



Hon Stirling Hinchliffe MP
Member for Stafford



**Queensland
Government**

**Minister for Employment, Skills
and Mining**

CLLO/11113

22 NOV 2011

Mr Neil Laurie
The Clerk of the Parliament
Parliament House
Cnr George and Alice Streets
BRISBANE QLD 4000

Dear Neil

The Honourable Andrew Fraser MP, Deputy Premier, Treasurer and Minister for State Development and Trade has forwarded to me your letter dated 26 October 2011 enclosing petition number 1796-11 about coal seam gas industry activities. I have considered the petition carefully and am pleased to provide my response.

The Queensland Government is committed to ensuring the coal seam gas (CSG) to liquefied natural gas (LNG) industry develops in a way that balances economic, social and environmental considerations, and facilitates the co-existence of the agricultural and mining industries.

Gas is a key transition fuel in a carbon constrained future economy. Electricity produced from Queensland LNG is up to 70 per cent cleaner than that produced from brown coal in Victoria and 50 per cent cleaner than electricity produced from black coal.

As there are a number of issues raised by the petitioners, I take this opportunity to address these issues specifically below.

All LNG operators are subject to extensive environmental assessment before they can commence operations. Should a project be approved, it is regularly monitored to ensure strict environmental and safety requirements are met. Queensland Health is consulted if a particular element of a natural gas project poses a significant human health risk.

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In addition, the government has introduced an adaptive environmental approval regime that allows environmental conditions imposed under the *Environmental Protection Act 1994* to be altered quickly should significant unintended environmental outcomes occur.

The LNG industry is also required to support local businesses, train workers, and invest in social infrastructure such as new housing and social services. This means supporting community services, and funding infrastructure for schools, hospitals, and law and order.

The government understands that the community has concerns regarding hydraulic fracturing. The purpose of hydraulic fracturing is to increase the flow of gas, where the coal formations are restricting the gas flow. Currently, approximately eight per cent of CSG wells are hydraulically fractured.

Water and sand make up more than 99 per cent of the materials used in hydraulic fracturing. The remaining small percentage of fluid is made up of commonly used compounds including sodium hypochlorite (used in swimming pools); hydrochloric acid (used in swimming pools); surfactants (used in soaps); cellulose (in green plants); acetic acid (basis of vinegar) and bactericides (targeting bacteria that may degrade fracture gels). Due to the significant dilution of these chemicals, the risk to public health and the environment is low. This has been determined according to occupational exposure standards by the Commonwealth organisation, Safe Work Australia.

Importantly, the government has banned the use of petroleum compounds containing benzene, toluene, ethylbenzene and xylenes, commonly referred to as BTEX from use in CSG operations or hydraulic fracturing.

Regarding groundwater security, the Queensland Government has strong rules in place to protect groundwater systems, including the Great Artesian Basin. Under the *Water Act 2000*, CSG producers must 'make good' impacts on water bores, and must prepare underground water impact reports on a periodic basis. The independent Queensland Water Commission is also preparing a region-wide groundwater model that will identify, in advance, any impacts on aquifers.

To ensure that the LNG industry complies with the strict new regulatory regime, the government established an LNG Enforcement Unit in the Surat Basin. Fifty new specialist groundwater, environmental and safety staff have been employed. A proactive compliance plan for the LNG industry is also in place to closely monitor company actions.

In order to protect our State's best cropping land for long-term food production, the government has introduced the Strategic Cropping Land Bill 2011 into Parliament and intends to enact the legislation in early 2012. This legislation is a nation-leading comprehensive framework which specifies where the best cropping land is, how it is to be defined and just what developments can proceed on it.

Under the new legislation, developments in these areas will be assessed to determine if they permanently alienate the land. This includes CSG developments. In Strategic Cropping Land protection areas, developments which are assessed as permanently alienating land will not be allowed to proceed.

The legislation is designed to provide a balance between agricultural and mining interests. It has been developed following extensive consultation with representatives from local governments, and mining, petroleum, agricultural and natural resource organisations.

The government is already taking action to accelerate renewable energy developments through the Queensland Renewable Energy Plan. This plan will help leverage up to \$3.5 billion in new investment, create up to 3,500 jobs and reduce greenhouse gas emissions by more than 40 million tonnes within the next 10 years.

Large-scale renewable energy projects are underway in Queensland with financial support from the State and Commonwealth Governments. This includes \$34.9 million of Commonwealth funding, coupled with \$35.4 million from the Queensland Government, to complete the Kogan Creek Solar Boost Project near Chinchilla. Queensland's Solar Dawn project, a 250 megawatt solar thermal and gas hybrid power plant, was selected as the successful project under the Commonwealth's Solar Flagships Program. The Commonwealth has announced \$464 million of funding and the State has announced \$75 million of funding towards this project.

The government is also investing up to \$4.3 million to upgrade Ergon Energy's Birdsville Power Station, making it the only operating geothermal power station in Australia. Further, the wind and solar maps of Queensland will assist potential investors in identifying the best areas for renewable generation projects.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Stirling Hinchliffe', with a stylized flourish at the end.

Stirling Hinchliffe MP
Minister for Employment, Skills and Mining