



TRANSPORT AND RESOURCES COMMITTEE

Members present:

Mr SR King MP—Chair
Mr LL Millar MP (virtual)
Mr BW Head MP (virtual)
Mr JR Martin MP
Mr LA Walker MP (virtual)
Mr TJ Watts MP (virtual)

Staff present:

Dr J Rutherford—Committee Secretary
Mr Z Dadic—Assistant Committee Secretary

PUBLIC HEARING—INQUIRY INTO THE GAS SUPPLY AND OTHER LEGISLATION (HYDROGEN INDUSTRY DEVELOPMENT) AMENDMENT BILL 2023

TRANSCRIPT OF PROCEEDINGS

Monday, 19 June 2023

Brisbane

MONDAY, 19 JUNE 2023

The committee met at 8.45 am.

CHAIR: Good morning. I declare open this public hearing for the committee's inquiry into the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023. My name is Shane King, member for Kurwongbah and chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respect to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people whose lands, winds and waters we all share. With me here today is James Martin MP, member for Stretton. The members joining via teleconference are: Lachlan Millar MP, member for Gregory and deputy chair; Bryson Head MP, member for Callide; Les Walker, member for Mundingburra; and Trevor Watts MP, member for Toowoomba North.

On 9 May 2023 the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement introduced the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 into the Queensland parliament. The bill was referred to the Transport and Resources Committee. The purpose of today's hearing is to assist the committee with its consideration of the inquiry. The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. As parliamentary proceedings, under the standing orders any person may be excluded from the hearing at the discretion of the chair or by order of the committee. The committee will not require evidence to be given under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. You have previously been provided with a copy of instructions to witnesses. We will take those as read.

The proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from committee staff if required. All those present today should note that it is possible you might be filmed or photographed during the proceedings by media and images may also appear on the parliament's website or social media pages. I ask everyone present to please turn mobile phones off or to silent mode. I also ask that responses to questions taken on notice today are provided to the committee by 4 pm on Friday, 23 June 2023.

DEVINE, Ms Wendy, Principal Policy Solicitor, Queensland Law Society

PLUMB, Mr James, Member, Energy and Resources Law Committee, Queensland Law Society

CHAIR: We welcome representatives from the Queensland Law Society. I invite you to make a short opening statement after which I am sure we will have some questions.

Ms Devine: Thank you, Chair. Thank you for inviting the Queensland Law Society to appear at the public hearing on the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023. In opening, I would like to respectfully acknowledge the traditional owners and custodians of the land on which this meeting is taking place, Meanjin—Brisbane. I recognise the country north and south of the Brisbane River as the home both of the Turrbal and Yagara nations and pay deep respects to their elders past, present and future. I am the principal policy solicitor at the Queensland Law Society.

The Queensland Law Society is the peak professional body for the state's legal practitioners, over 14,000 of whom we represent, educate and support. We are an independent, apolitical representative body upon which government and parliament can rely to provide advice which promotes good, evidence-based law and policy. QLS broadly supports the approach taken in this bill to extend the current regulatory and safety frameworks for natural gas pipelines to hydrogen and other renewable gases. QLS considers these amendments are straightforward and sensible. The amendments will provide substantial benefits and efficiencies to the hydrogen industry.

In our submission, QLS has highlighted that the next phase of regulatory reform needs to deal with how water will be accommodated in the wider regulatory framework for the hydrogen industry. The production of hydrogen—and particularly green hydrogen by means of electrolysis—will require Brisbane

substantial quantities of water both as an input and as a by-product of the production process. We therefore recommend that consideration be given to establishing a framework for granting pipeline licences for water where the water is required for the production of hydrogen or where water is the by-product of hydrogen production. We have also identified some other technical drafting issues in our submission.

QLS recognises that this bill represents the first stages of regulatory reform to support Queensland's growing hydrogen industry. QLS looks forward to continuing engagement with the government in the next phase of regulatory reform. I am joined today by James Plumb, a member of the QLS Energy and Resources Law Committee and a legal practitioner with significant experience in the resources industry. We welcome any questions the committee may have.

CHAIR: Thank you very much for that.

Mr MARTIN: The department's response to the committee regarding your 'H₂ Water' proposal—essentially, what you are saying about a new licensing scheme—is that they will require further time to consider the merits of this proposal and that it will be considered as part of the broader regulatory review down the track. Do you have a response to that? Are you broadly happy with that approach?

Ms Devine: That was broadly our understanding as well. We saw this as an opportunity to confirm that that is where we see the next stage of regulatory reform going. We want to recognise that the department has been very consultative to this stage. We look forward to continuing that process with them.

Mr HEAD: I have a couple of questions. Has the Queensland Law Society seen many cases before the courts to date around negligent biosecurity practices from those entering easements that may have been obtained under compulsory acquisition under the existing petroleum legislation? I can explain further if you do not follow my question.

Mr Plumb: Sorry, can we clarify: does the Queensland Law Society represent members in the Land Court?

Mr HEAD: Are you aware of any cases that may have been before the courts previously? I am talking about the existing Petroleum Act and existing pipelines put in place under the existing act that this is seeking to amend. Are you aware of any cases before the courts regarding biosecurity impacts from a lot of traffic and a lot of works being conducted on those easements that had been obtained under compulsory acquisition?

Mr Plumb: I understand. I am not aware of any court cases associated with biosecurity impacts associated with pipeline developments under the petroleum and gas legislation, no.

Mr HEAD: Is it your understanding that there are satisfactory laws in place if there were a big biosecurity breakout in an area because of poor practice through this? Do you have any views on whether there are satisfactory laws in place or are there issues to be addressed?

CHAIR: We really cannot seek opinion, but feel free to comment.

Mr Plumb: Absolutely. From my perspective there is a very robust access regime in place at the moment that addresses pipelines under the petroleum and gas legislation. The proposed amendments bringing into that regime hydrogen pipelines would be subject to that same robust access regime.

Mr WATTS: We are looking to impinge on someone's property rights and the suggestion is that we expand that to include 'H₂ Water'. I am trying to get my head around to what extent that is already covered and to what extent it is not, and why would we put it here rather than under 'water'?

Ms Devine: I think the question is directed at which regulatory framework is best for water to be managed under. We recognise that water and water pipelines are currently managed under the Water Act and under the Water Supply Act in Queensland. What we are looking at here is the use of water for a purpose that is complementary to hydrogen production. Our suggestion is there an opportunity, rather than having water dealt with under one framework and hydrogen under another framework in circumstances where they are both being used for the same purpose, to streamline that process.

Mr Plumb: I think practically these pipelines are likely to be collocated. Rather than having one regime address one pipeline that sits immediately adjacent to another, it is probably easier for impacted stakeholders as well as proponents to be dealing with that under one regime. I do not think the QLS would for a moment suggest that any rights be abrogated in any way as a part of that process, but I think for all concerned that would be a streamlined process.

CHAIR: For clarification, you are not proposing that the existing gas pipelines be used for water; you are saying a water pipeline as well? I think that is what you said.

Mr Plumb: As I understand it going forward with the development of these projects, you are looking at pipelines for the water inputs and outputs of the hydrogen process as well as the hydrogen gas. If this licensing process can encompass those pipelines, it probably is of benefit to all.

Mr WATTS: I guess the nub of the question is: which is going to impact a landholder the least and is the simplest for them to navigate, because they are not necessarily going to have as deep pockets as the development proponents? I want to make sure that the legislation that is in place is as simple as possible for them to interpret and has a good foundation for them to be able to follow and understand. If these were to be collocated—and I do not know enough about the technical side of it—are we talking about them being in one trench or are we talking about them being 50 metres apart? Do you have any understanding of what we are talking about in terms of the acquisition of land for access?

Mr Plumb: The answer is that I do not know. I guess it would be on a project-by-project basis. In circumstances where water is a necessary input and output of this process, along with the hydrogen gas, I imagine those pipelines would be located adjacent or collocated more often than not. From a landholder's perspective, the simplest way home would be for those pipelines to be regulated by a single access regime rather than access under the petroleum and gas legislation and then under the Water Act.

Mr WATTS: That makes imminent sense to me. If these were to be collocated—maybe you cannot answer the question; maybe it is something we need to ask the department—what does that collocation look like in terms of the depth or width of any corridor or easement being compulsorily put in place.

Ms Devine: I think from our perspective, we would have to defer to the technical experts about how the pipelines would actually be constructed. That is probably a matter for an engineer to speak with you about in due course. If I could add to the second part of your question, in relation to acquiring the easements, we would suggest that the current framework has been established for quite some time. It is well known to both proponents and legal advisers around the state who work with landholders. It is quite a familiar and well-established process for negotiation for acquisition if the negotiation is not successful. Our understanding is that the proposals before us do not alter that legislation in any way or those frameworks, and we think it is sensible that that existing negotiation-acquisition access framework applies for hydrogen projects as well as for the other resources projects that have been operating in the state for many years.

Mr MARTIN: Does the Law Society have any examples of similar arrangements in other jurisdictions, either other states or overseas?

Ms Devine: I cannot draw on any of those.

Mr Plumb: Apologies, I do not.

Ms Devine: It is a relatively new industry and it may be that the department can help you with some information in that way.

CHAIR: If a landowner were to object to the plans for a new pipeline in their area, can you guide us through what may happen there?

Mr MARTIN: Not encouraging.

CHAIR: Not encouraging, yes, certainly not.

Mr Plumb: With the process for the application for a pipeline licence in an area subject to public consultation, I do know that the department does seek the input of local impacted stakeholders. Then if and when a pipeline licence is granted, negotiation for access associated with the traditional form of an easement is underway, there are stepped out mechanisms for those negotiations to take place. If negotiations do not reach an agreed outcome, there are mechanisms in place for that to be overcome as well.

CHAIR: As would be the case with a highway or any other—

Mr Plumb: Yes. It is probably a more detailed and user-friendly regime in this case. Impacted stakeholders have a lot more input, from my perspective.

Mr HEAD: On the compulsory acquisition objections, do you know how many impacted landholders have progressed their objections to compulsory acquisition under the existing act, and are you aware of any people having success in doing so? I am talking to more so if it is progressing and they have actually taken it to court to object.

Public Hearing—Inquiry into the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023

Mr Plumb: I do not know statistics—I do not have percentages or numbers. I understand very few, if any, pipelines have been the subject of compulsory acquisition. They are usually addressed by agreed outcomes.

Mr HEAD: Following on from compulsory acquisition and what the member for Toowoomba North was asking, in relation to a transitioning from legislation that was designed for a finite resource and thus had a theoretical limit on potential impacts, by adding 'H₂ Water' on top of what is already currently being added under this proposal, we are moving towards allowing potentially an unlimited amount of impacts to private property and thus infringements on property rights. Are you able to comment on whether there might be any broader legal ramifications for property rights in Queensland with this expansion?

Mr Plumb: Not that I am aware of. Keeping in mind that this change is not proposed under the current draft legislation—we are talking about future legislative reform—from my perspective, it would be the subject of any other new project development and approvals processes. So, I do not think the risks that you have contemplated there would necessarily arise, but it is to be seen as part of that future regulatory reform.

CHAIR: There being no further questions, I would like to thank everyone for coming along and online. That concludes this hearing. Thank you very much. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this public hearing closed.

The committee adjourned at 9.05 am.