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20 March 2019

Committee Secretary
State Development, Natural Resources and Agricultural Industry Development Committee
Parliament Houseq
George Street
Brisbane Qld 4000

Via email: sdnraidc@parliament.qld.gov.au

Dear Sir/Madam,

RE: *Natural Resources and Other Legislation Amendment Bill 2019*

Since 1959, the Australian Petroleum Production & Exploration Association (APPEA) has been the peak national body representing the upstream oil and gas exploration and production industry. APPEA has around 60 member companies that explore for and produce Australia's oil and gas. In addition, APPEA's more than 140 associate member companies provide a wide range of goods and services to the industry. Further information about APPEA can be found on our website, at www.appea.com.au.

APPEA welcomes the opportunity to provide comment on the *Natural Resources and Other Legislation Amendment Bill 2019 (NROLA Bill)* introduced on 26 February 2019. The Bill implements a range of amendments under the Queensland Natural Resources, Mines and Energy portfolio (DNRME).

Industry broadly supports the introduction of the measures outlined in the NROLA Bill to improve the performance of the Queensland resources tenure management system. These amendments are the result of significant effort by Government and industry to proactively identify and implement a number of improvements to the performance of the tenure framework. We raise some specific areas for your consideration:

- The NROLA Bill introduces outcomes-based work programs that allow petroleum and gas explorers to modify their exploration strategies without prior approval from the department. This is supported as it will result in administrative savings for both industry and government and allow explorers to be more efficient in their work programs.
- The NROLA Bill introduces amendments to allow the amalgamation of potential commercial areas and petroleum leases held by the same titleholders, and removes the size limit on these blocks. This change is supported as it will reduce administrative burden on industry and government.
- APPEA welcomes changes made to the Bill to address industry's concerns regarding the Minister's power to impose, vary or remove a condition of an exploration authority at any time without application from the titleholder. This power is now limited to situations where a variation of a condition is required due to an exceptional event (such as a flood).



This improves certainty for industry and allows appropriate intervention in force majeure situations.

- In this regard, changes to Clause 277 should also be considered. This clause allows the Minister to “*impose on the authority the conditions the Minister considers appropriate*” when granting tenure. This is an open ended condition and introduces some uncertainty to the tenure award process, it is also not consistent with the existing powers to impose conditions under other sections of the Act (for instance see section 123(3)) for other tenures/ licences. In order to increase certainty for companies some legislative boundaries should also be set around this clause and, where possible, potential conditions on a title should be made known to proponents at the bidding tender stage.

We would like to thank the collaborative and open approach taken by the Department in developing this bill as it relates to tenure reform. If you have any questions please contact me at

████████████████████ or on ████████████████████

Sincerely,

A handwritten signature in black ink, appearing to read "K. Knudsen". The signature is fluid and cursive, written over a white background.

Keld Knudsen

Policy Director –Exploration, Onshore Environment and Northern Territory