




Speech By  
**Ann Leahy**

**MEMBER FOR WARREGO**

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### **MINERAL, WATER AND OTHER LEGISLATION AMENDMENT BILL**

 **Ms LEAHY** (Warrego—LNP) (4.49 pm): I rise to contribute to the debate on the Mineral, Water and Other Legislation Amendment Bill. I have followed the contribution by the member for Maiwar. It never ceases to amaze me—

**Mr Powell:** Where do you start?

**Ms LEAHY:** I take that interjection from the member for Glass House. Where do I start? The Greens want to shut down the coal industry. Yesterday, they wanted to shut down the CSG industry. They want to shut down the primary industries—the sheep exports, the live cattle exports. Who do they expect to pay for the schools, the hospitals and the roads in this state? Their expectations are quite unbelievable.

I would like to thank the State Development, Natural Resources and Agricultural Industry Development Committee for its consideration of this legislation. It should be noted that, prior to the dissolution of the parliament before the 2017 election, a previous version of this bill was referred to the Infrastructure, Planning and Natural Resources Committee. That bill lapsed when the 55th Parliament was dissolved. This bill is substantially the same as that previous bill. I was a member of the Infrastructure, Planning and Natural Resources Committee and took great interest in this legislation when it came before the committee in the previous parliament.

One of the major factors of the LNP's support for this bill has been the government's acceptance of sensible recommendations suggested by the LNP committee members. Recommendation No. 2 in the committee's report requests the minister to clarify the effectiveness of the current arrangements in addressing compensation for landholders who do not have resource tenure activity on their land but may be affected by the impacts of such activity. I note the government's response is to support the recommendation and for the minister to clarify the effectiveness, but I would like him to listen to the situation that I have occurring in my electorate. This is a particularly interesting case. I think the government might have to do some more work in relation to this issue because of the implications for landholders and resource companies in the state.

This case is particularly interesting, because it deals with original freehold. I want to make sure that in this parliament I highlight to the government and also to the Queensland resource companies an awareness of original freehold because, when I raised this issue with one of them they asked me, 'Does this really exist?' I would like to say that, yes, it does. I will outline an explanation of the mineral rights that were granted back in 1884 under the Crown Lands Alienation Act 1876.

Section 8 of the Mineral Resources Act 1989 states that, with a few exceptions, minerals upon and beneath the surface of Queensland land belong to the state. The exceptions are coal within land granted by the state before March 1910, where the grant did not reserve coal to the state, and minerals granted under the Crown Lands Act 1860, the Crown Lands Alienation Act 1868 and the Mineral Lands Act 1872.

Under section 6 of the Mineral Resources Act, coal seam gas is mentioned as a mineral. The Petroleum and Gas (Production and Safety) Act 2004 states that all petroleum is and always has been the property of the state. This applies whether the land is freehold or other land. There is an issue with the Petroleum and Gas (Production and Safety) Act 2004, because coal seam gas would not occur without coal. If a landholder has a royalty right to coal, that landholder should have a royalty right to that coal seam gas. It is not possible to have coal seam gas without coal, because the coal seam gas is derived from coal.

In this case, the freehold land was granted originally on 1 May 1884 under the Crown Lands Alienation Act 1876 and not the Crown Lands Alienation Act 1868. There was an 1876 act that repealed the 1868 act and the land granted under the 1876 act does not fall within the exceptions mentioned in the Mineral Resources Act. It is for that reason the landholder does not appear to own the coal seam gas if it occurs under his land, because the coal seam gas is mentioned as a mineral. However, it appears that the landowner owns the coal deposit under his land because the freehold was granted prior to 1 May 1910. In this case, the ownership is not a freehold title but instead an ability to realise a royalty stream from the coal removed.

The Mineral Resources Act allows the holder of a mining lease to extract, in addition to the coal, the incidental coal seam gas. However, in this case, where the resource company is operating under a mining lease, the landowner potentially could be entitled to a royalty for the incidental coal seam gas. However, the CSG company operating under a petroleum lease under the Petroleum and Gas (Production and Safety) Act is not mining for coal. Therefore, it is unlikely that the landholder would be entitled to any royalty if the CSG company removed the coal seam gas, as alluded to, under the Mineral Resources Act.

In this case, the CSG company is directional drilling from the neighbouring property into the coal that the landowner potentially has a royalty right through his freehold title. The landowner has no say in relation to this issue, because the CCA and any compensation agreements are with the neighbour. Even though the landowner has a right to the coal royalties, he has no CCA—even though the company is drilling underneath where he has a right to the coal.

There is a need to address the compensation arrangements for neighbouring landholders, not just on the surface of the land but also for those who may have rights below the surface of the land. The government has not addressed this issue and it is happening as we speak. I would like to hear if the government would look more closely at this issue, because the compensation of that neighbouring landholder needs to be addressed. This is a unique situation. There is not very much original freehold, but this situation is occurring in my electorate at present. I hope the minister takes this issue on board. I look forward to the government's further consideration of this matter. It is a complex case in relation to the legal situation and the history of the matter, but it is certainly worthy of further consideration by the government.

I also want to place on record some information about the conduct and compensation agreements. I note that the bill looks to implement changes to the statutory negotiation processes for the CCAs and the MGAs between the resource companies and landholders. For the gas industry in Queensland alone, the number of CCAs with landholders is almost 5,000—in fact, it is more than that—with over \$230 million in compensation already paid to landholders in July 2015. That figure is a number of years old. Today, there would be many more. Landholders can structure these payments to match their circumstances.

Landholders are some of the most resilient people I know and I have the pleasure of having them in my electorate. Their business models change for all sorts of reasons and there is always room for improvement in the processes to ensure that the outcomes that are delivered are relevant to the changing business environment. For some, compensation funds might help them with retirement or transfer to the next generation. Others look for the security of that annual guaranteed payment every year. One company operating in the Surat Basin alone provides over \$400 million to 100 landholders to access the gas below their land. Many landholders have negotiated non-financial outcomes.

I want to thank the shadow minister for natural resources who visited my electorate to look at some of those non-financial outcomes. We saw all sorts of things such as roads and cattle yards. We saw where mobile phones and internet services have been upgraded. There have been numerous sales of gravel to the CSG companies. We saw some council roads that were in a better condition than the Warrego Highway. There certainly has been some benefits gained from the CSG industry. We also saw crops being irrigated at Pleasant Hills. It was very interesting to see that and also to see the partnerships that have been developed between landholders and the companies.

I thank the shadow minister for natural resources and also my parliamentary colleagues who came out to look at that work and to meet with representatives of those companies. I thank those companies sincerely for the work they put in so that we could have that very comprehensive technical tour. We do see the legacy projects, but also the technology has helped people in those areas where they have been able to work with those coal seam gas companies. In recent times we do see a bit more benefit occurring.