




Speech By  
**Lachlan Millar**

**MEMBER FOR GREGORY**

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## **GAS SUPPLY AND OTHER LEGISLATION (HYDROGEN INDUSTRY DEVELOPMENT) AMENDMENT BILL**

 **Mr MILLAR** (Gregory—LNP) (12.42 pm): In rising to comment on this bill, I extend my thanks to my colleagues on the Transport and Resources Committee, the committee staff, the officials at the Department of Energy and Public Works who assisted us and the submitters who shared their knowledge and suggestions with us. This bill represents the first legislative steps towards providing the regulatory framework required to support the development of a hydrogen export industry in Queensland. Regardless of one's views about green energy, there is already a strong global demand for hydrogen. For Queensland, this presents a once-in-a-generation opportunity for jobs, for manufacturing development here at home and for strong international export growth to nations like Japan, South Korea and Singapore.

If it succeeds, the green hydrogen industry could have a similar impact on Queensland's prosperity as the development of the Bowen Basin brought us in the 1970s. It is a useful comparison because the story of the Bowen Basin mining industry taught Queensland's regulators much. Sadly, many of those pioneering public servants, MPs and mayors have passed away or have been long retired. I hope today's successors—the ministers, members, mayors and public servants who have to deal with the new developments—ignore neither the history nor the lessons it contains. It shows that Queensland is capable of great feats economically and socially. It also shows undoubtedly that the concept of social licence is very real and must be born in mind if the government is to bring Queensland with them in supporting the new industry.

From the other side of the coin, Queensland is not the only jurisdiction globally or even within Australia trying to develop hydrogen products for export. This means we are essentially in a competition for the capital investment to fund the development. Much, if not most, of that investment will be sought from overseas—as it was with the Bowen Basin in the 1970s. There are many other places they can go to achieve their own hydrogen goals, including Western Australia. The Treasurer is doing Queensland no favours in overseas' eyes with his constant disrespect for one of Queensland's most important economic pillars. To this end, the Department of Energy and Public Works told the committee that they are currently leading a broad review of Queensland's regulatory frameworks to ensure all elements of the hydrogen value chain have an effective regulatory framework in place. This is as it should be, and I hope to participate in further consultation and scrutiny as a broader framework is developed. One of the very first things investors want to see before they commit to Queensland's hydrogen industry is that the vital pipelines required to transport hydrogen from the point of production to the ships at the export terminal can be built at a known cost and on schedule.

The objective of the bill is to put into law that clear regulatory assessment and approval process to show the clear pathway that must be followed in building and operating the pipelines that will carry hydrogen, hydrogen blends and hydrogen carriers as well as other gases from production to port in Queensland. As an aside, I should clarify that so-called hydrogen carriers could include ammonia and methanol.

To achieve this objective, the bill amends two existing acts: firstly, the Gas Supply Act 2003 to expand its jurisdiction to hydrogen, hydrogen blends and other gases; and, secondly, the Petroleum and Gas (Production and Safety) Act 2004 to create a clear pathway for proponents to become licensed to build and operate a pipeline to carry hydrogen and hydrogen carriers. Transparency in this process is vital for both proponents and the community, including landholders, agriculture and native title holders. The department advised the committee that—

The Petroleum and Gas (Production and Safety) Act 2004 requires notification for pipelines in a newspaper circulating throughout the State or, if the proposed licence is an area pipeline licence, generally in the area. The proponent is also required to notify any relevant local governments.

Given the possible impacts on strategic cropping land, agriculture and landholders, it is also important to note that, in addition to the public notification requirements, proponents for pipelines must also communicate directly with the impacted landholders. That is incredibly important. As a member with deep ties to agriculture, this was an area of great concern to me in the committee's scrutiny of the legislation. The department suggested that most of these pipelines will be built on public lands to ensure ease of access and operation but that will not always be the case, so this part of the framework is vital in safeguarding other interests.

To be eligible to construct a pipeline, pipeline land must be owned by the proponent or be land over which the proponent holds an appropriate easement for the construction or operation of the pipeline or has obtained the owner's written permission to enter to construct and operate the pipeline. Usually the proponent will negotiate either an easement or an agreement with the relevant landholder, which will also provide for any compensation payable. Having said all that, the intent of the bill is to support the development of the hydrogen industry for Queensland so where an easement or an agreement cannot be negotiated the proponent may apply to the Minister for Resources for a part 5 permission. A part 5 permission is a temporary permission to enter land to construct and operate a pipeline. In the rare circumstances where the pipeline land is not settled after the expiry of the part 5 permission, the land may be compulsorily acquired. If land is compulsorily acquired under a part 5 permission, compensation will still be payable to the landholder.

I am not a fan of this aspect and I will be watching to see that this is not used as a get out of jail free card so that prior negotiations are just for show and the minister is handing out part 5s without just cause. Labor's record in the protection of strategic cropping land, for instance, has been dire. I also have well-founded concerns about the potential impact of legal costs for impacted landholders and hope the department intends to address this separately. I can say that the department made it clear to the committee that they understand the importance of social licence in establishing a new industry and that the best way to achieve this is by nurturing positive and transparent relationships between proponents and landholders. They have committed to looking further at these issues and other related issues in their ongoing broader review into the entire regulatory framework for the entire hydrogen value chain. Given the narrow scope of this bill, I can accept that advice, partly because this bill does contain a good example of the transparency Queenslanders have a right to expect.

A pipeline authority will relate to the transmission of a specified substance which must be named in the public notification and in communications with any impacted landholders. Should the proponent then want to transmit a different substance through their existing pipeline, an amendment of any easement agreements will be required in order for that to be approved. In other words, they have to get an agreement from the landholder whose land the easement covers.

Obviously, coming from the seat of Gregory, we have many resource industries in our area. In my electorate, landholders in the township of Bluff have been seriously affected by dust, noise, light pollution and traffic from the adjoining Bluff Mine. One particular family were seriously endangered when they were not advised of blasting which coincided with mustering on their property close to the mine. It has been a difficult and drawn-out process to resolve the issues between the proponent and the local neighbours.

I want to see the avoidance of similar problems as we develop a new hydrogen industry in Queensland. I will be continuing to flag this to the minister, and I look forward to hearing from the department about the findings of their broader regulatory review. I commend the bill to the House.