



24 October 2013

Standing Committee on Legislation  
Legislative Council  
GPO Box A11  
PERTH WA 6837

Email: [lclc@parliament.wa.gov.au](mailto:lclc@parliament.wa.gov.au)

Dear Sir/Madam

### **Inquiry Into the Petroleum and Geothermal Energy Legislation Amendment Bill 2013**

The Chamber of Minerals and Energy of Western Australia (CME) appreciates the opportunity to provide comment to the Inquiry on the proposed amendments to sections 11 and 12 contained in the Petroleum and Geothermal Energy Legislation Amendment Bill 2013.

#### **CME and the WA resources industry**

CME is the peak resources sector representative body in Western Australia (WA) funded by its member companies who generate 95 per cent of the value of all mineral and energy production and employ 80 per cent of the resources sector workforce in the State.

The Western Australian resources sector is diverse and complex covering exploration, processing, downstream value adding and refining of over 50 different types of mineral and energy resources. The sector plays a significant role in locating, analysing, and developing water resources in regional and remote areas.

In 2011-12, the value of Western Australia's mineral and petroleum production was \$106 billion, accounting for 91 per cent of Western Australia's total merchandise exports and thus representing the majority of Western Australia's 46 per cent contribution to Australian merchandise exports. Furthermore, royalty payments to the state government totalled \$5.3 billion in 2011-12.

The prospects for future growth are strong, with \$2.1 billion invested in minerals exploration in Western Australia in 2011-12, accounting for 53 per cent of total national investment. This exploration is translating into significant further development, with the value of resource projects either committed or under construction at \$167 billion.

#### **Proposed Amendments**

The proposed amendments, which will incorporate carbon capture and storage activities into the existing regulatory framework of the *Petroleum and Geothermal Energy Resources Act 1967*, are supported by CME. In addition, CME supports the view taken by APPEA in their submission dated 11 October 2013.

CME notes the proposed amendments will not change the intent of the legislation and the regulatory framework. This regulatory framework has been proven to be effective over a number of years.

It is important to note that resource projects do not preclude or prevent other land uses. As a result, a variety of land uses can coexist, or exist sequentially to resource extraction occurring. CME continues to work closely, both directly and through its member companies, with stakeholders to ensure multiple land use is maintained and managed in a sustainable environment. Attached for your information are the CME Strategic Land Use Planning Principles.

CME supports the proposed amendments and the continued consideration of land access issues within the current legislative framework.

Please do not hesitate to contact Ingrid Hebron, Manager Land Access and Kimberley, on 9220 8531 should you require any additional information or to discuss this matter further.

Yours sincerely



Reg Howard-Smith  
**Chief Executive**

Att: CME Strategic Land Use Planning Principals

## STRATEGIC LAND USE PLANNING PRINCIPLES

### Background

Strategic land use planning is the process of identifying and defining land use priorities for different areas of land within a region, taking into account the geophysical and socio-economic context. The resources industry supports robust environmental and planning regulatory schemes which identify strategic land use priorities and assesses development applications on a case-by-case basis taking into account social, environmental and economic outcomes.

The resources industry is a temporary user of land and has unique characteristics that need to be considered in the context of strategic land use planning. Following completion, land used by the industry can be rehabilitated and used for a range of purposes including urban and industrial development, agriculture and conservation. It is important to recognise the industry successfully coexists with other land uses and creates positive outcomes in the areas of conservation, cultural heritage and regional economic development.

### Principles for strategic land use planning

- **Be led by State government** – It is the State government's role to develop strategic land use plans, in close consultation with relevant stakeholders, industry experts, Traditional Owners, other levels of government, and the community.
- **Be conducted in a timely manner** – The preparation of strategic land use plans should be undertaken in a timely manner taking into account the significant timeframes for investment decisions.
- **Maximise environmental, social and economic values** – In keeping with the principles of sustainable development, environmental, social and economic values must be considered to ensure they are maximised for the benefit of current and future generations.
- **Be transparent and based on evidence** – The land use planning process should be ethical, transparent and the evidence on which decisions are made should be clear. Land use decisions should be risk based not be made simply on a first-come first-served basis. The opportunity costs associated with land use decisions should be considered.
- **Be flexible and focus on the desired outcomes** – There should be no automatic assumption that certain land uses are unsuitable or incompatible. Land use activities should be assessed on a case by case basis. Blanket bans on certain types of development should not be implemented.
- **Recognise the role of technology** – While certain land uses may currently be incompatible, changes in technology might allow these land uses to successfully coexist in the future.
- **Provide guidance across a range of temporal scales** – Short, medium and long term time frames should be considered to provide an indication of how a region can be expected to change over time and to identify opportunities for sequential land uses.
- **Consider different legislative requirements** – Federal, State and Local legislation should be considered in the strategic land use planning process to ensure the plan is consistent with regulatory requirements and to avoid duplication.
- **Recognise the difference between exploration and extraction** – Exploration and extraction are very different land uses with very different impacts and purposes. Exploration results are critical to informing the strategic land use planning process by identifying the potential prospectivity of a region.
- **Recognise that not all land use conflicts are avoidable** – Not all land use conflicts are avoidable because of historical land use patterns and the interaction between different land uses. In cases where land use conflicts are unavoidable, appropriate mitigation measures should be implemented to reduce negative impacts on surrounding land users and/or compensation provided for impacts on property rights or native title rights.

### Further Information

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