


## SURAT BASIN RAIL (LONG-TERM LEASE) BILL

### Introduction and Referral to the Industry, Education, Training and Industrial Relations Committee

 **Hon. AP FRASER** (Mount Coot-tha—ALP) (Deputy Premier, Treasurer and Minister for State Development and Trade) (7.56 pm): I present a bill for an act to facilitate the granting of a long-term lease over the Surat Basin rail corridor land by providing for the exclusion of certain leases from the application of particular provisions of the Land Title Act 1994 and the Property Law Act 1974. I table the bill and the explanatory notes. I nominate the Industry, Education, Training and Industrial Relations Committee to consider the bill.

*Tabled paper:* Surat Basin Rail (Long-term Lease) Bill 2011.

*Tabled paper:* Surat Basin Rail (Long-term Lease) Bill 2011, explanatory notes.

I present a bill for an act to advance the construction of the southern missing link rail project, and to provide for the state's interests under the Surat Basin rail lease and operating agreement. The Surat Basin Rail (Long-term Lease) Bill 2011 will give certainty to the legal framework for the Surat Basin rail project by exempting the Surat Basin rail lease from certain laws which apply to all leases in Queensland, notably the Land Title Act 1994 and the Property Law Act 1974.

The Surat Basin rail project proposes to construct the 210-kilometre southern missing link between Wandoan and Banana to enable the export of thermal coal from the Surat Basin through the Port of Gladstone. In 2006, the government granted an exclusive mandate for the Surat Basin rail to the Surat Basin rail joint venture. Under the terms of the exclusive mandate, the Surat Basin rail project must be developed at no cost or risk to the state. The exclusive mandate obliges the state to secure the rail corridor, at the joint venture's cost, and after the project achieves financial close and provides the joint venture with tenure to construct and operate the railway over the long term.

If the project reaches financial close, the state will receive significant benefits from the development of the \$1 billion plus railway including opening up the estimated four billion tonnes of thermal coal reserves in the Surat Basin. I seek leave to have the remainder of my explanatory speech to be incorporated in *Hansard*.

**Mr DEPUTY SPEAKER** (Mr Wendt): Order! Has your speech been checked by the Speaker?

**Mr FRASER:** It has, Mr Deputy Speaker.

Leave granted.

The project will also generate an estimated \$300 million per annum in coal royalties to the State and provide employment for up to 1 350 workers in the construction of the project. The economic growth for the local and regional economy will be significant.

The State is presently negotiating in good faith with the Joint Venture on a range of agreements for the project, including a Development Agreement, Operating Agreement and Lease. These Agreements will establish the rights and obligations of both the State and Joint Venture over the initial construction period and long term operations.

The administration of the Lease will be subject to a range of State statutes. The Property Law Act 1974 and Land Title Act 1994 provide generic safeguards and directives for all Queensland leases, irrespective of the terms, value or duration of the lease. Certain aspects of this legislation are not appropriate for a long-term lease involving a high capital value infrastructure asset such as the Surat Basin Rail. If these aspects of the legislation were allowed to apply to the Surat Basin Rail, it would afford the Joint Venture, as lessee, rights inconsistent with the contracts to be agreed between the parties and thus create uncertainty as to rights and obligations.

The Bill will exempt the Lease from section 121 and Part 8, Division 3 of the Property Law Act 1974 which prescribe general conditions of assignment, default and termination. The State intends to effectively manage these conditions under the Lease and Operating Agreement which will 'codify' the rights of the parties. The Operating Agreement will provide the State as lessor with reasonable termination rights, recognising the long-term nature of the concession and the consequences to the lessee and its financiers of termination. The contract will also provide the lessee with appropriate protections from premature forfeiture.


The Bill also provides for an exemption from section 67(3) (a) of the Land Title Act 1994 which prohibits alterations to lease boundaries. If this section were applicable to the Lease, it would require the parties to negotiate and execute a whole new lease any time a change in the lease boundaries was necessary or desirable for operational or other reasons over the long term life of the project. The exemption of section 67(3) (a) from applying to the SBR Lease will not impact on the rights of adjacent landholders or the acquisition powers available to the Coordinator-General. The proposed exemption would simply allow the State to amend the Lease without having to issue a new Lease. Given the complexity of the Lease and the investment of time and resources in its preparation, it is more efficient for the State to be able to vary the boundaries, as required.

I also note the State has elected, on a number of occasions, to enact powers to exempt long-term infrastructure leases from key sections of this generic legislation and give primacy to binding contractual arrangements with lessees which afford a higher degree of protection to the State. Examples of this are the Dalrymple Bay Coal Terminal (Long Term Lease) Act 2001 and the Airport Assets (Restructuring and Disposal) Act 2008.

To summarise, to ensure the agreements effectively protect the State's interests and can be managed efficiently over the long term, the bill proposes that the Surat Basin Rail Lease be exempt from section 121 and Part 8, Division 3 of the Property Law Act 1974 and from section 67(3) (a) of the Land Title Act 1994.

On this basis, I commend the Bill to the House.

## First Reading

 **Hon. AP FRASER** (Mount Coot-tha—ALP) (Deputy Premier, Treasurer and Minister for State Development and Trade) (7.58 pm): 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.

**Mr DEPUTY SPEAKER** (Mr Wendt): Order! In accordance with standing order 131, the bill is now referred to the Industry, Education, Training and Industrial Relations Committee.

## MINISTERIAL PAPERS

### Health Regulations


 **Hon. GJ WILSON** (Ferry Grove—ALP) (Minister for Health) (7.59 pm): I lay upon the table of the House two reports: first, a report regarding the exemption of the Health (Drugs and Poisons) Regulation 1996 and the Health Regulation 1996 from expiry under section 56A(4) of the Statutory Instruments Act 1992; and, second, the Health Practitioners Regulation National Law Amendment (Midwife Insurance Exemption) Regulation 2006.

*Tabled paper:* Letter, undated, from Hon. Geoff Wilson MP to the Clerk of the Parliament, requesting the tabling of a report under the s56A(4) of the Statutory Instruments Act 1992 in relation to the Health (Drugs and Poisons) Regulation 1996 and the Health Regulation 1996.

*Tabled paper:* Health Practitioner Regulation National Law Amendment (Midwife Insurance Exemption) Regulation 2011, No. 108/2011.

## CRIMINAL ORGANISATION AMENDMENT BILL

### Introduction and Referral to the Legal Affairs, Police, Corrective Services and Emergency Services Committee

 **Hon. PT LUCAS** (Lytton—ALP) (Attorney General, Minister for Local Government and Special Minister of State) (7.59 pm): I present a bill for an act to amend the Criminal Organisation Act 2009, the Crime and Misconduct Act 2001 and the Criminal Code for particular purposes and to make a regulation under the Criminal Organisation Act 2009. I table the bill and the explanatory notes. I nominate the Legal Affairs, Police, Corrective Services and Emergency Services Committee to consider the bill.

*Tabled paper:* Criminal Organisation Amendment Bill 2011.

*Tabled paper:* Criminal Organisation Amendment Bill 2011, explanatory notes.

Organised crime in Australia is a multibillion dollar industry. The Australian Crime Commission conservatively estimates that serious and organised crime costs Australia between \$10 and \$15 billion every year or an estimated one to two per cent of GDP. The assets seized under Queensland confiscations legislation is further evidence of this. From January 2003 to 30 June 2011, the state seized \$125 million in assets, \$31.5 million of which was forfeited to the state.

The ACC describes opportunities for organised crime today as unprecedented due to increased globalisation, escalating cross border movement of people, goods and money, emerging international markets and rapidly developing and converging technologies which provide a fertile operating environment for organised crime. It portrays organised crime as sophisticated, resilient, highly diversified and pervasive. Activities of high threat, serious and organised criminal enterprises result in significant harm to the Australian community.

The Parliamentary Joint Committee on the Australian Crime Commission identified that serious and organised crime not only results in substantial economic cost to the Australian community but also operates at great social cost. Along with this are the emotional, physical and psychological costs to victims of organised crime, their families and communities.

It is widely recognised that there is a real level of fear in the community about bikies and their ability to inflict violent retribution with impunity. However, the state has had success in combating organised crime. Recently, a former bikie gang member was ordered to pay the state of Queensland \$4.2 million in crime earnings and an additional \$4.3 million in interest. But criminal organisations do all that is in their power to protect their interests and intimidate those who would provide evidence which sheds light on their criminal activities.

The Criminal Organisation Act 2009 commenced on 15 April 2010 and is designed to disrupt and restrict the activities of criminal organisations and their members and associates. Members of outlaw motorcycle gangs and other criminal organisations have been involved in activities such as attempted