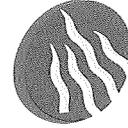




Hon Paul Lucas MP



Queensland
Government

Our ref: TN138364

Your ref: Petitions

Deputy Premier
Minister for Infrastructure
and Planning

9 - JAN 2009

Mr Neil Laurie
The Clerk of the Parliament
Parliament House
George Street
Brisbane QLD 4000

Dear Mr Laurie

I refer to a petition lodged with the Queensland Legislative Assembly, No. 1087-08, advised in your letter of 11 November 2008.

Consultation on the recently declared Gladstone State Development Area (GSDA) extension was held for a four-week period from 26 May 2008. Fifty-seven submissions were received during the public consultation period, in addition to a petition of 212 signatures, which informed the government review of the proposed GSDA extension and the amended development scheme.

As a result of the consultation process, only 1563 hectares of the total extension of 6345 hectares has been made available for industry. This provides for the establishment of large-scale Liquefied Natural Gas (LNG) production, storage and export facilities only.

An important 290 hectare Conservation Park and turtle hatchery on the east coast of Curtis Island has been removed from the State Development Area and remains under the management of the Environmental Protection Agency (EPA). Almost three quarters of the extension has been declared an Environmental Management Precinct to recognise, protect and maintain these areas of high ecological significance.

The extension reflects the State Coastal Management Plan, which identifies the south west of Curtis Island, although undeveloped, as having significant potential for future development associated with port and industrial expansion.

A reference group is being established to guide the Environmental Management Precinct's future, with representatives from the Department of Infrastructure and Planning, EPA, the Department of Natural Resources and Water and Gladstone Regional Council. The group will be responsible for coordinating a study to further assess the ecological, environmental and heritage values within the Precinct.

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The community will be informed of the preliminary findings of the study and have an opportunity to provide feedback. When the study is complete, which could take up to a year, the community will have another opportunity to provide feedback and guide the development of management plans.

The creation of State Development Areas promotes economic development and assists in the development of industrial land and multi-user infrastructure corridors in Queensland by:

- providing guidance and development certainty to industry
- controlling development in a way that is considerate of existing industry and surrounding development
- protecting environmental values in the region
- ensuring an effective development assessment process.

Including the additional land on Curtis Island as a State Development Area will further promote economic development. There are currently six proposals to establish LNG plants near Gladstone. The annual production of the plants range between 3 and 10 million tonnes per annum.

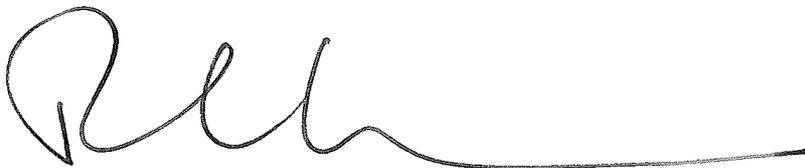
If only one of the larger plants were to be established, that is a single plant with a production of 10 million tonnes of LNG per year, the increase in the Gross State Product would be in the order of \$1.6 billion annually. This would be in addition to royalty payments which would be expected to return around \$84 million per year. A single plant of this size would create approximately 2500 jobs during the construction phase and between 200 and 300 full-time positions when the plant is operating at capacity.

The total benefit to the State from the development of a LNG industry is directly related to the number of projects that are ultimately constructed and could be substantially greater if more than one project is successfully developed.

Further information on the extension, including a map of the declared GSDA and the approved development scheme, is available for viewing at www.dip.qld.gov.au/land/gladstone.html.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Lucas', with a long horizontal flourish extending to the right.

PAUL LUCAS MP

Deputy Premier

Minister for Infrastructure and Planning