

CENTRAL QUEENSLAND COAL ASSOCIATES AGREEMENT VARIATION BILL 1996

EXPLANATORY NOTES

Short Title of the Bill

Central Queensland Coal Associates Agreement Variation Bill 1996.

Objectives of the Bill

The objective of the Bill is to provide for variation of the Central Queensland Coal Associates Agreement to reflect changes in membership of the Central Queensland Coal Associates (CQCA) joint venture.

The change in membership arises from the sale of Pancontinental Coal's and Bowen Basin Minerals' interests in the joint venture to BHP Australia Coal, Mitsubishi Development and QCT Resources.

How objectives will be achieved

Accommodating this change in joint venture membership will be achieved by introduction of an Act which authorises the Premier to make an agreement substantially in accordance with the Schedule attached to the Act.

The schedule provides for amendment of clauses 11 and 12 of Part IX of the CQCA Agreement which set out the percentage interests of the parties in the CQCA joint venture.

Reasonable alternative methods of achieving objectives

The *Central Queensland Coal Associates Agreement Act 1968* allows for changes to the CQCA Agreement to be made either by legislation or by Order in Council.

In the case of amendment by Order in Council (or other subordinate instruments) the amendment may be overturned by the Legislative Assembly within 14 sitting days from the date on which the Governor grants assent. The CQCA joint venture parties were concerned by the

significant commercial uncertainty associated with this provision and indicated a preference for changes to be provided by legislation.

Administrative costs

Variation of the CQCA Agreement by legislation will involve minor additional costs, primarily in terms of printing expenses.

Fundamental Legislative Principles

The Bill is consistent with fundamental legislative principles.

Consultation

Consultation occurred with the Department of the Premier and Cabinet, Crown Law, the Office of Parliamentary Counsel and BHP Australia Coal.

Notes on Clauses

Short Title

Clause 1 Sets out the short title of the Bill.

Making of Agreement authorised

Clause 2(1) Authorises the Premier to make an agreement with the specified parties on behalf of the State.

Clause 2(2) Requires that the agreement is substantially in accordance with the terms set out in the Schedule attached to the Act.

Clause 2(3) Requires that the date on which the agreement is made must be notified in the Gazette.