

WATER AND OTHER LEGISLATION AMENDMENT BILL**Message from Governor**

Hon. S ROBERTSON (Stretton—ALP) (Minister for Natural Resources, Mines and Energy and Minister for Trade) (12.29 pm): I present a message from Her Excellency the Governor.

The Speaker read the following message—

MESSAGE

WATER AND OTHER LEGISLATION AMENDMENT BILL 2010

Constitution of Queensland 2001, section 68

I, PENELOPE ANNE WENSLEY, Governor, recommend to the Legislative Assembly a Bill intituled—

A Bill for an Act to amend the Energy Ombudsman Act 2006, the Environmental Protection Act 1994, the Fisheries Act 1994, the Land Valuation Act 2010, the Mineral Resources Act 1989, the Petroleum Act 1923, the Petroleum and Gas (Production and Safety) Act 2004, the Queensland Competition Authority Act 1997, the Queensland Institute of Medical Research Act 1945, the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009, the Sustainable Planning Act 2009, the Vegetation Management Act 1999, the Water Act 2000, the Water Supply (Safety and Reliability) Act 2008 and the Wild Rivers Act 2005 for particular purposes, and to make consequential or minor amendments of other Acts as stated in schedule 2 for purposes related to those particular purposes.

(sgd)

GOVERNOR

Date: 25 OCT 2010

Tabled paper: Message, dated 25 October 2010, from Her Excellency the Governor, recommending the Water and Other Legislation Amendment Bill 2010.

First Reading

Hon. S ROBERTSON (Stretton—ALP) (Minister for Natural Resources, Mines and Energy and Minister for Trade) (12.32 pm): I present a bill for an act to amend the Energy Ombudsman Act 2006, the Environmental Protection Act 1994, the Fisheries Act 1994, the Land Valuation Act 2010, the Mineral Resources Act 1989, the Petroleum Act 1923, the Petroleum and Gas (Production and Safety) Act 2004, the Queensland Competition Authority Act 1997, the Queensland Institute of Medical Research Act 1945, the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009, the Sustainable Planning Act 2009, the Vegetation Management Act 1999, the Water Act 2000, the Water Supply (Safety and Reliability) Act 2008 and the Wild Rivers Act 2005 for particular purposes, and to make consequential or minor amendments of other acts as stated in schedule 2 for purposes related to those particular purposes. I present the explanatory notes, and I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Tabled paper: Water and Other Legislation Amendment Bill 2010.

Tabled paper: Water and Other Legislation Amendment Bill 2010, explanatory notes.

Second Reading

Hon. S ROBERTSON (Stretton—ALP) (Minister for Natural Resources, Mines and Energy and Minister for Trade) (12.32 pm): I move—

That the bill be now read a second time.

The Water and Other Legislation Amendment Bill 2010 amends the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 and the Energy Ombudsman Act 2006 to further implement the second stage of the South-East Queensland water reform program and provide key additional customer protection provisions for residential and small business water customers. Following the commencement of the council owned distributor-retailers on 1 July 2010, the government is now implementing a strengthened package of transparency and regulatory protections for customers. Under these amendments customers will

be informed about their distributor-retailer's governance and accountability arrangements in respect of its participant councils; be notified of proposed and final water and wastewater prices and charges; be better informed about the contents of their water and wastewater bill, including identifying when it has been based upon an estimated meter read; and have access to an independent dispute resolution process provided by the Energy and Water Ombudsman Queensland in accordance with a Customer Water and Wastewater Code.

A regulation-making power will also be introduced to allow the contents of a water and wastewater bill to be further defined. This is necessary in light of the somewhat dishonest and tricky

campaigns that have been launched by some councils in South-East Queensland over the last number of months. Through confusing water bills, some councils have deliberately set out to blame the state for water charges levied by council owned water and sewerage businesses. Some councils have been deliberately hiding the simple facts that, on average, three-quarters of the average South-East Queensland water and sewerage bill is levied by council owned water businesses. Only a quarter of the average bill is a result of state government bulk water charges. This regulation-making power is designed to enable the development of a clear template to ensure residents receive straightforward and honest information.

The Energy and Water Ombudsman is an expanded role for the current Energy Ombudsman. It will be industry funded and supported by an advisory council comprising industry and customer representatives. The introduction of the ombudsman is necessary in light of confusing messages from some councils and the current high number of complaints about service.

The Customer Water and Wastewater Code will be released for public consultation shortly. Public feedback will be incorporated into the final code, which will commence on 1 January 2011 in line with the Energy and Water Ombudsman. While the Energy and Water Ombudsman will have jurisdiction in South-East Queensland only at this stage, its powers could be expanded later across the state. This expansion might be necessary to protect consumers should some local governments continue to engage in misleading and confusing campaigns about water and sewerage services and prices.

The bill also includes amendments to the Queensland Competition Authority Act 1997. These amendments will enable the Queensland Competition Authority to make binding and enforceable price determinations for the water and wastewater services provided by South-East Queensland's three distributor-retailers water authorities: Allconnex Water, Queensland Urban Utilities and Unitywater. Based on a transparent and independent scrutiny of the costs of providing water and wastewater services, enforceable price determinations will allow the Queensland Competition Authority to regulate the prices these water authorities may charge consumers. This will provide increased consumer protection and will ensure that the prices consumers are charged are fair and efficient. Price determinations for these water authorities will be in place from 1 July 2013.

The bill will also make amendments to the Queensland Competition Authority Act to update and enhance the existing process for the making of price determinations. Importantly, the bill will explicitly require the authority to consider implementing price paths in order to moderate the impact on consumers of increases in price over time.

The bill also provides for amendments to the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 to continue previously held exemptions from the payment of fixed access charges for water and wastewater services under the Local Government Act 2009 and associated regulations.

Today I introduce into parliament an important bill to further deliver on the government's blueprint for Queensland's liquefied natural gas industry. The emergence of this new industry is significant for all Queenslanders. The government is committed to achieving a balance between the development of the coal seam gas industry for the benefit of all Queenslanders and the rights of landholders and environmental sustainability.

Under the Water Act 2000 this bill puts in place a strong groundwater management regime to manage impacts on bore water supply and natural springs while the petroleum companies exercise their water rights under their tenure. This new regulatory regime replaces the current framework under the petroleum legislation. This bill provides that all petroleum companies, including CSG companies, have an obligation to make good impacts on bore water supplies and mitigate impacts on natural springs caused by their extraction of groundwater. Consistent with the government's earlier announcement, trigger thresholds are specifically set in the bill to ensure impacts on water supplies linked to groundwater extraction are investigated and made good. The triggers are two metres in alluvial aquifers, such as the Condamine Alluvium, and five metres in consolidated aquifers, such as the Great Artesian Basin. Impacts or likely impacts on water supply bores caused by the extraction of underground water by petroleum tenure holders, resulting in reduced water quantity and any consequential impact on water quality, will be made good by the petroleum tenure holders.

A key first step for petroleum tenure holders will be the undertaking of assessments to collect baseline information on water supply bores and then, following bore assessments being conducted, make good agreements will be entered into with bore owners. An adaptive management regime underpins this new regulatory framework to allow progressive improvement in the understanding of impacts and also to support timely implementation of the make good arrangements for water supply bores. Petroleum companies will, every three years or earlier if required, produce underground water impact reports subject to public consultation. These reports will include a comprehensive water monitoring program, a projection of future likely water level impacts using progressively updated groundwater flow models and a spring impact management strategy.

020

Importantly, this groundwater management regime will manage the cumulative impacts of groundwater extraction. A cumulative management area will be established where impacts of tenure holders overlap.

The bill expands the functions of the Queensland Water Commission to have responsibility for regional groundwater monitoring and flow modelling and the production of the underground water impact report for the cumulative management area. Through its underground water impact report, the QWC will also assign areas of responsibility to individual petroleum companies in relation to make-good obligations and monitoring activity. These expanded functions of the QWC will be funded by a levy on the petroleum industry. The bill provides for a dispute resolution process about make-good arrangements requiring mandatory mediation, which can be facilitated by the Department of Environment and Resource Management assisting with technical information, before bringing the matter before the Land Court.

A key issue raised by landholders and conservation groups during consultation was the issue of impacts on the groundwater resource as a whole. Of particular concern was the need for the groundwater resource to be assessed and managed within the proposed Water Act framework. While it is recognised that impacts on the groundwater resource as a whole are currently managed under the Environmental Protection Act framework, the government will give further consideration to expanding the Water Act framework in the future to include an aquifer impact management strategy within the underground water impact reporting requirements.

Landholders have also raised the issue about what happens to make-good commitments if a gas company is insolvent. The Queensland government takes this issue seriously and has formed a project team that draws on key personnel across a number of government departments to work through these potential issues. The project will check to ensure that our current regulatory framework, with financial assurance under the Environmental Protection Act 1994, combined with the new provisions to the Water Act introduced in this bill, adequately addresses those concerns. Depending on the outcome of the project, the government will ensure any outstanding issues are addressed.

This bill amends the Water Supply (Safety and Reliability) Act 2008 to provide purpose-built rigorous requirements for the supply of CSG water if it has a material impact on town drinking water supply sources. In such cases, CSG water will be regulated as recycled water. This is necessary to ensure the protection of public health and provide public assurance that public health is being protected. This may be by supply of CSG water into a watercourse or aquifer, or by directly supplying to a town as a source for drinking water supply. A recycled water management plan will be required, except where it can be demonstrated there is no material impact on the town's drinking water supply or where certain requirements are met specific to aquifers.

CSG recycled water providers will be required to prove treatment process, and supporting management arrangements will consistently deliver water of the quality required. They will also be required to review their recycled water management plans, conduct internal audits, engage third-party auditors to audit compliance with their plan, make water quality information publicly available and provide annual reports.

This bill also amends the Wild Rivers Act 2005 to extend the purpose of the act to preserve the existing natural values of the Lake Eyre Basin rivers. Those rivers have been subject to reasonable levels of development. However, they retain unique geographical and environmental values that are worth preserving. This amendment delivers on an election commitment to extend wild rivers protection to the Lake Eyre Basin. The bill amends the Vegetation Management Act 1999 to ensure category X and category C property maps of assessable vegetation or an area mapped as non-remnant on the regional ecosystem map or remnant map, in place prior to the area being included in a wild river declaration, will continue as an existing lawful right.

This bill demonstrates that the government has again undertaken extensive consultation on wild rivers. We have made changes to reflect feedback from the communities of Lake Eyre Basin and Cape York, for example allowing for changes to property maps of assessable vegetation in high preservation areas and managing impacts of development on the channel country of the Lake Eyre Basin.

In September the government introduced important amendments to the valuation system in Queensland. The Land Valuation Act 2010 introduced a range of reforms to the valuation system to bring Queensland into line with other jurisdictions and introduce a more simplified and easily understood statutory valuation process. An amendment to the act is now required to ensure the government policy intent in introducing valuation reform is met. When the act received assent, the ability to undertake a statutory value of the surface area of mining, geothermal, greenhouse gas and petroleum leases was removed and this has caused the unintended consequence of increasing the value of these leases. This was not the government intent, so we are amending the act to ensure the status quo remains for the valuation of these leases.

The bill also amends the Queensland Institute of Medical Research Act 1945 to make important changes to the governance arrangements for the Queensland Institute of Medical Research to help it operate more effectively and efficiently. The amendments are being progressed in this bill rather than in

a Health portfolio bill to ensure that the new governance arrangements can be implemented as close as possible to when the recently appointed director of the QIMR takes office early next year. The amendments abolish the QIMR trust, which has fundraising and investment functions, and confers those functions on the QIMR Council, the QIMR's governing body. Having a single statutory body under the act will enhance the strategic management of the QIMR and provide for greater administrative and resourcing efficiencies. In addition, changes are made to the council's membership structure which provide for greater flexibility in its appointment to enhance the council's ability to effectively perform its extended functions. The QIMR strongly supports these amendments. I commend the bill to the House.

Debate, on motion of Mr Seeney, adjourned.

~~MOTION~~

~~Order of Business~~

~~Hon. S ROBERTSON (Stretton ALP) (Acting Leader of the House) (12.45 pm), by leave, without notice: I move —~~

~~That government business orders of the day Nos 1 to 11 be postponed.~~

~~Question put — That the motion be agreed to.~~

~~Motion agreed to.~~

~~MOTION~~

~~Revocation of State Forest Areas~~

~~Hon. S ROBERTSON (Stretton ALP) (Minister for Natural Resources, Mines and Energy and Minister for Trade) (12.45 pm): I move —~~

- ~~1) That this House requests the Governor in Council to revoke by regulation under section 26 of the Forestry Act 1959 the setting apart and declaration as State Forest of the area as set out in the proposal tabled by me in the House today, viz~~

~~Description of area to be revoked~~

~~Sonoma State Forest (SF71)~~

~~Area described as lots 3, 5 and 6 on plan SP240432 and containing an area of 7.5765 hectares as illustrated on the attached sketch.~~

- ~~2) That Mr Speaker and the Clerk of the Parliament forward a copy of this resolution to the Minister for Natural Resources, Mines and Energy and Minister for Trade for submission to the Governor in Council.~~

~~The Department of Environment and Resource Management, through the Queensland Parks and Wildlife Service, manages 417 state forests and 638 protected areas, covering nearly 12 million hectares across Queensland. With such a large and dispersed estate, there is the occasional need to revoke small areas from the state forest estate for legitimate purposes, for example to allow the upgrade or expansion of essential public infrastructure, including roads and railways. I will only support the revocation of land from our state forest estate for an alternative use if it can be clearly demonstrated that the proposed usage is in the broader public interest and there is no other practical alternative. The Department of Environment and Resource Management has given careful consideration to this proposal and appropriate consultation has occurred with affected stakeholders. Native title issues have also been considered in relation to this proposal and it has been determined that this action may proceed.~~

~~I will now outline the background of this proposal and the offsetting arrangements that have been agreed to compensate for the loss of estate. This proposal will revoke approximately 7.5 hectares of land from Sonoma State Forest, which is located about 12 kilometres north of Collinsville, and will allow for the construction of an additional rail line. This is a component of Queensland Rail's northern missing link project, which will provide up to 50 million tonnes of additional capacity for coal transportation per annum. This will be achieved by connecting the existing rail network serving the Bowen Basin coalfields in Central Queensland to the rail line from Newlands and the Port of Abbot Point.~~

~~The area known as Briaba Bank, within Sonoma State Forest, has been identified as one of the sites where rail infrastructure improvements are necessary. Several alternative routes were considered. However, with this proposal most of the additional track may be constructed within the existing rail and road corridors, with only a small area of state forest required to supplement the proposed rail corridor. Corridors for the existing rail and the Bowen Developmental Road pass through the north west corner of the state forest and also along its western boundary. By realigning part of the rail infrastructure on the existing road reserve, the total area of land required to be revoked from the state forest has been kept to a minimum. It is anticipated that construction of the northern missing link and the stage 3 expansion of~~