

Impact Analysis Statement template

A Summary Impact Analysis Statement (IAS) must be completed for all regulatory proposals. A Full IAS (see Box 1) must also be completed and attached for proposals that have significant impacts. Once completed, the IAS must be published.

Summary IAS

Details

Lead department	Department of State Development, Infrastructure and Planning
Name of the proposal	Regional Planning Interests (Condamine Alluvium) and Other Legislation Amendment Bill 2026
Submission type (<i>Summary IAS / Consultation IAS / Decision IAS</i>)	Summary Impact Analysis Statement
Title of related legislative or regulatory instrument	<i>Mineral and Energy Resources (Common Provisions) Act 2014</i>
Date of issue	5 March 2026

What is the nature, size and scope of the problem? What are the objectives of government action?

The Queensland Government has committed to requiring gas companies to demonstrate beyond any reasonable doubt that new gas projects would not have a detrimental impact on the Condamine Alluvium, a large and significant water aquifer (Government Election Commitment; GEC20).

The Condamine Alluvium is a major aquifer wholly within the Surat Basin in the Condamine River catchment, extending across the Southern Downs, Toowoomba, and Western Downs Local Government Areas. The Condamine Alluvium is a vital source of groundwater for the region, supporting the region's agricultural production. The Condamine Alluvium area also overlays a section of the Walloon Coal Measures, a highly productive and well-developed source of Coal Seam Gas (CSG).

The significant role of the aquifer for agricultural uses, and the presence of CSG activities, is creating co-existence concerns with some landholders.

Landholders in the Condamine Alluvium are concerned about the presence of CSG activities resulting in subsidence impacts, commonly referred to as CSG-induced subsidence. In delivering GEC20, the Queensland Government has developed an approach to clarify and extend compensation rights for landholders in the Condamine Alluvium for CSG induced subsidence impacts from CSG activities. Clarifying and extending the compensation rights available to landholders for land impacted by CSG induced subsidence from CSG activities is intended to help support coexistence between these landholders and petroleum resource authority holders in the Condamine Alluvium.

The Queensland Government's approach to deliver GEC20 is based on a multi-agency regulatory reform across the planning, environmental, and resources legislative frameworks.

As part of expanding the compensation rights of landholders within the Condamine Alluvium and providing increased clarity, the following deficiencies in the *Mineral and Energy Resources (Common Provisions) Act 2014* (MERC Act) have been identified and are proposed to be addressed:

- Owners/occupiers of land outside the area of the resource authority do not have a statutory claim to compensation under the MERC Act for CSG-induced subsidence impacts from authorised activities.

- The trigger to enter into a conduct and compensation agreement (CCA) is linked to entry to land to carry out advanced activities, meaning there is no requirement under the MERCP Act for a petroleum resource authority holder to enter into a CCA for subsidence impacts if no entry is proposed or the area is outside of their tenure.

Government action to address these issues is intended to provide clarity for landholders and petroleum resource authority holders in the mapped area of the Condamine Alluvium (Condamine Alluvium mapped area). This will be achieved by establishing improved arrangements for seeking compensation for subsidence impacts from CSG activities as a complementary measure in delivering GEC20.

To deliver on GEC20, the Queensland Government is proposing to introduce the Regional Planning Interests (Condamine Alluvium) and Other Legislation Amendment Bill 2026 (RPI(CA)OLA Bill) to the Legislative Assembly. The RPI(CA)OLA Bill is intended to promote coexistence in the Condamine Alluvium and address stakeholder concerns by amending the MERCP Act, *Regional Planning Interests Act 2014*, *Environmental Protection Act 1994*.

What options were considered?

Option 1: Amend the MERCP Act to clarify and extend compensation arrangements for CSG-induced subsidence in the Condamine Alluvium regulatory area. This would include:

- a. clarifying that CSG-induced subsidence is a compensatable effect when there is an impact on agricultural activity or productivity.
- b. requiring petroleum resource authority holders to enter into conduct and compensation agreements for any regardless of whether there are surface impacts.
- c. Extending the compensation liability for CSG-induced subsidence impacts to off-tenure landholders within a prescribed distance of CSG activities.

Targeted amendments would be made to the MERCP Act to clarify and extend landowner compensation rights for impacts from CSG-induced subsidence on private land in the Condamine Alluvium regulatory area. This framework would be based on the existing land access and compensation framework (including CCAs and associated dispute resolution processes) as the primary mechanism for addressing compensation.

The RPI(CA)OLA Bill, if enacted, will establish a clearer and extended subsidence compensation framework for the Condamine Alluvium regulatory area by defining key concepts, including affected land (private land in the Condamine Alluvium area), CSG-induced subsidence, CSG-induced subsidence compensatable effect and compensation liability. The framework covers impacts from CSG-induced subsidence on agricultural activities and agricultural productivity; it does not address impacts to other land uses or infrastructure.

For land in the authorised area of, or access land for, a petroleum resource authority, the RPI(CA)OLA Bill provides that a petroleum resource authority holder is liable to compensate an owner or occupier of affected land for each CSG-induced subsidence compensatable effect suffered because of the petroleum resource authority, where the impact affects the ability to undertake agricultural activities on the land or the productivity of agricultural activities undertaken on the land.

The RPI(CA)OLA Bill also extends CSG-induced subsidence compensation liability to owners or occupiers of affected agricultural land outside the authorised area. It applies to land that is not access land, where the land is within the prescribed distance (5km) from the boundary of a petroleum resource authority in the mapped area. This enables compensation claims for CSG-induced subsidence impacts on nearby agricultural land that may be affected despite being off-tenure.

Transitional provisions provide that, for affected land in the authorised area or access land, any CCA or voluntary agreement in effect immediately before commencement will continue to apply and will not need to be re-negotiated to consider subsidence compensation liability. This applies even if the existing agreement does not expressly provide for subsidence compensation liability.

The RPI(CA)OLA Bill introduces a new requirement for petroleum resource authority holders to have a CCA in place before carrying out new on affected land in the authorised area. This will be achieved by deeming such directional drilling to be an advanced activity for the purposes of negotiating a CCA and will apply from

commencement. This prospective requirement does not apply where directional drilling is already covered by an existing CCA or other relevant agreement that provides financial payment for the drilling entered into before commencement.

In practice, the framework will address compensation for CSG-induced subsidence impacts via two primary pathways:

- Landholders with authorised activities carried out on or beneath their land will be able to address any subsidence compensation liability through the existing CCA framework and related MERCPC Act negotiation and dispute processes; and
- Landholders experiencing CSG-induced subsidence impacts where there are no authorised activities on or beneath their land, including eligible off-tenure landholders within the prescribed distance—where there is no CCA required—will be able to seek compensation from a petroleum resource authority holder, with disputes addressed under a new dispute resolution pathway to the Land Court.

The Bill establishes a new dispute resolution pathway for CSG-induced subsidence compensation disputes that fall outside the CCA framework. Where a dispute about CSG-induced subsidence compensation liability arises and there is no access to the MERCPC Act's CCA framework and related dispute resolution process, parties may seek assisted resolution through an authorised officer conference held by the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development (NRMRRD) and, if required, Land Court determination.

Option 2: Retain the existing compensation arrangements under the MERCPC Act to manage subsidence related compensation.

Under this option, the existing provisions in the MERCPC Act would be retained. The existing provisions in the MERCPC Act provide a land access framework for resource authority holders to access private land to conduct authorised activities within the resource authority area, and establishes a general liability for compensatable effects that occur within the resource authority area from authorised and advanced activities that require a CCA.

Under this framework, only landholders affected by advanced activities require a CCA. All other landholders would need to seek compensation for CSG-induced subsidence impacts via the general compensation liability.

Directional drilling beneath land is generally treated as a preliminary activity where it causes no impact, or only a minor impact, and therefore does not trigger a CCA. In those circumstances, landholders affected by directional wells would instead rely on the general compensation framework, or on any voluntary agreements reached with the resource authority holder. However, if directional drilling results in more than a minor impact on land within the resource authority area, it may be characterised as an advanced activity, in which case the landholder would be entitled to require a CCA. In addition, the MERCPC Act currently limits the general liability to compensate impacts from CSG activities to on tenure landowners/occupiers only. There is no direct legal pathway to compensation for off tenure landholders.

What are the impacts?

Option 1: Amend the MERCPC Act to clarify and extend compensation arrangements for CSG-induced subsidence in the Condamine Alluvium regulatory area.

Under Option 1, for petroleum resource authority holders, the reforms would:

- clarify that a petroleum resource authority holder in the Condamine Alluvium mapped area is liable to compensate owners/occupiers of private land within the area of the resource authority or its access land for any CSG-induced subsidence compensatable effects resulting from the impacts from CSG induced subsidence on the ability to undertake agricultural activities on the land or productivity of agricultural activities. This impact would establish the holder's general compensation liability for CSG-induced subsidence.
- extend a petroleum resource authority holder's subsidence compensation liability to owners/occupiers within a prescribed distance (5km) of the boundary of a petroleum resource authority in the Condamine Alluvium mapped area whose land is impacted by CSG-induced subsidence; and

- require a petroleum resource authority holder to have a CCA in place before drilling any new directional wells not covered by an existing agreement, beneath private land in the Condamine Alluvium mapped area, even where the activity may have no or minor impacts. This will be achieved by deeming directional wells as an advanced activity.

These changes are expected to increase compensation exposure and associated transaction costs for petroleum resource authority holders (for example, negotiating and settling compensation claims and obtaining technical advice). However, it is already common practice for resource authority holders to establish voluntary compensation agreements with owners/occupiers with directional wells under their land. Existing CCAs and voluntary agreements negotiated prior to commencement would be recognised under transitional provisions.

This revised framework largely operates through the existing CCA and general liability to compensate requirements under the MERCP Act to minimise complexity and additional regulatory burden. However, there is also some risk that a proportion of these CSG-induced subsidence compensation matters would require dispute resolution and court proceedings to be resolved, as the determination of compensation liability as it relates to CSG-induced subsidence will not be underpinned by an independent assessment of CSG-induced subsidence risk or impact.

Other than off tenure landholders being able to seek compensation from a petroleum resource authority holder for CSG- induced subsidence impacts from both existing and new activities, the reforms are not intended to apply retrospectively.

This will see some landholders in the Condamine Alluvium regulatory area not have access to compensation. In particular, compensation for CSG-induced subsidence impacts will not be available in the following scenarios:

- landholders with an existing CCA and no new drilling activities occurring on their land.
- landholders with an existing CCA and ongoing drilling activities covered by that CCA.

The RPI(CA)OLA Bill does not expand the statutory role or levy arrangements of the Office of Groundwater Impact Assessment to provide technical evidence to support compensation negotiations, for example by providing regional scale modelling of subsidence. Causation of CSG-induced subsidence impacts and quantum of compensation will continue to be determined between parties through negotiation, with any disputes to be resolved through the available dispute mechanisms under the MERCP Act.

Pursuing CSG-included subsidence compensation liability through private negotiations or the Land Court may be time-consuming and costly for landholders, including the need to obtain expert evidence. However, overall, Option 1 is expected to:

- provide clearer and expanded access to compensation for CSG-induced subsidence impacts from CSG activities;
- strengthen coexistence arrangements in the Condamine Alluvium mapped area for landowners impacted by CSG activities; and
- minimise additional regulatory burden by using the existing MERCP Act framework land access and compensation provisions as much as possible.

Option 2: Retain the existing compensation arrangements under the MERCP Act to manage subsidence related compensation.

Option 2 would maintain the existing MERCP Act land access and compensation arrangements.

This option is unlikely to result in any increased liability for petroleum resource authority holders to compensate affected landowners/occupiers, both on-and off-tenure, for the impacts of CSG-induced subsidence.

Under this approach, CCAs would only be required for directional wells if there is more than a minor impact. Otherwise, voluntary deviated well agreements could be made between a landholder and resource authority holder on an ad hoc basis. These agreements generally do not consider compensation liability and are a one-off payment for the landholder's time..

Landowners within the area of a resource authority impacted by CSG-induced subsidence can seek compensation from a resource authority holder under the general compensation liability provisions. While this provides some flexibility, it also means that affected landholders have no clear pathway to negotiating compensation for CSG-induced subsidence, or the ability to use the associated dispute resolution pathways.

Off tenure landholders would not be included in the general liability to compensate provisions to facilitated access to compensation for CSG-induced subsidence impacts. While this reduces the scope for resource companies to have to pay compensation to off tenure landholders for CSG-induced subsidence impacts, it also means that landholders experiencing CSG-induced subsidence impacts off-tenure would have to undertake a complex legal process to seek compensation when they are impacted. This difficulty is exacerbated by not having a process to support the identification the impact of the CSG-induced subsidence to inform the compensation negotiations.

For landholders, Option 2 could lead to continued uncertainty on access to compensation for CSG-induced subsidence related impacts, especially for landholders with directional wells under their land and off tenure landholders.

Overall, Option 2 would provide a more limited framework to address subsidence impacts than Option 1. This limitation could result in increased uncertainty, and potentially a higher level of disputes and legal challenges related to seeking compensation for subsidence impacts.

Who was consulted?

To deliver GEC20, the Department of State Development, Infrastructure and Planning (DSDIP) established an Officer Working Group (OWG) and Interdepartmental Committee (IDC). Membership of the OWG and IDC consisted of representatives from:

- DSDIP
- NRMRRD
- The Department of the Environment, Tourism, Science and Innovation
- The Office of Groundwater Impact Assessment
- The Department of Local Government, Water and Volunteers
- The Department of Primary Industries
- The Department of the Premier and Cabinet
- Queensland Treasury
- The Office of the Coordinator General.

The options to deliver GEC20 as it relates to extending the compensation liability of petroleum resource authority holders to off-tenure owners/occupiers were developed in close consultation with the OWG and IDC.

In February 2026, DSDIP, as coordinating agency for delivering GEC20, held targeted consultations with stakeholder groups representing the agricultural sector, resources sector and local governments as well as individual resource companies and advocacy groups. Namely, DSDIP engaged with the following:

- Australian Energy Producers
- Australia Pacific LNG
- Arrow Energy
- Origin
- Shell
- AgForce
- Cotton Australia
- Queensland Farmers Federation
- Toowoomba Regional Council
- Western Downs Regional Council.

In developing the proposed changes to the subsidence compensation liability dispute resolution provisions, the Department of Natural Resources, Mines, Manufacturing and Regional and Rural development consulted with the Land Court of Queensland.

What is the recommended option and why?

The recommended option is Option 1: Amend the MERC Act to clarify and extend compensation arrangements for CSG-induced subsidence in the Condamine Alluvium regulatory area.

Option 1 will support the delivery of GEC20 by making targeted amendments to the MERC Act to clarify compensation arrangements for CSG induced subsidence impacts in the Condamine Alluvium mapped area. It will clarify that a petroleum resource authority holder in the Condamine Alluvium mapped area has a CSG-induced subsidence compensation liability to an owner/occupier of land with the area of the resource authority or access land when there is an impact to agricultural land and productivity. Further, this liability will be extended to landholders outside the authorised resource authority area in the Condamine Alluvium regulatory area, within a prescribed distance (5km) from the boundary of a petroleum resource authority in the mapped area, where their agricultural land experiences CSG-induced subsidence impacts.

In addition, a petroleum resource authority holder will need to establish a CCA with an owner/occupier with a directional well under their land. This agreement may be used to facilitate compensation for CSG induced subsidence impacts.

Option 1 clarifies and extends compensation rights and improves certainty for landowners impacted by CSG-induced subsidence, while relying on the existing land access and compensation framework as far as possible. This is intended to help support coexistence between landholders and petroleum resource authority holders without creating a more complex or onerous regulatory scheme.

Impact assessment

All proposals – complete [do not delete]:

	First full year	First 10 years**
Direct costs – Compliance costs*	Not estimated	Not estimated
Direct costs – Government costs	Not estimated	Not estimated

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.

Significant proposals – also complete this table and a full IAS (refer box 1 below):

	First full year	First 10 years
Total costs***		
Total benefits***		
Net present value***		

*** Detail and assumptions should be recorded in the Full IAS.

Signed



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 Graham Fraine
 Director-General
 Department of Natural Resources and Mines,
 Manufacturing and Regional and Rural Development

Date: 17 / 03 / 2026



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 Dale Last MP
 Minister for Natural Resources and Mines
 Minister for Manufacturing
 Minister for Regional and Rural Development

Date: 18 / 03 / 2026