resources to bid for these larger offerings. Junior explorers play a vital role in the exploration pipeline mix, and it is crucial to ensure that they are afforded the opportunity to tender for smaller offerings. These smaller offerings provide avenues for junior explorers to target and evaluate options that may be less attractive to larger companies.

QRC also recommends that the Aerial Survey sections of the Bill are modified to extend the proposed exception to provide an entry notice to aerial surveying undertaken below 1,000ft.

Consequently, the QRC has reservations about the proposals and recommends the Department hold further discussion with industry stakeholders to better understand its impact and develop a better solution.

Financial Provisioning

QRC understands that the Financial Provisioning amendments have had significant consultation across our membership, including by way of a Regulatory Impact Statement. QRC appreciated the opportunity to engage closely on the Post Transition Review of the Financial Provisioning Scheme (FPS). We believe productive, sustainable resources regulation is achieved when industry and Government work collaboratively on policy reform. QRC acknowledges the proposed changes to the FPS are consistent with the review findings.

QRC notes that some junior and mid-tier companies have some concerns about the proposed changes, and we would welcome the opportunity to continue to engage with government on the FPS to ensure its suitability to all proponents.

RECOMMENDATIONS

Subsidence Management Framework

That the Subsidence Management Framework be withdrawn from the MEROLA Bill and further consultation with industry and stakeholders is undertaken including a Regulatory Impact Statement. The inconsistencies and lack of clarity in the Bill including the duplication across multiple State and Commonwealth inter-related legislation and regulation including the *Regional Planning Interest Act* requires further investigation to determine a workable Subsidence Management Framework and provides a clear pathway for landholders and industry to resolve issues in a productive and efficient way.

Coexistence Institutions

That the new levies associated with the Land Access Office and the Office of Groundwater Impact Assessment be withdrawn from the MEROLA Bill and further consultation with industry is undertaken including a Regulatory Impact Statement to determine an appropriate model to fund the coexistence institutions. In principle, QRC is supportive of the expansion of the Gas Fields Commission Queensland to Coexistence Queensland.

Regulatory Efficiency

That the **Strategic Land Release** sections are withdrawn from the Bill due to the impact on junior explorers and their possible inability to tender for significantly larger blocks of land.

That the **Aerial Survey** sections of the Bill are modified to extend the proposed exception to provide an entry notice to aerial surveying undertaken below 1,000ft.

Conclusion

QRC acknowledges that stakeholders are looking for a resolution to this complex Bill that is simple to navigate and avoids duplication of processes while delivering timely outcomes and solutions that will benefit landholders and industry.

As always, the QRC is eager to collaborate with the Queensland Government and other peak bodies to find ways to reduce ambiguity and provide greater certainty for industry, landholders and the broader community, as well avoiding unintended consequences.

We firmly believe that by fostering a collaborative approach, we can not only safeguard the interests of all stakeholders but create a regulatory environment that promotes sustainable growth and development and allows Queensland to balance resource development with the needs of landholders and provide more certainty for all.

If you have any questions or would like any further details about any of the matters raised in this submission, please contact my office on info@qrc.org.au.

Yours sincerely



Janette Hewson
Chief Executive Officer
Queensland Resources Council

QRC Submission

To Queensland Parliament's
Clean Energy Jobs, Resources & Transport
Committee

*Submission Mineral and Energy Resources and
Other Legislation Amendment Bill 2024.*

10 May 2024

ABN 59 050 486 952
Level 29 12 Creek St Brisbane Queensland
4000
GPO Box 181, Brisbane Queensland 4001

QUEENSLAND
resources
COUNCIL



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Introduction

About QRC and the resources industry

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

In the context of this submission, it is important to acknowledge the resources sector's contribution to Queensland. The resources industry is a key driver of the Queensland economy and one of the State's largest export earners. In 2022 – 2023, the Queensland Government received \$18.1 billion in royalties alone from the resources sector, with a total of \$116.8 billion contributed to the Queensland economy.

Queensland's resource industry collectively:

- supported one in six Queensland jobs;
- contributed one in every four dollars to the State economy;
- generates around 82% of the value of Queensland exports (<https://www.treasury.qld.gov.au/queenslands-economy/economic-dashboard/>);
- supports almost 16,000 local Queensland businesses;
- contributes to more than 1,400 charities and local sports clubs; and
- Uses just 0.1 per cent of Queensland's land.

<https://www.qrc.org.au/wp-content/uploads/2023/11/2023-Economic-Contribution-Statewide.pdf>

Given the State derives a substantial income from Queensland's natural resources, the Queensland Government should, at all points, be committed to encouraging the resources sector to develop in a sustainable and enduring way to protect the economy, jobs and livelihoods of all Queenslanders.

About this submission

QRC thanks the Clean Energy Jobs, Resources and Transport Committee for the opportunity to review and comment on the Mineral and Energy Resources and Other *Legislation Amendment Bill 2024* (the Bill) introduced into the Queensland Parliament on 18 April 2024 by the Hon. Scott Stewart, Minister for Resources and Critical Minerals.

This submission focuses on the primary objectives of the Bill, which aims to enhance the State's coexistence framework, provide a framework for managing the impacts of coal seam gas

induced subsidence, improve regulatory efficiency, and modernise the Financial Provisioning Scheme.

In principle, the QRC supports the government's efforts to deliver initiatives aligned with the key focus areas under the *Queensland Resources Industry Development Plan (QRIDP)*. This includes the promotion of sustainable coexistence between the resource and agricultural sectors, along with enhancing regulatory efficiency. These initiatives include reforms to the State's key coexistence institutions and aim to promote clearer processes and more transparent and efficient assessments across the State's resources legislation. The QRC acknowledges the importance of these efforts in driving Queensland's prosperity and commits to actively supporting the realisation of these objectives.

While we commend efforts outlined above, the QRC has serious concerns about several of the proposed regulatory reforms, as they may not adequately support the growth of Queensland's most critical economic sector nor create an appealing environment for further investment in the resources industry. Moreover, some of the amendments introduce additional red tape, regulatory burdens, and significant time and cost implications, which could potentially hinder rather than facilitate growth and investment in the resources sector.

The Federal Government's Future Gas Strategy released on 9 May 2024 includes as one of its key principles:

"New sources of gas supply are needed to meet demand during the economy-wide transition. Government policies to enable natural gas exploration and development should focus on optimising existing discoveries and infrastructure in producing basins."

The QRC thinks that the proposed subsidence management framework will be counter to that intention.

QRC's Key Recommendations

Queensland's resources industry is committed to working with all stakeholders to create sustainable coexistence in regional resources communities and further enhance regulatory efficiency within the resources sector.

To sustain the ongoing growth of the resource industry and maintain the on-flow of benefits to communities particularly in regional Queensland, it is important that all stakeholders directly involved have a clear and consistent understanding of the issues, and collectively develop workable solutions. Consultation is key to reducing ambiguity and providing greater certainty for industry and the broader community, as well as **avoiding potential unintended consequences**.

RECOMMENDATIONS

Subsidence Management Framework

That the Subsidence Management Framework be withdrawn from the MEROLA Bill and further consultation with industry and stakeholders is undertaken including a Regulatory Impact Statement. The inconsistencies and lack of clarity in the Bill including the duplication across multiple State and Commonwealth inter-related legislation and regulation including the *Regional Planning Interest Act* requires further investigation to determine a workable Subsidence Management Framework and provides a clear pathway for landholders and industry to resolve issues in a productive and efficient way.

Coexistence Institutions

That the new levies associated with the Land Access Ombudsman and the Office of Groundwater Impact Assessment be withdrawn from the MEROLA Bill and further consultation with industry is undertaken including a Regulatory Impact Statement to determine an appropriate model to fund the coexistence institutions. In principle, QRC is supportive of the expansion of the Gas Fields Commission Queensland to Coexistence Queensland.

Regulatory Efficiency

That the **Strategic Land Release** sections are withdrawn from the Bill due to the impact on junior explorers and their inability to tender for significantly larger blocks of land.

That the **Aerial Survey** sections of the Bill are modified to extend the proposed exception to provide an entry notice to aerial surveying undertaken below 1,000ft.

QRC express dissatisfaction with the rushed legislative process and the lack of comprehensive consultations on this highly technical and complex Bill. As always, the QRC is eager to collaborate with the Queensland Government to find ways to reduce ambiguity and provide greater certainty for industry, landholders and the broader community, as well as to avoid unintended consequences.

We firmly believe that by fostering a collaborative approach, we can not only safeguard the interests of all stakeholders but also create a regulatory environment that promotes sustainable growth and development, making Queensland an even more attractive destination for investment.

Summary of Key Issues

The key industry concerns include:

Lack of appropriate governance in the legislative and consultation process including lack of any Regulatory Impact Statements and Exposure Draft materials and seriously **shortened timeframes** in the Committee process to expedite the Bill back into Parliament.

Subsidence Management Framework has significant issues including:

- Multiple aspects of the framework lack clarity, and without further refinement, these issues may pose implementation challenges and unintended consequences.
- The lack of transitional provisions for existing tenure and operations may impose retrospective restrictions on approved and constructed development and may result in significant delays to production, stranded assets with infrastructure lying dormant and significant consequences for project feasibility and ongoing operations.
- Regulatory duplication and misalignment between the existing regulations including the *Regional Planning Interest Act 2014* and the proposed amendments (coupled with the lack of transitional provisions) means there are now two regimes regulating the same impact, with different considerations and different enforcements/compliance pathways. This is duplicative and confusing for all stakeholders.
- Project delays and uncertainty due to protracted timeframes including introducing provisions that have the potential to halt production on new wells, adversely affect a tenure holders' ability to conduct a business with no reasonable justification. Increased delay and uncertainty affect landholders and industry and is not a solution.

Coexistence Institution Funding Model that lacks significant details including actual rate and method of calculating the fee for service or cost recovery fees or levies.

Uncertainty and lack of clarity surrounding the "Regulatory Efficiency" amendments and particular concerns with the Aerial Survey sections and Strategic Land Release sections.

The *Mineral and Energy Resources and Other Legislation Amendment Bill 2024* presents significant concerns regarding its alignment with the QRIDP's vision for industry growth. Many of the proposed amendments appear counterintuitive to fostering industry growth and achieving coexistence outcomes. Therefore, it is imperative that these concerns are addressed to ensure the Bill supports, rather than hinders, the advancement of Queensland's mineral and energy resources sector.

Description of Key Issues

KEY ISSUE – LACK OF APPROPRIATE GOVERNANCE

The QRC would like to highlight that an Exposure Bill was not published or distributed. This oversight has considerably complicated the assessment of the Bill's implications. Furthermore, the limited timeframe provided for stakeholder response to the Bill exacerbates the challenge of delivering thorough and well-considered feedback, particularly given the scale and complexity of the Bill. The deficiency in appropriate governance within the legislative process,

including the absence of Regulatory Impact Statements and the significant truncation of timeframes in the Committee process to expedite the Bill's return to Parliament, is deeply concerning. This indicates a lack of quality governance surrounding this legislation and establishes a concerning precedent for future legislation.

QRC continually and strongly advocates for early and meaningful consultation with all stakeholders directly involved with the proposed amendments prior to proposing any specific legislative changes. QRC welcomed the release of, and the opportunity to review and comment on, the three consultation papers by the Queensland Government on coexistence, subsidence, RPI Act amendments and regulatory efficiency in September 2023. The QRC greatly appreciated the briefing provided by the Queensland Government in October 2023 and the subsequent update provided during the GasFields Commission's Stakeholder Advisory Group meeting on 9 February 2024. Unfortunately, and disappointingly, this update which consisted of a 13- page PowerPoint presentation was the only consultation with industry since close of submissions in Dec 2023. It was also during this meeting that the critical consequences model and the coexistence funding model were first introduced.

We urge for greater transparency and engagement in the consultation process, as well as a commitment to ensuring adequate timeframes for stakeholder input. It is imperative that all relevant stakeholders have the opportunity to provide meaningful feedback to inform legislative decisions effectively.

Lack of detail in consultation process

Throughout the consultation process, the QRC has consistently raised concerns regarding the lack of detail provided in the relevant consultation papers. This lack of detail has hindered the proper assessment of implications for the industry, complicating efforts to provide comprehensive responses to the proposed framework and legislative amendments. QRC repeatedly emphasised these concerns, underscoring the importance of thorough engagement and consultation with key stakeholders prior to the release of critical documents, such as the Subsidence Management Framework. An Exposure Bill is a critical element to ensure that the framework is developed in a manner that offers greater clarity and certainty for landholders, communities, and industry stakeholders alike.

With regard to the RPI Act amendments, QRC noted a significant lack of detail regarding many proposed amendments in the consultation paper. While QRC offered positions on various aspects, it emphasised that these positions are contingent on further consultation regarding the specifics of the proposed amendments. Despite expressing willingness to engage in discussions and collaborate with the Queensland Government and relevant stakeholders, QRC underscored the need for additional detail to formulate definitive positions on several proposals.

Similarly, in the consultation paper on Improved Regulatory Efficiency, QRC expressed disappointment at the lack of detail provided. This lack of detail, particularly concerning the harmonisation of legislation across various Resources Acts, constrained industry's ability to provide meaningful feedback. While supporting efforts to enhance regulatory efficiency and simplification, QRC stressed the importance of consulting with industry backed by an appropriate level of relevant detail.

In its second round of submissions, QRC reiterated concerns about the lack of detail provided regarding the proposed critical consequences model and updates to the subsidence

management framework. The unacceptably short 3-week consultation period further compounded the challenge of appropriately assessing implications to industry. QRC highlighted the introduction of the Bill without adequate timeframes for meaningful consultation, which appears contrary to [The Queensland Government Better Regulation Policy](#). This policy emphasises key principles of best practice stakeholder consultation, including consultation at all stages of regulatory development, adequate time for stakeholder participation, and a sufficiently long consultation period to enable informed contributions.

In addition to the issues outlined above, QRC has further concerns regarding the proposed reforms. Without proper and comprehensive considerations, these reforms may lead to unintended consequences. These concerns are highlighted in the following sections.

KEY ISSUE – DEFICIENCIES IN THE SUBSIDENCE MANAGEMENT FRAMEWORK

QRC is broadly supportive of the Queensland Government's desire to review a Subsidence Management Framework that is fit for purpose and does not place unnecessary burden on or cause delay to landholders and industry. In its current form, however, certain proposed elements within the Subsidence Management Framework are not practically feasible or workable. The QRC firmly believes that the subsidence management framework as outlined in the current Bill is not adequately prepared or comprehensive. Further refinement and development are necessary to ensure its efficacy and alignment with industry requirements and regulatory benchmarks, all while safeguarding the interests of landholders.

Key industry concerns regarding the framework are as follows.

Lack of Clarity and Absence of Criteria

A lack of clarity on multiple aspects of the framework, and the absence of several criteria raises concerns that without further refinement, may pose implementation challenges. Some examples include:

- No criteria or requirements that the Minister must consider in order to be satisfied that the declaration of a subsidence management area ought to be made.
- No indication of OGIA's methodology for determining the impact of CSG-induced subsidence when preparing a subsidence impact report.
- Lack of criteria for defining "more than a minor impact," which would trigger the requirement to prepare a Subsidence Management Plan (SMP).
- Unclear criteria for determining relevant considerations under a Farm Field Assessment (FFA).
- Uncertainty of the term 'manage' in the definition of a subsidence management plan which presents uncertainty as to the range of measures which may be required to address the impact of CSG-induced subsidence (including whether compensation alone under a subsidence compensation agreement would be sufficient).
- Unclear as to whether a petroleum well that has commenced production after the Subsidence Management Plan (SMP) had been entered into would subsequently be

required to cease production where the SMP is terminated and taken to never had any effect.

- The definition of critical consequence is too broad for intervention of this magnitude. In addition, the Minister may decide that a critical consequence for the agricultural land has happened, however the discretion vested in the Minister is extremely broad with very limited criteria. The Minister should be given the ability to make a balanced decision when such an issue is raised by a landholder.
- Lack of clarity in the determination of compensation agreements.
- Lack of clarity regarding the nature of the third-party auditing process and whether it intends to revisit fundamental principles, such as assessing the validity of the data provided. This level of scrutiny is unnecessary unless there is a dispute over the content during the negotiation of an SMP.

The legislation exhibits significant deficiencies in clarity across multiple critical areas. These ambiguities not only pose potential obstacles but also harbor considerable ramifications in terms of cost, time, and confusion. Overall, addressing these gaps is imperative to mitigate the adverse effects and ensure the effective implementation of the legislation.

No Transitional Provisions for Existing Agreements: Regulatory Misalignment

The existing RPI Act/Regulation and the proposed amendments continue to display misalignment with the broader regulatory framework that applies to resource projects and duplicate or contradict existing regulatory requirements. The key issues are:

- There are no transitional provisions in the Bill which address circumstances where a landowner agreement has been already entered into or a RIDA granted. There is no indication that these continue to operate and avoid the need for subsidence processes under the new Bill.
- Notably, the interaction between the subsidence framework and section 22(2)(c) and 22(3) of the Regional Planning Interests Act 2014 has not been addressed and the Bill should confirm that an impact identified in the subsidence impact report does not invalidate an agreement entered into for purposes of the section 22 RPI Act exemption.

Under the RPI Act, there is pre-existing framework in place to identify and manage subsidence impacts on priority agricultural land use and strategic cropping land. The proposed regulation within the Bill introduces supplementary regulations and additional red tape as there are no provisions which address the interrelationship between the proposed subsidence framework and the existing framework established under the RPI Act, resulting in:

- Inconsistent regulatory controls: The presence of both frameworks could lead to differing regulations over the same impact to agricultural land.
- Uncertainty for landholders and operators: The overlap between the frameworks creates confusion regarding which legislation takes precedence.

- Inefficiencies due to differing adjudication methods: While addressing similar impacts, the RPI Act and proposed amendments utilise different assessment criteria and dispute resolution processes. This disparity could lead to overregulation, varied outcomes, and prolonged litigation, hampering efficiency.
- Duplication of agreements and processes: Existing agreements and approvals under the RPI Act may become redundant if the Bill is passed, resulting in unnecessary duplication of compensation agreements and assessment processes.

Time/Cost Implications and Potential to Halt Production

Certain aspects of the framework could lead to significant cost implications, project delays and uncertainty due to protracted timeframes.

- The need for SMP to be agreed upon between tenure holders and multiple landholders could lead to contention, potentially allowing some landholders to halt development on other properties. This negotiation process, along with subsequent steps like Alternative Dispute Resolution (ADR) or applications to the Land Court, may demand considerable time and resources, resulting in significant delays and impeding coal seam gas (CSG) production, raising concerns about maintaining social license to operate.
- Uncertain as to how many farm field auditors will be available at any given time to conduct an audit of an FFA. This is particularly concerning given the undertaking of a FFA is subject to time limits requiring a FFA to be completed by the relevant due day.
- There is a lack of clarity and justification as to why subsidence management plans are subject to a 3-month minimum negotiation/cooling off period while CCAs are subject to a minimum negotiation period of 20 business days.
- Potential delays referred to under the previous section on No Transitional Provisions for Existing Tenure and Operation section.

Overall, there is an inconsistency with the QRIDP's vision to grow the industry – many of the amendments are counterintuitive to industry growth and place greater burden on industry and landholders to deliver coexistence outcomes.

Given the complexity of the issue at hand, we strongly advocate for these key concerns to be addressed through further stakeholder consultation to identify potential shortcomings and mitigate unintended consequences and ensure that the Subsidence Management Framework is robust and effective. Further engagement and collaboration will help to identify potential shortcomings and mitigate unintended consequences that may arise from the implementation of the framework.

KEY ISSUE – COEXISTENCE INSTITUTIONS FUNDING MODEL

In principle, the QRC is supportive of the proposed amendments to the expansion of the GasFields Commission Queensland (GFCQ) and the Land Access Ombudsman (LAO), as well as the proposed expansion of the Office of Groundwater Impact Assessment (OGIA) functions to support and deliver on the principles of coexistence. However, QRC cannot support the proposed funding model for OGIA and for the LAO due to the considerable

lack of detail around how the proposed funding model for these institutions is intended to operate, including the actual rate and method of calculating the service or cost recovery fees or levies. This makes it extremely difficult to determine the financial implications on industry. Fundamentally both the OGIA and the LAO should be State funded entities due to the nature of their activities within a coexistence framework.

In addition, the proposed funding model and regulatory reforms were not provided in the consultation papers released last year, nor were they discussed with the industry prior to the release of this proposal during a Stakeholder Advisory Group meeting hosted by the GFCQ in February 2024. It is disappointing that stakeholders were given 2 short weeks to review and provide feedback on a proposed industry funding model in respect of a subsidence management framework which remains unsettled. Once again, the consultation process and principles of good policy making have been disregarded for expediency.

Regarding the funding of the LAO, all relevant details in respect of the annual levy have been deferred to subsequent regulations and no substantive guidance has been provided by the Department as to how this might be addressed in the regulations.

Specific concerns relating to the LAO funding model include:

- Concerns about supplementary fees: The Bill allows the LAO to request supplementary fees from resource authority holders without a clear process for challenge.
- Lack of clarity on levy and cost recovery fee interaction: Uncertainty exists on whether the annual levy covers administrative costs only, leaving questions about the extent of cost recovery fees for ADR processes.
- Administrative burden of ADR cost recovery process: The requirement for quarterly forecasts of cost recovery fees, even when no ADR process is ongoing, imposes unnecessary administrative burden and costs.
- Lack of direct reimbursement for cost recovery fees: The Bill doesn't ensure that cost recovery fees are directly linked to incurred costs, potentially leading to discrepancies without avenues for challenge or adjustment.
- Need for clarity on fee recovery from individual holders: The Bill should specify that supplementary fees are not meant to recover fees from all holders for unpaid fees by individuals, but rather should be recovered as debts from the individuals concerned.

There is no justification to move the LAO funding model from being publicly funded to wholly industry funded. Land access is an issue not just for the resources industry and the Queensland Government should consider contemporary coexistence scenarios, encompassing interactions between other industries including renewables, and agricultural land, rather than unfairly targeting the resources industry.

The QRC strongly believes that fundamentally the funding of the OGIA and the LAO work remains the responsibility of the Queensland Government who should be utilising the \$18.1B (FY23) in royalty contributions to support the coexistent institutions. None the less, full Regulatory Impact Statement (RIS) should occur considering the nature of the reforms. QRC is strongly advocating for transparency, clarity, and sufficient consultation time to help contribute to a more effective and inclusive decision-making process.

KEY ISSUE – IMPROVING REGULATORY EFFICIENCY

QRC supports and has previously advocated for improved regulatory efficiency and the streamlining of approvals and business processes to create a modern regulatory system. The proposals in the *Improved Regulatory Efficiency* paper lack meaningful detail in many instances and there is insufficient information to inform proper comment on several of the proposed amendments. **In fact, most of the ‘regulatory efficiency’ amendments appear to be more related to compliance activities rather than increasing efficiency of the regulation itself.**

Strategic land release

The QRC has raised significant concerns in its December 2023 submission regarding the proposed amendments to strategic land releases. There is apprehension that these changes may lead to the aggregation of smaller potential tenure offerings into larger, strategic releases. Such an approach could potentially disadvantage junior explorers who may lack the resources to bid for these larger offerings.

Junior explorers play a vital role in the exploration pipeline mix, and it is crucial to ensure that they are afforded the opportunity to tender for smaller offerings. These smaller offerings provide avenues for junior explorers to target and evaluate options that may be less attractive to larger companies.

The lack of detail in the proposal paper hinders a comprehensive understanding of the issue and its potential solutions. Consequently, the QRC has reservations about the proposal and recommends further discussion with industry stakeholders to better understand its impact.

The explanatory notes to the Bill suggest that concerns raised by the resources sector will be addressed as a matter of course when using the proposed discretion to make decisions. However, further consultation backed by an appropriate level of relevant detail is essential to ensure that the concerns raised by industry stakeholders, particularly regarding the potential disadvantages to junior explorers, are adequately addressed in the final decision-making process.

Aerial Survey

The aerial survey amendments clarify that aerial surveying carried out at 1,000ft or more above land will not be an advanced activity of a resource authority, irrespective of whether it is carried out over land that is less than 100ha, land being used for intensive farming or broadacre agriculture or if it affects the lawful carrying out of an organic or bio-organic farming system.

QRC reiterates its previous comments that the proposed exception to provide an entry notice should extend to aerial surveying undertaken below 1,000ft, given the low impact and the nature of the activity (where multiple land parcels may be surveyed at once).

KEY ISSUE – FINANCIAL PROVISIONING SCHEME

The QRC notes the comprehensive consultation process undertaken during the drafting of the Financial Provisioning Scheme (FPS), as well as the thorough regulatory impact analysis applied. These efforts have resulted in a scheme that has significant industry contribution to the design of the scheme. The proper consultation and regulatory process followed in this

instance should be championed as a good example and replicated in the drafting of other pieces of legislation. QRC acknowledges the proposed changes to the FPS are consistent with the review findings.

QRC notes that some junior and mid-tier companies have some concerns about the proposed changes, and we would welcome the opportunity to continue to engage with Queensland Treasury about the FPS to ensure its suitability to all proponents.

CONCLUDING REMARKS

As always, the QRC is eager to collaborate with the Queensland Government and other peak bodies to find ways to reduce ambiguity and provide greater certainty for industry, landholders and the broader community, as well as to avoid unintended consequences. We firmly believe that by fostering a collaborative approach, we can not only safeguard the interests of all stakeholders but also create a regulatory environment that promotes sustainable growth and development, making Queensland an even more attractive destination to do business.

When industry is not consulted properly on significant legislative changes there are often unintended consequences and unworkable solutions which may ultimately cause increased sovereign risk in Queensland and affect the investment environment.