



Speech by  
**Lesley Clark**

**MEMBER FOR BARRON RIVER**

Hansard Tuesday, 28 September 2004

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## **PETROLEUM, GAS AND OTHER LEGISLATION BILLS**

**Dr LESLEY CLARK** (Barron River—ALP) (7.56 p.m.): In rising to participate in the debate on the Petroleum and Gas (Production and Safety) Bill 2004 and the Petroleum and Other Legislation Amendment Bill 2004, I would like to address the competitive process for awarding exploration tenure. The production of energy from renewable resources will become increasingly important in the future. However, the reality is that Queensland is rich in petroleum resources, and we have a responsibility to ensure that those companies which want to undertake exploration do so in such a way that delivers maximum benefit to the state.

Only through the presence of many explorers with their diversity of concepts and approach will the full potential of the state's petroleum resources be realised. If exploration levels are to increase then the state needs to provide a mechanism to enable all explorers an equal opportunity to obtain exploration acreage. The new petroleum legislation provides an open and transparent tender process for the awarding of all exploration acreage. The tender process provides the opportunity for all explorers to participate in the development of the state's petroleum resources.

Adopting this approach for all acreage represents one of the most significant changes ever implemented in the way we manage this state's petroleum resources. The tender process provides additional benefits to the state. In particular, it provides a mechanism to limit potential land use conflicts by restricting the release of any land where conflict or inappropriate land use is likely. The management of land forms a key element of the state government's approach to sustainable development. The diversity of tenure holders and resulting discoveries will provide a greater diversity in sources of gas. The resulting diversity of supply will increase competition in the supply of natural gas again to the benefit of industrial and domestic consumers. Customers will be the winners.

This legislation provides a framework that meets the needs for the future development of the petroleum industry. I note that the right to the grant of a petroleum lease for the production of petroleum, although subject to meeting specific requirements, has been retained. The retention of this right will bring comfort to the petroleum industry. However, I would like to congratulate the minister on placing an obligation on the holder of a petroleum lease to commence production. No longer can this state afford to allow its resources, especially its gas resources, to go undeveloped. Queensland is not a car park. Our mineral and petroleum resources belong to the people of Queensland, and the people of Queensland have a right to benefit from their development.

If an explorer makes a discovery that is not currently commercial then the explorer can retain access to that discovery under a potential commercial area. A potential commercial area can be declared for up to 15 years and if, after that time, the discovery is not commercial then it probably never will be. The petroleum tender holder will be required to produce a commercial viability report if it is apparent the production of petroleum is viable. The ability to require a commercial viability report should ensure that there is no possibility of production being undertaken in order to increase prices.

This report availability will provide confidence that petroleum resources are being developed for the benefit of the community. The incorporation of provisions to enable storage of petroleum, especially for

third parties, will have a major impact on the future development of the state's petroleum resources, particularly those of coal seam gas. Storage will enable optimal coal seam gas production, with it being used to limit the effects of seasonal variation in demand, rather than requiring a change in the rates of production.

This legislation represents a significant turning point in relation to the framework for the petroleum industry in Queensland. This legislation provides a key element to the state government's commitment to the greater use of natural gas as a means of reducing the production of greenhouse gases in this state.

On that point of greenhouse gases, I make mention of the contribution by the member for Toowoomba South. He spent a great deal of his speech talking about the potential for ethanol production in this state as a way of contributing to the lowering of greenhouse gas emissions and of assisting the sugar industry. I attended the ethanol roadshow, as did the member, that was conducted recently. That was a joint operation between the Brazilian and Queensland governments as part of this government's blueprint for developing an ethanol industry in Queensland. It certainly has my full support.

However, it is disappointing that the opposition has presented a private member's bill in this House—the Liquid Fuel Supply Amendment Bill—in an attempt to again bring forward this prospect of mandating ethanol independently in Queensland, yet they totally refuse to acknowledge the reality of the legal constraints which prevent Queensland from doing so. There is Crown Law advice which confirms that difficulty. It seems that the opposition will not acknowledge and recognise—as everybody did when this issue was discussed during the roadshow in Cairns—that we need a national mandate. They will not take the fight up to the federal government and make John Howard acknowledge—if he is serious about supporting an ethanol industry—that we have to have a mandated 10 per cent nationally.

There is only so much that Queensland can do. It will never be enough to rely on companies such as Caltex, which is introducing E10 into Cairns, and to rely on motorists such as myself to fill up our cars with E10. It will never be enough. I am really disappointed that we cannot have a bipartisan approach where all members acknowledge that a national mandate is the only way to go if we are serious about an ethanol industry in this country and in Queensland.

I commend the bills to the House.