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Committee Secretary
Infrastructure, Planning and Natural Resources Committee
Parliament House
George Street
Brisbane Qld 4000

By Post & by Email: ipnrc@parliament.qld.gov.au

Dear Dr Dewar

Re: Mineral, Water and Other Legislation Amendment Bill 2017

AgForce is the peak rural group representing the majority of beef, sheep & wool and grain producers in Queensland. The broadacre beef, sheep and grains industries in Queensland generated around $5.7 billion in gross farm-gate value of production in 2014/15. AgForce exists to facilitate the long-term growth, viability, competitiveness and profitability of these industries. Our members provide high-quality food and fibre products to Australian and overseas consumers, manage around 40% of the Queensland agricultural landscape and contribute significantly to the social fabric of rural and remote communities.

AgForce thanks the Committee for the opportunity to make a submission on the Mineral, Water and Other Legislation Amendment Bill 2017 (the Bill) introduced by the Hon Anthony Lynham MP, Minister for State Development and Minister for Natural Resources & Mines on 22 August 2017.

According to the Explanatory Notes to the Bill, the primary policy objective of the Bill is to:

- Give effect to the Queensland Government's response to four recommendations of the *Independent Review of the GasFields Commission Queensland and Associated Matters*
- Remove the automatic referral of compensation matters to the Land Court of Queensland under the *Mineral Resources Act 1989*
- Ensure the consideration of the water-related effects of climate change on water resources is explicit in the water planning framework
- Provide for the inclusion of cultural outcomes in water plans to support the protection of the cultural values of water resources for Aboriginal peoples and Torres Strait Islanders
- Provide a mechanism to allow for temporary access to unallocated water held in strategic water infrastructure reserves
- Establish new powers for dealing with urgent water quality issues

A number of other amendments are intended to streamline a range of resource Acts and the *Water Act 2000* (Water Act).

Our submission will address the primary objectives of the Bill in the below sections and conclude with comments on the miscellaneous amendments.

GasFields' Commission Review Responses and *Mineral and Energy Resources (Common Provisions) Act 2014* (MERCP Act) Amendments

AgForce are supportive of many of the provisions contained within the Bill and believe some positive steps are proposed to encourage and support landholders and resource companies find solutions to Conduct and Compensation Agreement (CCA) and make good disputes. However, we believe there are still many areas for improvement to better protect landholder rights and have outlined these below.

These proposed changes represent a significant restructure of the land access framework, largely unmodified since 2010. It is important that should these changes be enacted, that landholders are provided with accurate information so that they are aware of how any changes affect them and to ensure they are aware of their rights. AgForce will seek to work with relevant stakeholders to ensure this happens.

Relevant to the GasFields' Commission Review responses and the MERCP Act amendments, AgForce are supportive of:

- Stipulating that resource companies will be responsible for the 'necessary and reasonable' professional fees landholders incur, even where negotiations do not result in an agreement
- Amendments stipulating that, in CCA and make good negotiations, resource companies will be responsible for the cost of an Alternative Dispute Resolution (ADR) practitioner
- Expanding professional services landholders can access in negotiating a CCA at the proponent's cost to include qualified agronomy advice
- Providing the Land Court with the jurisdiction to determine negotiation and preparation costs incurred by a landholder if there is a dispute
- Requiring that landholders are notified of the renewal of a mining claim or mining lease and provisions requiring companies applying for tenues to gain landholder consent prior to being granted

AgForce strongly believes that arbitration must be voluntary and are encouraged current provisions support this. However, we have concerns regarding the inability to appeal delivered decisions.

We do not support amendments providing resource companies access to private land for advanced activities without a CCA or deferral agreement being signed if the matter has been referred to arbitration but not resolved

We believe that ADR should be a prerequisite to accessing arbitration and that landholders should have an explicit right to legal representation in this process.

Matters AgForce seeks further clarification regarding:

- How proposed changes to the negotiation and dispute resolution process will apply to CCA and/or make good negotiations currently underway
- How arbitrators will be appointed and their ability to review technical evidence associated with CCA and/or make good disputes
- Concerns that landholders might agree to arbitration without being completely aware of the restrictions or implications and how landholder rights will be protected

Government Response to Gasfields' Commission Review

Landholder Professional Costs (Section 91)
AgForce are supportive of measures to ensure that resource companies are liable to pay landholders' necessary and reasonable accounting, legal, valuation and agronomy costs incurred in preparing a CCA or deferral agreement, including where an agreement is not reached. However, in addition to this, AgForce are seeking that recoverable costs incurred throughout this process be expanded to include landholder time.

Landholders continue to express concern and frustration regarding the time spent preparing and negotiating agreements and that this cost is not recoverable or clearly defined. As such, AgForce would encourage the Committee to consider expanding these heads of costs to include necessary and reasonable landholder time and the costs incurred to prepare and/or negotiate an agreement. Consistent with Section 91 amendments, these costs would be recoverable if a company abandon negotiations. AgForce is available to discuss with the Committee and other stakeholders an agreed methodology to determine reasonable producer time-related costs.

Costs of ADR Facilitator (Clause 45)
AgForce are supportive of this amendment, requiring that resource companies are liable for the costs of an ADR facilitator in developing a CCA and/or make good agreement, regardless of who refers the matter. Given the cost pressure of negotiating an agreement, we believe it is appropriate companies cover these costs to assist in resolving disputes.

Engaging Agronomy Advice (Clause 64)
AgForce are supportive of amendments providing landholders with the ability to engage an appropriately qualified agronomist to assist in CCA negotiations, with necessary and reasonable costs covered by the resource company.

In defining 'appropriately qualified', AgForce would be supportive of following existing precedents, such as that set out in the 2017 Department of Environment & Heritage Protection Bore Assessment Guideline defining persons qualified to undertake bore assessments, as outlined below.

Independent third parties undertaking bore assessments or providing certification must:

a) Not be an employee of, nor have a financial interest or any involvement which would lead to a conflict of interest with the tenure holder whose bore assessments are being certified;
b) Have a degree in a relevant science or engineering discipline;
c) Have a minimum of five years' prior experience in at least one of the following fields;

   i. Groundwater level monitoring programs (including monitoring of water level in bores equipped with pumping infrastructure);
   ii. Groundwater quality sampling programs; or
   iii. Groundwater hydrogeology and/or engineering; and

d) Have a practical knowledge of water bore construction and infrastructure

Following this approach the Committee may like to consider a definition such as:

Independent agronomists providing advice to landholders in CCA negotiations must:

a) Not be an employee of, nor have a financial interest or any involvement which would lead to a conflict of interest with the tenure holder;
b) Have a degree in a relevant science or agricultural discipline;
c) Have a minimum of five years' prior experience in at least one of the following fields;

   i. Crop, pasture, plant and/or soil monitoring and assessment; or

ii. Animal and livestock health, nutrition and welfare; or
iii. Agricultural production systems; and

d) Have a practical knowledge of grazing and/or cropping operations and infrastructure.

Compensation Agreements for Mining Claims (Section 85)
Regarding mining claims and mining lease grants and renewals, AgForce are supportive of removing the automatic referral of unresolved compensation matters to the Land Court, to assist landholders and resource companies resolve disputes, while still allowing either party to apply to the Court to determine compensation. Section 85A maintains that if compensation has not been agreed or referred to the Land Court, the Minister may refuse to grant the mining claim. AgForce are supportive of these steps which act to encourage companies to reach compensation agreements with landholders prior to gaining tenure.

Renewal of Mining Claim Notification (Section 93)
AgForce are supportive of amendments providing that an applicant for the renewal of a mining claim must notify each affected landowner of the renewal having been made within five business days. AgForce are supportive of this measure to ensure landholders are aware a renewal application has been made and enable them to start considering compensation requirements. We are also supportive of steps taken to proactively advise landholders 6 – 9 months prior to a tenure renewal to give them sufficient time to consider current and alternative arrangements.

Issues on Which Agforce Are Seeking Clarification

Part 1 Preliminary, Clause 2
AgForce would like to seek clarity regarding the application of any changes to the land access and dispute resolution framework for negotiations currently underway. Given many landholders are currently negotiating CCA and/or make good agreements, it is important to clarify the framework they will operate under now and in future, if enacted.

Access to Land for Advanced Activities Without Agreement (Amendment Of S43)
AgForce do not support amendments to section 43 of the MERCP Act, that would permit a resource company to enter private land to carry out advanced activities, without a CCA or deferral agreement being signed, if the company has commenced arbitration, but no decision has been finalised.

AgForce has always maintained that advanced activities should not be carried out on private land without a signed CCA or deferral agreement, regardless of whether the matter has been referred to the Land Court or Arbitration, as proposed under this Bill.

Dispute Resolution – Role of Departmental Conference and ADR (Clause 41, S83a & 83B)
Section 83A enables either party to request a departmental conference to assist in resolving disputes and that either party can provide a conference election notice at any time prior to or during the minimum negotiation period. We support that departmental conferences should only be accessible after the minimum negotiation period under Section 84 has been completed, as is currently the process.

Amendments also propose to provide the ability to issue a notice to attend ADR, at any point including where a conference has been called. In this situation, any conference would cease. AgForce are not supportive of this proposal unless both parties agree, in writing, to abandon the conference and proceed to ADR.

Our concerns relate to a potential situation whereby a landholder is called to a departmental conference and then directly called to ADR, terminating the conference. As the Committee can appreciate, these are both mentally and time draining exercises. Our preference would be that if a conference is called, that this process is duly completed before the matter is referred to ADR, unless the landholder agrees in writing to proceed to ADR instead.

AgForce does not oppose the Bill's proposed removal of the conference process as a prerequisite to either ADR, Land Court or Arbitration.

Proposal for Arbitration (Subdivision 3A)
The Bill seeks to insert provisions allowing either party to utilise arbitration to resolve disputes, rather than the Land Court. AgForce acknowledges the proposal that parties may only access arbitration by mutual agreement and we strongly reiterate that arbitration must be voluntary for landholders.

We do not support the proposal by which arbitration can be accessed without first completing ADR as a prerequisite. By including ADR as a prerequisite, we believe this will encourage both parties to exhaust other options before undertaking arbitration, as well as provide landholders with an opportunity to seek additional information from the company, to inform any subsequent arbitration.

A recent survey conducted by AgForce Projects identified that landholders with low levels of CCA satisfaction indicated a main reason was a lack of information provided in negotiations. Given amendments propose that arbitration is binding with no grounds for appeal, AgForce would like clarity on how transparency will be provided to landholders and how information will be compelled from parties, as currently provided through Land Court procedures. To be successful, arbitrators must have powers to request comprehensive information relevant to CCA and/or Make Good agreements to inform negotiations. To improve CCA satisfaction levels, it is critical agreements are based on all known and relevant information, with full disclosure and AgForce are seeking clarity on how this will be provided through arbitration.

Currently, parties can only access the Land Court if they complete minimum negotiation and ADR/mediation timeframes. AgForce are seeking the same requirements be applied to arbitration, to ensure landholders are not pressured into arbitration, particularly in the absence of appeal rights, or disputes prematurely escalated.

We note the requirement to complete minimum negotiation and ADR periods have been maintained in this Bill when accessing the Land Court, with the proposed exclusion of a departmental conference as a prerequisite.

Legal Representation in Arbitration (S91c)
AgForce does not support the current wording in the Bill restricting landholder legal representation to situations where the resource company and/or arbitrator agrees. We strongly encourage the Committee to consider changing this to allow landholders access to legal representation, without the need for other party consent. AgForce does not view this as creating an equal platform for negotiations, as most landholders without legal representation will be at a significant disadvantage to trained company representatives, often in-house or contracted lawyers. This common situation should be acknowledged and the legislation must provide landholders with this expressed protection.

Costs of Arbitration (S91e)
We are supportive of provisions that require, where parties have not previously completed ADR, that the resource company is liable for the fees of the arbitrator and we encourage the Committee to include costs landholders incur and their professional representation in this ADR process also included. However, as outlined above, AgForce are not supportive in the first instance of the ability to access arbitration without first completing ADR.

In situations where landholders have previously participated in ADR, AgForce are not supportive of measures requiring that both parties are equally liable to pay arbitration costs, unless the parties agree, or the arbitrator decides otherwise. We believe that consistent with existing ADR provisions (prior to amendments in this Bill), the party who elects for the matter to proceed to ADR (arbitration in this instance) should be liable to pay these costs. This will help provide certainty to both parties.

Arbitration Election Notice (S91a)
The Bill proposes that once an arbitration election notice has been issued, it must be accepted or refused within 10 business days. AgForce does not believe this provides adequate time to allow landholders to receive the notice, given the general pace of mail delivery, and/or to comprehensively review the relative advantages and disadvantages of arbitration – v – proceeding to Land Court. Our suggestion is to expand the time period to a minimum of 15 business days. AgForce are supportive of measures to resolve disputes in a timely manner, but advise against short timeframes creating unnecessary pressure in an already confronting and time and energy consuming process.

We would seek that an election arbitration notice template be established, similar to 'opt-out' agreements, whereby landholders are made aware of their obligations and the right to seek independent legal advice prior to signing. Given the potential costs and added restrictions of arbitration, we believe it is critical landholders are aware of these implications.

If the Committee advise against this additional time, AgForce would encourage the Committee to consider including a provision that provides for a mandatory 5 business day cooling off period, after an election notice to arbitration has been responded to by the landowner. The intention being providing landholders time to engage legal advice, if they have not done so and review the merits of arbitration – v – Land Court.

AgForce would encourage the Committee to consider that once an arbitration election notice has been received and accepted (within the 10 business days), that the full period pass before the parties can then appoint an arbitrator. Providing time to consider and find appropriate arbitrators is important, given it is reasonable to expect that landholders will require assistance and will need to research arbitrators. AgForce encourages the Committee to consider requiring the Department to publish and maintain a list of arbitration bodies, institutes and organisations.

Case Appraisal (Replacement of s88–91)
Section 88 provides that if, at the end of the minimum negotiation period, the resource company and landholder have not entered into a CCA, then either party may give the other an ADR election notice requiring parties to participate in an ADR process. The Bill includes the following as examples; case appraisal, conciliation, mediation or negotiation.

AgForce would like clarity on the inclusion of 'case appraisal' and whether this is in reference to discussions, outside these reforms, with the Land Court in developing a case appraisal/pre-screening process. AgForce see value in providing parties with the ability to access a free case appraisal process to provide an indication of the merits of their dispute. We do however have concerns regarding the application of such a process and believe it must be clearly defined. For example, who will facilitate this process, the ability to request information from either party, if materials presented are admissible in any future hearings and the qualifications of the reviewer to consider matters relevant to conduct and compensation such as expert evidence.

A case appraisal process would only be effective if it is made on the basis of full disclosure, and given this process is accessible technically after only 20 business days since a notice of intention to negotiate is developed, it provides a short timeframe to sufficiently gather evidence. AgForce views case appraisal as being most effective as an option directly before a Land Court or arbitration hearing. Given the potential implications of these amendments, AgForce are seeking more clarity on this proposal and are only able to provide effective feedback once this has been received.

Accessing Land Court and Jurisdiction (Replacement of S96)
Section 96 provides the circumstances in which a party may apply to the Land Court for a CCA dispute and indicates the Land Court may only decide the liability or future liability to the extent

the matter is not already subject to a CCA. AgForce raises concerns with this restriction. Given many landholders have existing CCAs and are negotiating new agreements for future activities, there are and will be instances where existing agreements, governing compensation or conduct, will be altered or should be altered as a result of proposed activities and we encourage the Committee to consider extending the jurisdiction of the Land Court to address these factors.

If an existing CCA allocates conduct and compensation arrangements and proposed future activities result in a greater cumulative impact, the Court should not be restricted to only new agreement matters and disputes, if these relate to existing agreements. For example, if the original compensation was for $5,000 per well for 10 wells and new proposals are for another 10 wells, it is reasonable to conclude that the impact and subsequent compensation is greater than a simple doubling. This is because the total cumulative impact of the original plus new wells may easily be greater than twice as much due to interactions. Therefore, disputes regarding the development of a new CCA may be related to existing agreements (such as the valuation impacts from activities), for example calculating future compensation for 10 wells while not considering the existing impacts from the initial development. Similar circumstances may apply to conduct provisions such as timing of activities, duration and weed/biosecurity risk management.

AgForce are therefore seeking clarity about how existing CCA conditions (conduct or compensation), which may impact future negotiations and/or activities, will be factored into negotiations and Court determinations. We are available to assist the Committee on their deliberations on this matter.

Section 96B allows for any party to a CCA or deferral agreement negotiation to apply to the Land Court for a declaration of the negotiation and preparation costs incurred by the landholder, payable under section 91. In making a declaration about these costs, the Land Court will determine whether all or part of the costs incurred were necessarily and reasonably incurred.

AgForce are supportive of these measures to assist resolve disputes regarding 'necessary and reasonable' professional costs. However, AgForce would like clarification on how these may be determined, given the limited number of CCA disputes reaching the Land Court to date and the large variation in the complexity between agreements, companies and landholders.

Water Legislation Reforms

Explicit Consideration of Climate Change in Water Planning

The Minister's introductory speech indicated that the amendments to the *Water Act 2000* (Water Act) are intended to strengthen the consideration of climate change effects in the water planning framework by requiring the Minister to explicitly consider effects on water availability and use practices. Climate variability and change are already part of the technical assessment process for a water plan (effects on water availability) or water use plan (water-related effects on use practices and risk to land or water resources from use of water on land). The Explanatory notes indicate that the amendments are about helping to ensure that planning strategies are adaptive to the prevailing climate conditions.

Under climate change projections, while significant uncertainty exists around future rainfall patterns, a trend towards a drier climate with more intense rainfall events is expected[1]. This would result in reduced water supply reliability, greater water runoff and associated risks of increased erosion.

Farmers and graziers will adapt to this challenging environment by seeking to manage on-farm water storage to buffer greater variability (eg, use of cell design etc), increased water use efficiency

[1] Queensland Climate Adaptation Strategy, Agriculture Sector Adaptation Plan. State of Queensland, 2017.

using irrigation technology (within the confines of energy affordability) or by plant/animal breeding programs and better manage run-off events and boost infiltration through groundcover management. A greater emphasis on regional water management and storage development is also indicated.

The water planning framework should facilitate these efforts (Clause 239), while supporting the sustainable management of water resources to preserve the reliability of entitlements (secure relative shares of the available resource) and minimise impacts on the environment. Plans should focus on those impacts likely to be experienced over the life of the plan, although regional water storage strategies may have longer lead-in times.

AgForce does not oppose the Minister considering water-related effects of climate change on risks to land or water resources where these arise from the **use of water** on land. Other legislative frameworks manage land use and vegetation directly and provisions should not be duplicated in the Water Act.

Inclusion of Cultural Outcomes in Water Plans

The Bill also seeks to explicitly recognise the cultural values of water resources to Aboriginal peoples and Torres Straight Islanders to provide more protection of the existing rights to take water for traditional and cultural use and existing mechanisms to reserve water for indigenous economic development opportunities. It does so by requiring that cultural outcomes be specified in a water plan separately from economic, social and environmental outcomes. The explanatory notes state that these outcomes will be mainly achieved through a plan's environmental flow objectives, they will be separate to current mechanisms providing for the take of water for traditional activities and cultural purposes and do not remove the ability to promote economic opportunities, such as through setting unallocated water reserves.

The current drafting of Clause 276 relating to the definition of cultural outcomes as a 'beneficial consequence' to an Aboriginal party or Torres Strait Islander party appears to be quite broad and potentially at odds with the stated intention to specify these outcomes as separate to economic and other outcomes.

Further it is concerning if these cultural outcomes then include direct economic or primarily commercial benefits in addition to traditional or ceremonial activities. To be clear, AgForce supports the government providing economic development opportunities for Aboriginal and Torres Strait Islander peoples however, this should be undertaken within the existing planning framework that includes other consumptive uses, with government funding support as necessary to enable access to economic water. Including economic purposes within cultural outcomes may risk adverse third party impacts, including on existing indigenous water users and negative impacts on the environment, particularly as these cultural outcomes are intended to be facilitated by environmental flows as stated.

A secondary risk of including economic purposes in the cultural definition is of setting up an additional system for consumptive use with the consequent risk of diminished capacity for management of third party impacts. AgForce has supported all consumptive uses, including of the resource sector, to be included within the same planning and management framework for transparency and improved delivery of outcomes.

The definition of cultural outcomes should be clarified to address these concerns. Cultural, economic, social and environmental outcomes should be managed separately and given their appropriate weight and value.

Temporary Access to Strategic Water Infrastructure Reserves
AgForce supports the initiative to allow temporary access for productive agricultural purposes to strategic non-indigenous water reserves including unutilised water reserved for significant water projects that are not yet fully planned, approved or being progressed.

The release of the water under a temporary license is appropriate as is a maximum 3-year grant, and the proposed restrictions on license dealings (not renewed, reinstated, relocated, amalgamated, or subdivided). The included considerations of the Chief Executive in relation to a release (s40B) appear appropriate and the inclusion of protections for other water users and existing water values in the local market is supported.

New Powers to Deal with urgent Water Quality Issues
The Bill introduces the capacity to deal with serious water quality incidents by providing new powers to the Minister and Chief Executive enabling urgent actions to prevent or remedy incidents, without lengthy planning instrument amendment. The Minister's introductory speech and Explanatory Notes indicate that these powers are 'of last resort' for exceptional circumstances only and account for the public interest and impacts on critical water supplies, security of entitlement holders and the environment.

To align with the intent of the Bill, the proposed definition of 'water quality issue' (Clause 255) should be clarified to indicate these are instances of a serious or material threat to water use, infrastructure, the environment or human health. This level of threat is important given the removal of liability for loss or damage caused by the action or inaction of the relevant entity (new s203E and s203F), such as from flooding of downstream farm operations. In the list of considerations, the official giving a direction must have regard to, subsequent impacts on other water users, such as for stock and domestic purposes, or landholders should also be explicitly included to ensure responses are proportionate.

To ensure effective responses, coordination of actions by the Department with other arms of Government (eg, Health Department, Department of Environment & Heritage Protection, Department of Agriculture & Fisheries, etc) is needed and should be clearly structured prior to the application of these powers, including effective warning of downstream landholders who may be affected by the action. This will assist in ensuring government actions are consistent, such as not enabling Temporary Emissions Licenses under the Environmental Protection Act 1994 which would exacerbate a water quality issue being dealt with under these new powers.

AgForce supports the requirement to provide a publicly available report on the incident and the subsequent response (s203G) and including the impacts avoided and caused by the response.

Miscellaneous Proposed Water Legislation Amendments
AgForce supports enabling bore owners to make minor repairs (remove, replace, alter or repair the casing) to a sub-artesian bore no deeper than 1.2 metres without requiring a licensed driller to be employed (Clause 266).

Clause 242 seeks to enable a water plan to alter or limit the authorisation to take overland flow water that is contaminated agricultural runoff. This take is currently a general authorisation that may not be limited by a water planning instrument. AgForce supports steps to ensure that this take of water remains low risk to other users and the environment. Ensuring that farmer compliance with their obligations under the Environmental Protection Act 1994 is not impeded is important and the amendment under Clause 243 is welcomed. This level of capture should be assessed in line with industry best practice.

Other relevant amendments:

Clause	Comment
236	Support in principle enabling flexibility in the Chief Executive selecting the most appropriate process for the release of general reserve water where this results in fewer impediments to the release of this water in future.
241	Support a copy of a draft Water Entitlement Notice providing for a license conversion to an allocation to be provided to the owner of the land to which the license attaches as well as the license holder themselves
251	Support providing that a resource operations license may include a condition requiring collection and publication of the sale price of seasonal assignments under the license.
268	Support ensuring compensation for reductions in water allocation value provisions align with the life of a water plan where extended beyond 10 years
269	Support in principle the capacity to regulate and manage highly connected groundwater as overland flow water to ensure consistency
276	Support the capacity to allow a seasonal water assignment for an allocation to be for a period shorter than a water year where prescribed in a Water Management Protocol, enabling assignment based on flow events. This should occur where the implications for environmental and third party impacts can be adequately managed.

Any questions in relation to this submission should be referred to , General Manager, Policy for AgForce Queensland Farmers, via telephone on (07) 3236 3100 or via email .

Yours sincerely

Andrew Freeman
Chief Executive Officer (Acting)