



## **APA submission**

**Qld Transport and Resources  
Committee – Review of Gas Supply  
and Other Legislation (Hydrogen  
Industry Development Amendment  
Bill 2023)**

*June 2023*





Committee Secretary  
Transport and Resources Committee  
Parliament House  
George Street  
Brisbane QLD 4000

**Lodged via email: [trc@parliament.qld.gov.au](mailto:trc@parliament.qld.gov.au)**

6 June 2023

**RE: APA Submission to Transport and Resources Committee review of *Qld Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023* (the Bill)**

Dear Mr King MP,

Thank you for the opportunity to contribute to the Transport and Resources Committee's detailed consideration of the Bill.

APA is an ASX listed owner, operator, and developer of energy infrastructure assets across Australia. As well as an extensive network of natural gas pipelines, we own or have interests in gas storage and generation facilities, electricity transmission networks, and 681 MW of renewable generation infrastructure.

We are actively engaged in the energy transition in Australia and support policy developments which help develop the future fuels industry in Queensland. In August 2022, we published our inaugural Climate Transition Plan which outlines APA's pathway to net zero operations emissions by 2050. Through APA's Pathfinder Program, we continue to grow our experience and expertise in hydrogen generation and other renewable energy technologies which support a lower carbon future.

**APA supports the growth of a renewable hydrogen industry in Qld and Australia**

Australia has some of the world's best natural resources for producing renewable energy. This is one of the key reasons why governments, including Queensland Government, has identified hydrogen as a competitive and logical option to help decarbonise the Australian economy and create new export opportunities.

We support Queensland's ambitions to become one of the world's largest producers and exporters of renewable hydrogen while also supporting its renewable energy targets. Policy settings which stimulate demand and supply in a domestic renewable hydrogen market are



essential to put Queensland at the forefront of renewable hydrogen production in Australia by 2030.

At APA, we are actively engaged in projects which support Australia's hydrogen economy.

Our first Pathfinder Program project is seeking to enable the conversion of around 43-kilometres of the Parmelia Gas Pipeline (PGP) in WA into Australia's first 100 per cent hydrogen-ready transmission pipeline. In Phase One of the PGP Conversion Project, the pipeline was assessed as suitable for 100% hydrogen service without any requirement to reduce operating pressure of the pipeline.

We have recently announced findings from Phase Two of our PGP Conversion Project which confirms the technical feasibility of converting the 43km section of the PGP to carry 100% hydrogen. Off the back of this research, APA has also developed a Pipeline Screening Tool that provides a high-level assessment of the hydrogen readiness of its pipeline assets, based on key pipeline material and operating characteristics.

Once commercially viable, renewable hydrogen will likely become a key component of the renewable energy export market for Australia. To foster a future trade market for renewable energy, from the outset Australia needs to work closely with international trading partners. We can expect some of our closest renewable energy trading partners to be in Asian markets given many of these countries' strong investment to net zero commitments and Australia's geographic proximity to these nations.

As well as working with international trading partners to create future offtake for renewable hydrogen, our Pathfinder team works closely with our industrial customers to support their decarbonisation journey. APA continues to help our industrial customers in manufacturing value added green products for domestic use and for exports in the future.

APA and Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) have signed an MOU to undertake studies assessing the viability of green hydrogen production, transportation via the southern section of APA's PGP, and hydrogen offtake at WesCEF's ammonia production facility at the Kwinana Industrial Area. The WesCEF sites deliver products for the domestic agricultural, mining, construction and manufacturing sectors, as well as energy for households for cooking, heating and hot water.

### **Resolving other legal and regulatory issues**

We support the Queensland Government's proposal to amend the *Petroleum and Gas (Production and Safety) Act 2004* to extend the existing licensing pathway to include transmission pipelines for hydrogen. Other regulatory and legal issues will also need to be resolved to establish a strong hydrogen industry in Australia.

A good example of the type of legal issue that will need to be resolved is the conversion of existing property easements to carry gases other than natural gas. A hydrogen pipeline cannot be constructed and operated on private land unless an agreement is reached with the relevant landholders and native title holders. The existing land access framework applies, which has detailed processes to follow to obtain permission to construct and operate a pipeline transporting hydrogen.

Property easements allow a person access to land that they do not own for a specific non-exclusive purpose. In this context, easements are usually negotiated when a pipeline is first



built so that the pipeline operator can access the land and transport petroleum across the landowner's property.

Easements (and other land access rights) generally reflect what was negotiated between the parties and are naturally inconsistent in drafting. Some existing easements in their current form may only permit the transportation of natural gas/hydrocarbons. This means transporting hydrogen and other future fuels in existing pipelines, either as additives to, or instead of, natural gas may constitute a new permitted purpose. If this is the case, all existing easements in Queensland would need to be reviewed and new easements may need to be negotiated if the original permitted purpose is not sufficient.

This would be a very costly and drawn out process for industry and governments and could present challenges for meeting Queensland's clean energy targets. This process also involves risks that one landholder (or a minority of landholders) could prevent an existing pipeline from being able to transport hydrogen or other future fuels and severely impact a project.

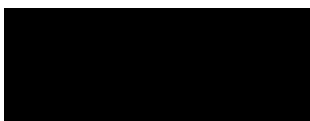
We encourage the Transport and Resources Committee to recommend that Queensland Government proactively ensure there is a regulatory pathway which allows hydrogen and other future fuels to be transported within existing easements, licences, leases or other tenures.

APA notes that a change such as this will need to be supported by a hydrogen safety and awareness campaign for landholders with natural gas pipeline tenure and the general public prior to commencing the transportation of hydrogen or other future fuels. We appreciate that pipeline operators and other industry stakeholders must maintain social licence through the energy transition.

Ultimately, jurisdictions should work together on the conversion of existing easements to carry hydrogen and other future fuels. A working group of the Commonwealth, State, Territory and industry representatives could be established to progress harmonisation of hydrogen and other future fuels regulations and the timing of their introduction.

Should you have any questions or queries regarding our submission, please contact Alice Kang on [REDACTED]

Regards,



**Caroline Beattie**  
**General Manager Future Energy**