



9 March 2018

Committee Secretary
Economics and Governance Committee
Parliament House
George Street
BRISBANE QLD 4000

Email: egc@parliament.qld.gov.au

Re: Mineral and Energy Resources (Financial Provisioning) Bill 2018

Origin Energy (Origin) welcomes the opportunity to provide feedback on the Mineral and Energy Resources (Financial Provisioning) Bill 2018 (the Bill).

Origin is Australia's leading energy company, with diverse operations spanning the energy supply chain; from gas exploration and production, to power generation and energy retailing. We are a 37.5% shareholder and Upstream Operator of Australia Pacific LNG (APLNG) as well as owner of additional petroleum and gas tenements in Queensland. For over 20 years we have been exploring, developing and producing natural gas for domestic and international customers.

Origin believes a sound regulatory framework, including fair and simple financial assurance processes; is vital to ensuring the safe and responsible development of Queensland's resources. This form of security deposit should be viewed as a last resort, after all other avenues outlined in the various legislation (e.g. Chain of Responsibility Act 2016), regulations and codes that govern the resources industry have been exhausted.

We acknowledge the work completed by the Government to date to progress this complex issue. However, we do not support the Bill in its current form.

Critical details relating to the operationalisation of the fund have not been released. Therefore, based on previous estimates; the Bill may result in significant cost increases for APLNG and consequently Origin as a 37.5% shareholder, over and above the current process of obtaining bank guarantees. This comes at a time when major capital investment is required to relieve the market pressure on domestic gas prices.

Given this, the Financial Provisioning section of the Bill should be amended from 1 July 2018 to 1 July 2019 to allow for appropriate industry consultation and finalisation of operational requirements necessary to assess potential impact and develop solutions. This would also ensure consistency with the Progressive Rehabilitation and Closure Plans (PRCP) components of the Bill.

Additionally, we support the principles and recommendations outlined in the APLNG, Queensland Resources Council (QRC) and Australian Petroleum Production and Exploration Association (APPEA) submissions that address the above and other key points.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark Schubert".

Mark Schubert
Executive General Manager
Integrated Gas