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## ***INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES COMMITTEE***

### **Members present:**

Mr J Pearce MP (Chair)  
Mr GJ Butcher MP  
Mr MJ Hart MP  
Mr S Knuth MP  
Mrs BL Lauga MP

### **Staff present:**

Ms E Pasley (Research Director)  
Ms M Telford (Principal Research Officer)  
Ms M Westcott (Principal Research Officer)

## **PUBLIC HEARING—INQUIRY INTO THE SUSTAINABLE PORTS DEVELOPMENT BILL 2015**

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 13 JULY 2015**

**Brisbane**

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### **Committee met at 9.00 am**

**CHAIR:** Good morning, ladies and gentlemen. Thank you for your attendance here today. I declare open the public hearing for the committee's inquiry into the Sustainable Ports Development Bill 2015 and I thank you for your attendance here today. I want to introduce members of the Infrastructure, Planning and Natural Resources Committee. I am Jim Pearce, the member for Mirani and chair of the committee. Other committee members are Mr Michael Hart, the deputy chair and member for Burleigh; Mr Glenn Butcher, the member for Gladstone; Mr Shane Knuth, the member for Dalrymple; and Mrs Brittany Lauga, the member for Keppel. Mr Lachlan Millar, the member for Gregory, is an apology. The Parliament of Queensland Act 2001 requires the committee to examine the bill to consider the policy to be given effect to by the bill and the application of fundamental legislative principles. Today's public hearing will form part of the committee's examination of the bill. The hearing is being broadcast live via the Parliamentary Service's website and being transcribed by Hansard. The broadcast of the proceedings is also being recorded for Parliamentary Education to use in educational seminars. Before we commence I ask that mobile devices be switched off or put on silent mode. This hearing is a formal committee proceeding. The guide for appearing as a witness before the committee has been provided to those appearing today. The committee will also observe schedules 3 and 8 of standing orders.

### **BOLAND, Mr Chris, Chairman, Queensland Ports Association**

### **DOYLE, Mr Paul, Chairman, Queensland Ports Association Planning and Environment Committee**

### **BRUNNER, Mr Bob, Senior Manager Planning, North Queensland Bulk Ports**

**CHAIR:** I welcome representatives from the Queensland Ports Association. Chris, would you like to make an opening statement?

**Mr Boland:** Yes; thank you, Chair. Firstly, thank you to the Infrastructure, Planning and Natural Resources Committee for inviting QPA, the Queensland Ports Association, to today's public hearing on the Sustainable Ports Development Bill 2015. The Queensland Ports Association, QPA, represents all of the Queensland 15 trading ports, two community ports and three smaller gazetted ports. These ports play an important part in the everyday lives of Queenslanders. Safe, efficient and well managed seaports are a fundamental precursor for our ability to function, grow and develop as a society. Critical for economic growth, they connect our state with world markets. Our ports are not only about mining and resource exports; they also serve vital industries including domestic, household, commodities, agriculture, tourism, defence and research while also providing key access to remote northern islands. The value of trade currently transiting through Queensland ports equates to approximately \$50 billion per annum. The Ports Association recognises that the key policy objective of the bill is to provide for the protection of the Great Barrier Reef World Heritage area through managing port related development in and adjacent to this area, and we support this policy objective. All Queensland port authorities strongly support the need to preserve and manage the Great Barrier Reef through proper management. While we support the intent of the bill, we wish to highlight a number of key areas that QPA considers will have adverse impacts on ports and their efficiencies and consequently the economic growth of Queensland. We welcome the opportunity to raise them now so that their effects can be considered further.

Firstly, I refer to capital dredging. QPA supports the protection of greenfield areas by restricting new port developments to within current long established port limits. QPA also supports the development of new expansion of existing port facilities, including capital dredging, in the regulated ports of Gladstone, Hay Point/Mackay, Abbot Point and Townsville but recommends that capital dredging is also permitted in the long established ports of Cairns and Mourilyan either by making these ports priority ports or by expanding the capital dredging exemptions for small scale facilities to allow incremental growth for port facilities within existing port limits. A ban on capital dredging for

these ports—Cairns and Mourilyan—will prevent future growth to accommodate the government's strategy of developing the north of Australia. Regional ports such as these are critical to the logistics chain and provide goods and services to regional communities.

Channel expansions have occurred periodically in almost all regional ports since they were established to cater for both the increased number of ships to support ongoing population growth and the increased size of ships that have occurred over time. Few could function today with channel depths and widths that occurred even 30 years ago. While we understand the Queensland government's policy position and will continue to work constructively with them on dredge policy, we are of the view that a blanket banning of disposal of capital dredging within the World Heritage area will produce suboptimal environmental and economic outcomes. The ban is inconsistent with well established processes under the London Protocol and in some instances may result in greater environmental impacts. The well managed placement of marine sediments back in the marine environment is the most common practice adopted by ports globally. A review of the international practice by GHD for the Department of the Environment concluded that Australian assessment and management processes were consistent with best practices. QPA supports land based solutions and beneficial applications when those options are assessed as the best comparable solution under the national assessment guidelines for dredging, and in these cases the bill should include definitions on beneficial re-use to avoid future confusion.

With regard to maintenance dredging, we appreciate that the bill has made a clear distinction between capital and maintenance dredging and we place our trust in the government that existing policies on maintenance dredging will be protected and supported. Dredging to ensure designated depths are maintained is critical to continue the safe operation of our ports and support our regional and national economy. This is particularly the case for our major commercial ports as they are located within cyclone active zones and are accordingly subject to periodic and unpredicted high levels of siltation, bringing an almost immediate requirement for maintenance dredging. Not only is maintenance dredging an essential activity; it is highly regulated, well understood and comprehensively studied with extensive monitoring and shown to have only localised and short-term impacts. Our ports have a long history of developing coordinated maintenance dredging campaigns that minimise environmental impacts. The large majority of maintenance dredging activities are undertaken by the *Brisbane*, a state-of-the-art trailer suction hopper dredge built in Cairns in 2001 specially designed for operation in the Great Barrier Reef ports with modern environmental design features. Any ban or restriction on the long established maintenance dredging process of placing natural sediments at designated at-sea sites would be devastating economically for the ports and their client industries. Maintenance dredging material is natural sediments that have already been in suspension, transported from nearby shallower areas by floods and currents into the deeper channels and berths.

With regard to port master plans, Queensland ports have been long supporters of robust port master planning. We support the approach outlined in the bill but offer the following improvement opportunities. The extent which port managers will be involved in master planning is currently not clear. We understand that the minister is responsible for developing the master plan, but we are concerned that there is no strong legislative requirement for ports' involvement in this requirement. Without this operational understanding, the master plans that ultimately get developed may not be fit for purpose. We understand also that large areas of tidal water within port limits are currently excluded from the master plan. These port limits contain transport links such as shipping channels, marine areas and anchorage that should ideally be within a master plan. For example, approximately two-thirds of the ports of Hay Point's departure path are not included in the area subject to a master plan. Channels are key port infrastructure and are equivalent to state and regional highways, so they must be included in any planning. We note that the port overlay cannot override development in a priority development area or a state development area. In our view, given that port overlays result from a comprehensive master planning process across all jurisdiction it seems like a lost opportunity to not have the final port overlay actually regulate development in the priority port area and state development area, both of which are controlled by the state. The port overlay needs to represent the state's interest in one transparent instrument. For port overlays to be truly effective, they must be enforceable and instructive across various jurisdictions.

Thank you for the opportunity to make these comments. I would like to emphasise that QPA ports have a profound interest in protecting the Great Barrier Reef and consider leading environmental practice to be an essential element of operating our business. The Ports Association would be pleased to work with government to refine this bill to ensure that appropriate new management measures to protect the environment are based on strong scientific evidence and

recognise potential effects on the health of the Queensland economy and the competitiveness of Queensland businesses that rely on ports. Thank you for the opportunity to make these comments and I would be happy to take questions from the committee.

**CHAIR:** Thank you, Chris. I might just go back to capital dredging. In your submission you raise concern with the proposed ban on the at-sea relocation of capital dredge material with the World Heritage areas. As it would require a significant operational change and cost for Queensland ports, can you please detail what these operational changes would involve and the cost implications for port operators?

**Mr Boland:** The key issue here is about a blanket ban. That is our concern. It needs to be on a case-by-case arrangement. There are significant costs and time impacts of making all of the dredge material be located onshore or in reclamation. In terms of an example of the sorts of costs from a Cairns perspective, we are in the middle of an EIS for a Cairns shipping development project and the additional cost for a land based solution is a multiplier of three to a sea disposal solution.

**CHAIR:** Why?

**Mr Boland:** Because of the additional cost to construct bund walls and the additional cost in the case of Cairns because it is potential acid sulphate soils for treating the material so that it can be safely maintained within those bund walls and dealing with the material after it has been constructed.

**CHAIR:** Have you actually been involved in any sorts of costings or is that just from experience that you are speaking?

**Mr Boland:** In that case it is from a cost that was developed by the engineers that were doing the EIS for the Cairns shipping development project. I do not know whether Paul wants to talk about other examples of costs in other projects.

**Mr Doyle:** The national assessment guidelines for dredging require all projects to assess onshore components as well. So in a lot of instances there are orders of magnitude of difference in terms of cost, but I think that it is important that we do not just focus on cost; it is about sustainability, it is about triple bottom line and it is about environment as well. In some instances—not all but in some instances—when you look at this on a case-by-case basis the environmental impacts of onshore disposal can be greater than the environmental impacts of offshore disposal. So the well-established process of assessing these options on a case-by-case basis brings those to light, but it is something that every project has to do.

**CHAIR:** In your submission you state that the beneficial re-use of land disposal options for capital dredge are not without ongoing environmental risk. Could you please expand on what these risks could include?

**Mr Doyle:** It depends on the nature of the project, but generally speaking the issues that you often might have are around water management. So depending on the project and depending on the design, there might be some issues around managing tail water and managing the impacts of those. There are also the potential, depending on the nature of the material—and, again, the nature of the material varies quite significantly up and down the coast, but as a blanket statement around some of these things you can have acid sulphate soil issues that become prevalent, as Chris talked about in the example of Cairns. That requires some significant treatment as well.

The other thing to look at is that, if you overlay all of the environmental values on a map and look at the port planning areas—and this is something that has been picked up as part of the strategic assessment that was done for the GBR as well—there is the big question mark of where do you put it, because a lot of our ports operate next to some fairly sensitive environments. In some instances, there are some challenges in locating areas to put this material as well. So if a blanket ban was imposed, then in some instances there may be down the track the need to place some of this material in areas that are environmentally sensitive if other areas cannot be found.

**CHAIR:** So what you are saying there is that you cannot put the same boot on every port with regard to the actions that have to be taken. Is that what you are saying?

**Mr Doyle:** Absolutely right. In some instances onshore disposal might make perfect sense and should be an option that should be pursued. In other instances, depending on the surrounding environment and depending on the circumstances, it may not be a very sensible thing to do. So it is a case-by-case example and that is the sort of space that Ports have been in for many years and it is the sort of work that we have done as part of our environmental impact assessment process to identify on a case-by-case basis what the best environmental outcome can be. But again, I stress that it is about a sustainable solution. It needs to balance environment, it needs to balance economic, it needs to balance all of those triple bottom line requirements and should not just focus on one to the detriment of the other.

**Mr HART:** Gentlemen, could you give us a history lesson here? Has there been any onshore disposal done before anywhere?

**Mr Doyle:** In terms of the GBR or in terms of everywhere in the world?

**Mr HART:** In terms of anywhere in Australia, for instance.

**Mr Doyle:** Anywhere in Australia? There are examples. You only have to fly into Brisbane to see examples of where onshore disposal and reclamation have been done. In those instances, there is the availability of land, there is time and there are not sensitive environments. So there are opportunities for them over a long period to explore some of those opportunities.

There are certainly examples of where it has been done. The key thing that has come out of the strategic assessment and the work that was done to support that—and SKM did some studies on this—is that from a longer-term perspective there are limited opportunities up and down the coast at various ports to bring material onshore and dispose of it. Certainly, there are examples of where it is possible but, again, I stress it is a case-by-case thing depending on the timing, the volume, the nature of the port that we are talking about as well. It can be done, but not always.

**Mr HART:** Of the five ports that have been identified, do you see any real issue with any of those in particular? Townsville, for instance: is that likely to be a problem with the distance away from the dredge area that you may have to take spoil?

**Mr Doyle:** It would probably be unreasonable for me to talk on behalf of Townsville and their particular circumstances, but certainly the consistent theme across a number of the ports are that there are some instances where it is appropriate but, if you were to take a long-term assessment of it—there will come a period that some of the low-hanging fruit and some of the easier options in terms of onshore disposal can probably be realised in the short term—but if we are looking at the long term, there will be complications involved for onshore disposal.

**Mr HART:** You mentioned the Cairns EIS. The cost would be roughly three times what at-sea disposal would be?

**Mr Doyle:** I might defer—

**Mr HART:** I just ask generally. Anybody can answer. Is the cost of this in other ports likely to be higher than that and would that make it sustainable to capital dredge and in particular maintenance dredge?

**Mr Boland:** In terms of the cost increases, or the multiplier, those sorts of figures of multipliers—two to three times land disposal versus sea disposal—is pretty consistent across the state. There are additional costs associated with any of these projects and also, in certain circumstances, additional time. You need to acquire land. You need to go through a process to make it work from a land point of view. So there is a time issue and there is a cost issue for land based disposal.

**Mr HART:** You mentioned before a particular ship that was designed. Is it MV *Brisbane*?

**Mr Boland:** Yes. In terms of maintenance dredging, maintenance dredging is a different circumstance. This is material that is not new material; this is material that has already been put into suspension. It has been moving around the various inlets. The areas that have high maintenance dredging volumes are ports that are naturally very turbid. They are naturally areas where there is a lot of sediments in suspension. Queensland Ports has a contract with the Port of Brisbane to undertake maintenance dredging. It is a state-of-the-art dredger called the *Brisbane*, which was designed to operate within the Great Barrier Reef ports and has those environmental components that allow that to be done environmentally sensitively and sustainably.

**Mr HART:** Could it be converted to result in land disposal, or is it specifically designed for sea disposal? I am trying to get whether in practical terms we are ready for land disposal.

**Mr Doyle:** In terms of that piece of equipment, offshore disposal and onshore disposal often require different sorts of dredging equipment. For disposing material onshore, depending on the location of where you are dredging it, it might require pumping significant distances. In some of those instances you would require quite a lot of additional infrastructure—pipelines, boosting stations and other things—to bring that material onshore. In some instances it can be done and it can be done effectively, but in areas where you might be dredging quite a significant distance away from the shore, it presents some problems in being able to pump that material that far ashore, particularly depending on the nature of the material as well. So again, it can be done and it can be done easily in some instances but others would require quite a different approach in terms of the dredging technology.

**Mr BUTCHER:** I have a question on bund walls. I know in the Port of Gladstone we had quite a few dramas with a bund wall that we built recently. Are you confident that the way that we build these bund walls going forward is the right way to do it or is there an environmental risk with the way that the walls are built with the potential for leakage and such?

**Mr Doyle:** I think there are probably some particular circumstances that people other than me would be best placed to discuss in relation to the Gladstone example that might have contributed to those set of circumstances. Basically, it is an engineering proposition and it will come down to the extent to which appropriate engineering safeguards are put in place. But those obviously come at a cost. So I think that it can be done and it can be done effectively, but a fundamental precursor to being able to do that is being able to identify suitable areas of land to be able to do it. In some instances there are those locations. In others there are not. So again, it is certainly possible and it is certainly possible to do it effectively.

**Mr BUTCHER:** I have a question for everyone. Can the reclaimed areas be utilised at a later point for future infrastructure, like potential berths and the like?

**Mr Boland:** It depends somewhat on the material that you are dredging. If you are dredging sand material, that is obviously a good construction material that can consolidate and ultimately be used for future developments. If the sediments are fine silts, there are significantly increased challenges to make them suitable for future construction. There is a large cost and rework required to give that sort of material sufficient strength and significant time in order for that material to consolidate.

**Mr BUTCHER:** Basically, not all ports that have land based dredge waste can use that for future development?

**Mr Boland:** Yes, and that is part of the discussion that a blanket arrangement is not necessarily an ideal solution. It really is case by case and that is the process that people go through at the moment.

**Mrs LAUGA:** Gentlemen, this legislation was one of UNESCO's priorities. We heard from the UNESCO chief of the marine program say that this is something that they really wanted to see. We also heard from the department, which also said that this is something that UNESCO wanted to see. A failure to introduce this legislation might have resulted in the Great Barrier Reef being listed as in danger. What does the Ports Association think about that? Was that a consideration in making this submission?

**Mr Boland:** We understand the policy position that the government is under because of the Reef 2050 document. What we are trying to do is just put it on the table so that the committee is aware of the unintended consequences of implementing that.

**Mr Doyle:** Can I just add to that and say that I think it is fair to say that Ports have been a very active and willing participant in all of the precursors to all of those. We have approached all of those forums in a very constructive manner and put forward a lot of good and sensible information and we are completely committed to that process. We are certainly aware of some of those bigger drivers. Whilst we might have put forward some issues here, they are also couched in the fact that we are very much willing to work with government and have been demonstrating that over a number of years.

**Mr KNUTH:** This question might be to you, Chris, in regards to the Ports Association having an input into the master plan. If you did have that input and it was not just the minister and the department, do you see this bill as being a little bit more presentable to be passed?

**Mr Boland:** Yes. We certainly believe that the ports need to play an active role in any of the port master planning. While we understand that that is likely the intent of the department, it is not clear in the legislation. I might ask Bob to say a few words on that, if I could.

**Mr Brunner:** Obviously there were timing issues to get this bill out before the UNESCO meeting. That was a major driving force. Yes, there are areas where we believe the bill could be improved and I think the QPA has put those areas in its submission. However, again the QPA does support the general thrust of the bill and believes it is important for the sustainability of Queensland ports and the environment.

**Mr KNUTH:** I do not live off the coast, of course, so I am trying to get my head around offshore disposal and onshore disposal. When there is dredging taking place, how much percolation is there, kicking up dirt? How does that compare to what happens with floods or cyclones? Is it a miniscule amount?

**Mr Boland:** I will give you some numbers from the Cairns experience. Because we have been in the middle of an EIS, we have had instruments in the field for more than 12 months, measuring turbidity and currents in the inlet. Anyone who flies into Trinity Bay will see that it can be quite stirred up at various times. Approximately three million tonnes of sediment move into the bay on an annual basis and then move through Trinity Bay. It is about three million tonnes. In the case of a series of south-easterly winds, the bottom gets stirred up and about 1.2 million tonnes of sediment are stirred up naturally because of those winds and currents. Some of that natural material ends up in the channel, which is the basis of our maintenance dredging. When we do the maintenance dredging, the maintenance dredging process, as you say, stirs up material. When you put it in the at-sea disposal, there is some further stirring up of material. The amount that is stirred up during that maintenance process in Cairns is 50,000 tonnes. We have three million tonnes of sediment naturally moving into Trinity Bay each year; we have 1.2 million tonnes that happens on a one-off occasion when the winds blow; and about 50,000 tonnes is stirred up during maintenance dredging.

**Mr HART:** Gentlemen, I am sure you are aware that last year the previous LNP government tabled a bill that is very similar to this bill. There are some differences where areas have been tightened up and other areas have been loosened. Can you talk to us about the master planning of the areas of the ports versus port overlays and what the issues may be there? Do you have any issues with those?

**Mr Boland:** Without trying to go through a comparison of the previous bits of legislation, much of the information that we have in our submission addresses what we think should be taken in terms of the master planning and the port overlays; that has been addressed in our submission. I do not know whether Bob wants to add anything to that process.

**Mr Brunner:** The new bill obviously is very different to the previous bill. The previous bill did go a lot further. This bill is a very focused exercise to address issues involving UNESCO. We believe it is a very different type of bill. We believe that with some minor improvements, the bill will be very effective in master planning.

**Mr HART:** Gentlemen, you were widely consulted on the previous bill. On the port overlay, I am concerned that you mentioned before that Hay Point had some particular channels that were not covered by this. What will be the consequences of those channels not being covered by the port overlay?

**Mr Brunner:** I will answer that. With the Port of Hay Point, it is a classic example where two-thirds of the port waters are in the Great Barrier Reef Marine Park. Under the new legislation, it is proposed that those areas in the marine park that are within our port limits are excluded from the master planning. We believe that goes against the thrust of Reef 2050, which required all marine areas that are affected by port use to be considered in master planning. At Hay Point we have a large part of our existing departure path, which is a shipping channel, excluded from the master planning area, our dredge material relocation area excluded and we have 40-odd anchorages in the port that will be excluded from master planning.

**Mr HART:** Will that stop ships from coming in, eventually?

**Mr Brunner:** It will not stop ships coming in. The port limits have been picked by the Department of Transport to ensure that it can manage shipping safely and efficiently. The port limits have been in place for many years in our ports, so it will not affect shipping, but it does affect the long-term sustainability of our ports. If we cannot effectively master plan our ports because two-thirds of the port are not included, it will eventually result in very poor outcomes. In the past the Marine Park Authority has always asked us, when we do master planning of a port, to make sure that we plan over everything and not just only a small part where our wharf is. For Hay Point, from our North Queensland Bulk Ports Corporation submission, we have included a map of the proposed master planning area. It is a very small area of the port and it will not result in effective long-term planning.

**Mr Boland:** I might add that the key issue is that channels are key port infrastructure. They are not dissimilar to national highways. They are critical for the port operation and as part of the supply chain and, therefore, should be incorporated in any planning.

**Mrs LAUGA:** Assuming that onshore disposal is a relatively new thing for ports in Queensland, is the Ports Association and the Ports Corporation looking at investing in or investigating new technology or innovation in terms of onshore disposal to improve the efficiencies and reduce costs?

**Mr Doyle:** Onshore disposal and consideration of onshore disposal is not a new thing for Queensland ports. It is something that has been investigated on a number of occasions previously. In relation to 'new technologies', I do not know whether you are referring to mud scrolling technologies

or some of those other things, but certainly those technologies have been reviewed and considered. I guess it is in ports' interest to continually look at those things. We have had one of our prominent environmental managers actually recently go and do a tour of a number of the European ports to get a perspective on what they do and do not do, which is interesting because there is a lot of misinformation around what can and cannot be done at other ports, as well. Certainly we have been and continue to be at the forefront of those sorts of things and we will continue to look at ways of improving, where those are practical and achievable.

**CHAIR:** Thank you. This will be the last question and I do not really need a long answer to it. Has there been any research undertaken with regard to areas that have been used for at-sea dredge dumping? Have you actually gone back to see what impact it is having on the ocean bed?

**Mr Boland:** The answer is yes. All of the ports have processes by which there is ongoing monitoring of our sea disposal sites. We do surveys, benthic surveys, where we are looking at how quickly they rehabilitate with natural benthic communities. All ports have a process by which they are monitoring the performance of our at-sea disposal sites.

**Mr Brunner:** I might add, with a port like Hay Point we have a long-term offshore dredge spoil ground. The port is a deep-water port. Seagrass is very ephemeral. It moves around and it needs a lot of light, which you do not get in deep water. In our spoil ground or dredge relocation ground, basically the seagrass has recovered there. It is one of the main areas where seagrass is growing. Often we find in our ports that our areas where we have moved material are actually very beneficial for the seagrass growth and the local environment.

**Mr KNUTH:** What is the reason for that? Is that because there are different nutrients?

**Mr Brunner:** Yes. One reason might be that we are moving material around and it stirs the nutrients up. Obviously seagrass, like any plant, needs nutrients for growth and it needs light. Another reason might be that as you put material in a relocation ground it reduces the depth of water and exposes the seagrass to more light in those areas.

**CHAIR:** Thank you, gentlemen. There being no further questions we will close this session and thank you for your attendance here today. I welcome the representatives from the Environmental Defenders Office of Queensland.



**MATTHIESSON, Ms Louise, World Wildlife Fund**

**POINTON, Ms Revel, Solicitor, Environmental Defenders Office of Queensland**

**CHAIR:** Would you like to make a brief opening statement?

**Ms Pointon:** I am here with my colleague Louise Matthiesson from the WWF, who has worked extensively with the government on the ports bill, if that is okay with the committee. Thank you for inviting me to present the comments of the EDO Queensland this morning. The EDO Queensland is a community legal centre specialising in environmental law. We assist Queenslanders throughout the state to understand the law and how they can interact with the law in decision making to assist the work that they do in protecting the environment and ensuring their environmental health. This bill is a really good first start in ensuring we the state are doing our best to protect the reef. It introduces many of the promises made by our state government to the World Heritage Committee enshrined in the Reef 2050 Plan. The committee is no doubt aware of the international attention on our Great Barrier Reef through the reef's quickly degrading state and that international attention is on this ports bill, with an expectation that the bill will provide strong protection of our reef.

Since the plan was the focus of the World Heritage Committee recently in the decision as to the status of the reef, I will focus my presentation around five key areas. Firstly, I will quickly make a few comments in response to the comments made on behalf of the ports industry, if I may. What our colleagues are seeking is, essentially, what is occurring at the moment: a case-by-case consideration of port proposals. It is the status quo, if you will. We are seeing frequently this is leading to offshore disposal being chosen. The economic considerations are consistently being given paramount importance compared to the environmental costs, which are not being properly assessed. This is even with the regulations we have in place, which are quite good in terms of implementing the London Protocol and requiring that balance. Numerous clients, who have been concerned with the impacts of offshore disposal on the Great Barrier Reef, have brought actions under the law to assess whether proposals that have been approved to undertake offshore disposal were properly assessed. Through these actions, such as at Abbot Point and Hay Point, which were granted approval for offshore disposal, both of those have led to onshore disposal eventually being chosen. It really shows a flaw in our laws in maintaining a case-by-case consideration, where there really needs to be more push to have the onshore options properly assessed and given paramount importance. I will quickly run through some points I want to highlight from our submission.

We obviously support the ban on the offshore dumping of dredge spoil. We note that it is from capital dredging from port facilities. The promise to ban offshore dumping was made at the Queensland and Commonwealth level. The Commonwealth has recently provided for this ban in the Great Barrier Reef Marine Park regulation at a level of banning offshore disposable all capital dredge spoil. This bill only provides for a ban on offshore disposal of capital dredge spoil from port facilities, which we see as not being quite good enough. Queensland should really be matching the Commonwealth in providing for this ban. For instance, the Shute Harbour Marina proposal would involve 500,000 cubic metres of dredge spoil, and this marina would not be caught by the bill's restriction on capital dredging because that restriction is only for port development. If the Queensland government is serious about this commitment, they really should be extending the ban on offshore dumping to all capital dredging to match the Commonwealth Government.

Secondly, the Queensland government has made the commitment that they will ban transshipping in the Great Barrier Reef Marine Park, and this is enshrined in the Reef 2050 plan as well. We see nothing in this bill which provides for that ban. From watching the department provide their brief to you, we understand they stated this is mainly a definitional problem. We do not understand how it could be so difficult to define. We did outline this in our submission, but transshipping as we understand it in this instance refers to the transfer of bulk commodities such as coal, bauxite or other minerals from one vessel to another while at sea, either ship to ship or ship to platform. We understand the problem more is potentially a jurisdictional concern, where the Commonwealth has jurisdiction over the Great Barrier Reef Marine Park. In our submission we have outlined ways of the Queensland government getting around this issue where it has the will, such as providing a restriction on port development on land so that it does not facilitate transshipping through the Great Barrier Reef Marine Park.

Thirdly, the bill only provides for the regulation of a relatively minor area of the World Heritage area; it does not cover any of the Great Barrier Reef Marine Park. Once again we understand it is a concern of the Queensland government that they might not have the jurisdictional capacity to regulate

in the Great Barrier Reef Marine Park. We see that the solution I just mentioned before of regulating onshore development that is within Queensland's jurisdiction in such a way that development such as port facilities or capital dredging in the Great Barrier Reef Marine Park is not allowed could be undertaken here so we do not have an instance where a jetty is simply put through a priority port area until you get to the boundary and then capital dredging is undertaken for a berth after that point.

Fourthly, in order to provide for the commitment to protect the Greater Fitzroy Delta, one of the largest unspoiled wetlands maintained on the Great Barrier Reef coastline, the bill needs to provide specific provisions which restrict port development in Port Alma to only what are necessary improvements to existing facilities. It does not currently do this, so it is not fulfilling that commitment made by the government.

Finally, whilst we support the idea of master planning which the bill introduces, we have a few suggestions as to how to improve this process which are mostly listed in our submission. I would like to draw your attention to two. Draft master planning instruments are currently not required in the bill to be published on the internet during the public notification period, which is a significant omission. The public should not be forced to request a copy from the department and potentially pay for that copy during the public notification. Public notification processes must assist the public in providing easy access to the documents they are seeking consultation on, otherwise they are not effective. We support the review mechanism provided for to allow analysis of how effective the master planning process has been at reducing environmental impacts. I think that is clearly a good idea; however, this should be a process open to public comment, with documents informing the minister's review required to be available to the public so the public is able to understand on reflection how successful the master plan has been.

There are other comments provided in our submission, however these are the key points. I am happy to answer any more questions or clarify anything for the committee this morning. Thank you for your time.

**CHAIR:** You have covered this in your submission, but I just want to go over it a little bit further. You would like to see the bill amended to prohibit any development in Queensland's jurisdiction which would facilitate transshipping in the Great Barrier Reef Marine Park.

**Ms Pointon:** That is correct.

**CHAIR:** Could you just go into a little bit more detail about that, because I have a concern about transshipping. Where did your definition of transshipping come from? Is it something you have thought about yourselves or have you seen it in operation elsewhere? I would like to understand where it comes from.

**Ms Pointon:** Thank you for the question, Mr Chair. It is not a definition we have gained from somewhere; it is just a common-sense understanding of what transshipping is implied to mean and the commitments provided. We are particularly concerned about transshipping since this bill provides restrictions around port developments. There is a big chance that more applications are going to be made for transshipping to allow exports to go through, and the committee might be aware that transshipping poses significant impacts also to the Great Barrier Reef Marine Park through that exchange of materials in the middle of the Great Barrier Reef Marine Park, which can often involve spillage and coal dust, for instance, going into the marine park. That shows why it is so necessary that we do implement this ban so that significant increases in transshipping do not occur just because we have these extra tight and good restrictions on port development to restrict impacts of shipping through the area.

**CHAIR:** I would imagine that transshipping, when it is related to a barge that is taken out and loaded to a ship, would be happening in other places around the world. Are you aware of any other places around the world where this is occurring, are you aware of any situations where it has failed and can you give us the reasons why?

**Ms Matthiesson:** We are aware that transshipping happens in many countries in the world. One example nearby is Indonesia, where there is transshipping for coal exports. There is evidence of regular spillages and particularly dust entering the marine environment and washing up on nearby beaches. We are also aware that transshipping occurs at the moment in the Gulf of Carpentaria for bauxite, and there has been at least one accident during cyclonic weather when a load of bauxite from a barge was lost into the water. We think that there is evidence of these risks.

We accept that transshipping can, in certain circumstances within a port, avoid the need for capital dredging. So there are some places where it might be appropriate, but really only in enclosed water close to shore rather than out in the open ocean and in the marine park, which has such a high

conservation value. I think this is one of those things we have to remember, that these ports are operating in a World Heritage area, and not just any World Heritage area, but the Great Barrier Reef. It is a place that is of international significance. It is an extremely sensitive ecosystem that is under massive environmental pressure from a lot of different directions. We are asking for the highest standards in the way our ports operate and in the way these practices are regulated, and we think that is appropriate in such a high conservation value and economically important environment as the Great Barrier Reef.

**Mr HART:** You said in your opening statement that you thought the federal government had gone to a good extent to protect the Great Barrier Reef, but the Queensland government has not gone as far and you are disappointed, I think, that the Queensland government had not met its commitment to environmental groups in this particular legislation. If there is one thing that this committee was to recommend to this government to change this bill, what would that one thing be?

**Ms Pointon:** If I may correct you: my opening statement did not say that we are happy with the Commonwealth Government's actions in terms of protecting the reef; they have simply gone to a greater extent to prevent offshore dumping of capital dredging from all projects. The other commitments such as capital dredging, for instance, or the development of port facilities in the Great Barrier Reef Marine Park, which is in Commonwealth jurisdiction, the Commonwealth has not taken any action in this area, whereas the Queensland government has. So I would not go so far as to say that we think the Commonwealth Government is doing better in terms of protecting the reef.

In terms of the one item to recommend to the Queensland government, it is a hard ask but I would potentially say in terms of this bill the complete silence on transshipping is probably the most significant omission that needs to be rectified.

**Mr KNUTH:** When you talk about transshipping, I do not know exactly what it is. With regard to the transshipping of coal or whatever, what happens?

**Ms Matthiesson:** It is a method of export where you basically load the commodities into a barge close to the shore or from a jetty, and then the barge travels out into deeper water where it either docks, is lashed up against another ship or against a platform, either anchored or floating, and then the commodities are transferred from the barge and into a larger ship which is then able to travel to the destination country. It does involve the transfer of bulk commodities from one vessel to another in the ocean.

**Mr KNUTH:** But it does not happen here in Australia with regard to the transshipping of coal?

**Ms Matthiesson:** Not coal, but bauxite in the Gulf of Carpentaria. I believe there is another operation in the Northern Territory.

**Mr KNUTH:** So spillage takes place when there is transshipping?

**Ms Matthiesson:** That is certainly a big risk in bad weather, but there are also constant barge movements through sensitive habitats where there are dugongs and turtles, increasing the risk of collision, and constant dust from just the wind.

**Mrs LAUGA:** I think Whyalla too. The Ports Corporation said that there can be greater environmental impacts with onshore disposal than with offshore in some cases. Does the Environmental Defenders Office agree with that? If not, why?

**Ms Pointon:** Thank you for the question. We certainly understand that there can be environmental impacts from land based disposal and beneficial reuse, and in no way are we saying that onshore disposal should just be undertaken without any proper environmental assessment. A key point that I understood from what they were saying is that the economic costs of onshore disposal are often significantly higher. As they were saying, there has to be a case-by-case analysis of the land disposal options open to them and proper assessment and consideration of the environmental costs of offshore and the different various land based disposal options and treatment options available as well. We would say that proper environmental assessment needs to be undertaken for land based disposal as well and sufficient balance given to the environmental costs to ensure that all of the possible land based disposal or beneficial reuse options have been considered.

**Ms Matthiesson:** I think the first thing to remember is this bill bans sea dumping of capital dredge spoil from port related developments, so it only bans some sea dumping; not all sea dumping. We would prefer to see it more extensive, but that is the case at the moment. We say that we should always avoid environmental impacts by optimising the use of existing infrastructure in the first place, so minimise the need for new capital dredging. It is a fact that most of our port facilities at the moment are under-utilised and they are not operating at their full capacity, so we say that that should always be the first option before you need to do capital dredging.

Then where capital dredging is genuinely required for the sustainable economic development of the state we think that sea dumping should not be allowed and that less impactful alternatives should be found through onshore disposal. We recognise that that may involve costs. However, we think that for many, many years now the costs to the environment and to other economies that rely on the environment, like the tourism industry and so on, of offshore disposal has been drastically underestimated. The new science that has come through in recent years about the true impact of offshore disposal is showing that the dredge plume, which is the plume of muddy water which is stirred up from the dumping, spreads up to 80 kilometres—a lot further than what was previously shown. We have seen monitoring in Gladstone and in Hay Point that has shown that the plumes go a lot further than what was predicted by the EIS. So those environmental impact statements are underestimating what the impact will be. We are also seeing new evidence of the effect of that sediment in causing coral disease and in smothering seagrasses.

I remind the committee that the Queensland government and the federal government are spending hundreds of millions of dollars in programs to reduce sediment and nutrient pollution from land based activities—so from farming—and that the reef rescue program, which has cost in the order of \$500 million in recent years, has succeeded in reducing the sediment inflows by about 615,000 tonnes. So the quantity of spoil that is stirred up by offshore disposal is much, much larger than what we are spending millions and millions of dollars to prevent from onshore disposal. This is in fact for the state and in terms of the environmental benefits a low-cost way of improving water quality in the Great Barrier Reef. We also have to remember that when you are doing a capital dredging operation these are massive port developments. They are worth up to a billion dollars or even more in some cases. We feel that the additional cost of the onshore disposal is reasonable as part of the overall operation.

**Mr BUTCHER:** I just want to know your thoughts and your stance on the maintenance dredging and the disposal potentially in ports that already do it and have been doing it for many, many years. Are you aware that it has been going on for so long? Do you believe that it is a safe way—not a safe way but beneficial to continue to do that or do you believe that it should be banned as well?

**Ms Matthiesson:** I would say this is one issue where I think the Environmental Defenders Office and the World Wildlife Fund have slightly different positions because the Environmental Defenders Office represents a range of environmental groups, whereas I speak for the World Wildlife Fund. I would say on that point that we are committed to going through the process that the government has initiated to improve the management of maintenance dredge spoil. We would like to see it phased out over time. We do not want to prevent the operation of the existing ports. We think, as the Ports Association has said, it is a slightly different circumstance. The environmental impacts are slightly different. We need to keep our current ports operating, but we think there is large room for improvement in the way that maintenance dredging is undertaken. If it were possible, if solutions can be found to phase it out over time, we would support that. EDO might want to add something.

**Ms Pointon:** Actually I do not disagree with what Louise said. We obviously do understand the importance of maintenance dredging in terms of safety. I believe—and please correct me if I am wrong, Louise—when Louise said that there would be a phase out, there would be a phase out of offshore disposal rather than maintenance dredging generally. We understand maintenance dredging is necessary for port operation. We are not trying to close down all ports. But we do understand—and the Queensland government has understood through the commitment it made to properly analyse what we are doing with maintenance dredge spoil—that it is necessary also to consider the impacts. I believe our colleagues in the North Queensland Conservation Council outlined the significant amounts of dredge material that are required to be dredged through maintenance dredging at the Townsville port I believe it was. They are also not small amounts and something really needs to be done. We would really appreciate clarification from the Queensland government soon as to what will be done with maintenance dredging in terms of the guidelines that are to be produced, and we hope that they will be strong in protecting our reef.

**Mr HART:** I am sure you are aware that the previous government introduced a bill similar to this last year. I asked the port authorities what they thought of that. They said, without putting words in their mouth, that the previous bill went slightly further than this one does. Is there anything in the previous bill that you would like to see implemented in this bill that has been left out?

**Ms Matthiesson:** Thank you, Mr Hart. The World Wildlife Fund's submission includes a table comparing the previous bill with this one. There are actually quite a number of things in the current bill that we support that were not in the previous bill. In particular, the ban on sea disposal of dredge

spoil from capital dredging was not in the previous bill and the restrictions on the construction of new port areas or capital dredging outside of the major ports was only for about eight years. So they are a couple of examples of where we think this bill is actually stronger than the previous one.

**Mr HART:** That was not my question. My question was: was there anything in the previous bill that has been left out of this one that you would like to see implemented?

**Ms Matthiesson:** I am happy to take that question on notice but nothing springs to mind.

**Ms Pointon:** I equally will take that on notice, but I cannot think of anything. I think this is a bill that is more superior to the previous bill in terms of the protections for the reef.

**CHAIR:** In your submission you have suggested an amendment to the bill that would shorten the time period for requiring a review of the master plan from 10 to seven years. Why would you like to see that happen?

**Ms Pointon:** Thank you for the question, Mr Chair. We thought that might be a good recommendation given that for planning schemes, for instance, there is generally a review every seven years. We are frequently seeing that that time period is not actually met and planning schemes will be reviewed a little bit later and a little bit later. We are concerned that if it is a 10-year period and an equal situation occurs for master plans then the period might be too long before a review of the effectiveness of the master plan is actually undertaken. We thought given a shorter time period might allow for any lag around that and give sufficient time to experience the master plan, then assess if it is being effective and amend it if required.

**CHAIR:** What could be the impacts if it is not reviewed after seven years, as you are suggesting, but rather reviewed after 10 years, as is currently suggested in the bill? What difference is it going to make? I guess that is the question.

**Ms Pointon:** As I mentioned, it is simply a few more years potentially. As I mentioned, planning schemes are required to be reviewed only every seven years but they can be reviewed every 10 years or longer with just the nature of administrative processes—things take a little bit of time. So it is probably just a matter of a few more years between reviews, when the review would be faster I guess and any changes that would need to be made would be implemented faster to ensure proper environmental protection is being undertaken through the master plan. So it is simply a matter of ensuring the processes are strong and as good as possible.

**CHAIR:** So are you suggesting it should be every seven years after that or seven years in the first instance and then back to 10 years? You have to continue reviewing the process. What are you suggesting—seven years for the first time and then we review it every seven years?

**Ms Pointon:** I think, because the state of the reef is degrading so fast, we would recommend that every seven years continuously would be suitable to ensure that we are doing the best we can rather than extending the time period outside of that. I do not think the state of the reef is going to improve that quickly that we can suddenly be lax on the protections that we are offering it—not that three to four years is of huge significance, but in terms of trying to do the best we can for the reef I think a shorter time period consistently would be better.

**CHAIR:** Could you please explain to the committee your concerns regarding compensation as provided under the bill?

**Ms Pointon:** Certainly, Mr Chair. We understand the consideration for compensation. Compensation generally has been provided in various forms through our planning acts. We do question the necessity for it though in general, and we recommend the committee simply to give consideration to the state resources that go into compensation provisions where potentially this is not the best use of state funds for the loss of potential future development rights. It is simply opening the issue up for consideration where we are not sure that it is necessarily a requirement that all our planning bills and acts provide for compensation in these instances.

**CHAIR:** Do you want to see greater detail or do you want to see how the compensation is assessed?

**Ms Pointon:** It is more consideration of whether it is actually necessary at all to provide compensation and particularly at the level that is provided for in the bill.

**CHAIR:** Thank you. There being no further questions, I think that concludes this part of the hearing. I thought there was something that came up during the proceedings that you said you would get back to us on but apparently not.

**Ms Matthiesson:** Mr Hart's question.

**CHAIR:** Thank you for being here today and we appreciate your input.

**Ms Pointon:** Thank you very much for your time, committee members and chair.

**CHAIR:** I call representatives from the Local Government Association of Queensland.

PROOF

**HANNAN, Mr Luke, Manager—Advocacy Planning, Development and Natural Environment, Local Government Association of Queensland**

**HOFFMAN, Mr Greg, PSM, General Manager—Advocacy, Local Government Association of Queensland**

**CHAIR:** Do you wish to make a brief opening statement?

**Mr Hoffman:** If I may defer to my colleague, as it is obvious my voice is not going to last very long, but I am happy to be here to answer questions that you might have.

**Mr Hannan:** Thank you, Greg, and thank you, Mr Chair. The LGAQ welcomes the opportunity to provide feedback to the Infrastructure, Planning and Natural Resources Committee on the Sustainable Ports Development Bill 2015. Firstly, the purpose of the bill and the intention by the state government to implement a coordinated approach to planning for port infrastructure across jurisdictions is commended by the LGAQ. Additionally, the LGAQ acknowledges the substantial differences between the Sustainable Ports Development Bill 2015 and the now lapsed Ports Bill 2014, which was of significant concern to local governments.

The LGAQ consulted with four councils primarily affected by the Sustainable Ports Development Bill 2015 regarding the LGAQ submission—these being Gladstone Regional Council, Mackay Regional Council, Whitsunday Regional Council and Townsville City Council. The LGAQ submission identifies five key issues. In summary, issue 1 cites the lack of statutory obligation for compliance with the associated guidance material which is currently listed as non-statutory. That will be fundamental in setting the framework on how boundaries are determined and what matters must be considered. As such, the LGAQ recommends that all critical processes, stakeholder engagement and decision-making frameworks are included in a statutory instrument to ensure confidence and certainty in the process and decision-making.

Issue 2 identifies that the legislation does not identify how impacts on local government infrastructure are considered and mitigated. As such, the LGAQ recommends that a statutory instrument be developed that ensures the process to develop port master plans and port overlays consider potential impacts on local government infrastructure and appropriately mitigates any adverse impacts inclusive of related infrastructure funding.

Issue 3 cites that the public consultation time frames are considered inadequate. As such, the LGAQ recommends amending sections 11 and 15 of the bill respectively to retain a minimum of 40 business day consultation periods when preparing or amending a port master plan. Such a time frame is not considered onerous and balances the need for transparency and due process.

Issue 4 identifies the need for greater transparency regarding ministerial consideration of submissions. As such, the LGAQ recommends that the bill be amended to include provisions such that all entities that make a submission in accordance with the public notice must be notified by the minister as to how the matters contained in their submission have been addressed.

Issue 5 cites the inadequacy in the bill when considering the development assessment decision-making process and how appeals against decisions by an assessor manager are considered. As such, recommendation 5 in the LGAQ submission recommends that the state government be party to any appeal proceedings for decisions made by local government about development in the port master plan area. This aligns with the intent of provisions that already exist in the Sustainable Planning Act 2009 that regulate the state government as a party to appeals in certain circumstances where state interests are applicable. That ends my opening statements. Thank you, Mr Chair.

**CHAIR:** I go back to your first point which was that there is no statutory obligation for compliance with associated guidance material. Can you explain that to us a little more? What are your concerns? Is it past practice for that sort of thing to happen?

**Mr Hoffman:** I will draw some comparisons with the practice of the interface between state government decision-making around its infrastructure building programs and local government infrastructure. It is not a new issue that we identify in our submission today and raise with you. I cite the examples of when the state government constructs schools, hospitals, police stations, public buildings and the like. There is obviously an impact on local government infrastructure whether it is roads, transport, parking, water supply, sewerage provision and certainly streetscape and amenity. Those arrangements are not subject to any statutory process they are but an administrative

arrangement. As such, they can vary from time to time depending on the individuals who are engaged in the negotiation and depending on the department's disposition to engage with the councils. It is an ongoing source of concern—the implication of which is usually a cost shift to councils to in fact provide levels of infrastructure to that development.

The potential exists for the same to occur here in that a master planned port area is designed for the long term and will of itself provide for significant development to occur involving, I dare say, multiple public as well as private interests. The question then arises for local government as to what the impact will be on its planning processes as they are and, importantly, as they might need to be to respond to the plan and its implications. The implications being again significant infrastructure that will need to be provided. Given the sensitivity of the areas involved then the questions of waste disposal, sewerage disposal and the like are very real issues that need to be dealt with in the most appropriate fashion.

Our concern is then that in the absence of a statutory arrangement that guarantees how those matters will be dealt with it leaves the matter open to considerable variability and inconsistency and a lack of clarity as to how councils are going to be engaged in those matters. Hence the suggestion that that needs to be reflected in a statutory instrument that removes any debate about what will happen, when it will happen and how it will happen. The implication is not only in relation to planning and infrastructure provision but also in relation to the cost implications for local government in dealing with those infrastructure consequences of what is occurring.

**CHAIR:** Are you suggesting that the government needs to step in and make a condition of approval for a particular project that they must do these things that you have mentioned which are really the role of local government anyway? I guess what I am getting to is that would you not be communicating and consulting with the proponent of a new project?

**Mr Hoffman:** Yes, but, for example, we have seen the plan for the Gladstone port and the areas involved not only involve some land that is subject to the Gladstone Regional Council's planning scheme but also involve state development areas that are not necessarily subject to compliance with the council's planning scheme. They are state development areas and the state is unilaterally able to decide what happens when, where and how. That is a replication of the examples I gave earlier where schools, hospitals, police stations and government facilities can currently be built without a process that ensures the implications to the local government and, for that matter, to the local community are adequately dealt with or at least dealt with in a way that consistently applied when the circumstances require. It is in instances of that nature that this point we are making is obviously of importance to us.

**Mr HART:** This bill has port overlays as part of the master planning process. Do you think that is enough or should the bill require that a map for the particular port be included? From the local government perspective, are you happy with the way the ports are designated?

**Mr Hoffman:** I will ask my colleague to answer that for you.

**Mr Hannan:** I understand that the draft guideline that has been developed and is out for consultation at the moment has regard to the demarcation of the master planned area. There are going to be additional iterations in the future that go into the overlay process. We have had some positive discussions with the department and obviously we are keen to be involved in the development of the guideline.

However, it still begs the question, as mentioned by Greg, what sort of certainty will there be that that process, once it is identified, will be stuck with and what sort of consistency will there be in how the overlays are applied and developed? We are looking for that certainty in the overlay drafting process because that is ultimately the instrument that is going to supersede the local government's planning scheme.

**Mr HART:** On the issue of appeals, your submission says that presently the state government's involvement in an appeal would be covered by the Sustainable Planning Act. I assume that situation will not change under this bill but your concern is that maybe the Sustainable Planning Act will change and you would like to see that cemented here. Is that what you are getting at?

**Mr Hannan:** The port planning instruments essentially prevail over the local planning instruments where there is any inconsistency. There are limited assurances, because of the non-statutory nature of the guideline, that any concerns that are raised by councils in the development of either the demarcation of the master plan or the overlay will actually be adequately addressed. We are citing the Sustainable Planning Act in matters where a state agency is drawn into a development application or approval as a referral agency. A precedent is set in SPA at the moment.



Where an appeal is about a matter regarding a state interest—it could be an issue regarding main roads or an environmental matter—the state government is actually party to that appeal. What we are suggesting is that the precedent is set. Ultimately, we understand that the port master plan process is about state interests and protecting state interests, particularly regarding those four key ports. We would seek that it is explicitly cited that the state government is also party to the appeal because essentially local governments will be in the appeal process by themselves otherwise without any assurance that their concerns have been addressed.

**Mr HART:** What would be the major consequence if the state was not involved in any appeal process? Can you give a practical example of what may happen?

**Mr Hannan:** Whether or not a local government approves or refuses an actual application an appeal could come against the decision itself or a condition of the approval. Therefore local government would have to go through the appeals process—whether or not it gets to the Planning and Environment Court—and deal with the appeal in that manner. In terms of how many appeals there would be we obviously cannot cite a figure. But there is a possibility there that local governments will be left to essentially hold the baby and the bath water.

**Mr Hoffman:** It means the local government is in fact defending the state's position. Our view is that it is appropriate if that is the issue that is involved in the appeal that the state government should be involved in the action and defending its position. The implication should not be carried fully by the local government.

**Mr HART:** There is presently a private member's bill before the House about planning which incorporates the next tranche of the previous government's legislation. Have you had the opportunity to see whether this is covered in that particular bill?

**Mr Hannan:** Yes, we have reviewed the private member's bill. My understanding is that these matters have not changed with regard to the state being a party to an appeal regarding a state interest when it comes to state referrals. So it is business as usual. However, no it is not covered explicitly regarding the ports bill.

**Mrs LAUGA:** On how many occasions will it actually be that the local government is the assessment manager in these port master plan areas? Normally, the port authority is the assessment manager.

**Mr Hannan:** Our understanding is that the port master planning process covers multiple jurisdictions and can go into local government areas. Again, it will differ per port area and in terms of how that port master plan was developed as to the extent of the local government area that is covered. It will then be on an application by application basis as to where those developments are looking to go.

**Mrs LAUGA:** So it would only apply to those development applications made in the port master plan area but outside the strategic port land?

**Mr Hannan:** In the port master plan area that is under local government jurisdiction.

**Mr BUTCHER:** Can you clarify for me the impacts on local government infrastructure that could possibly come about as part of the ports bill? What local government infrastructure would be affected by a port master plan or the ports bill?

**Mr Hoffman:** All four ports are located within local government areas where they have responsibility for water supply, sewerage and drainage. Similarly, there are the issues of road and transport access to and from the ports. That may involve some roads under the jurisdiction of the state government through the Department of Transport and Main Roads, but given the size of the planned areas, as we understand them, there will be local government road access and egress to those areas.

You can appreciate the implications in terms of water supply, sewerage, drainage and road and transport related matters for local governments. The point I made earlier is that, in the absence of a determined process about how those matters are dealt with, then problems, notwithstanding goodwill, will arise as to how they are dealt with over the many years that the port plans will be in place and development of the port area occurs. So they are our concerns because those costs are borne by the council and the cost-sharing arrangement that is put in place to deal with that is an important question for us.

**Mr BUTCHER:** As mentioned before, hasn't a lot of this come out as part of the EIS and the prefeasibility of the project as it comes along in terms of where you have involvement? I am just trying to work out the difference between being part of the plan for the port for the long-term plan compared to the EIS and the normal process of building new infrastructure at a port.

**Mr Hannan:** It will depend on the extent of the development and the extent of the master plan and, again, the overlays themselves and what the overlays actually provide. In instances you may have area that is zoned light industry, for example, that is up zoned to high industry. Again, there are implications on transport networks and surrounding land uses. If that does occur, again there could be any sort of change. Coming back to the first point, unless councils understand what those impacts are, both on their surrounding communities but also on their infrastructure networks that they provide, there is no certainty in where that decision-making process goes.

**Mr HART:** Has the LGAQ had the opportunity to think about what impacts of land disposal of dredge spoil may have on your future planning or infrastructure needs?

**Mr Hoffman:** No, Mr Hart, we have not considered that matter at this point.

**Mr HART:** Do you anticipate it may have a dramatic effect just when thinking about it now?

**Mr Hoffman:** I cannot say. That will be a matter that is dependent on the circumstances of each of the areas involved. In the absence of any consultation with the councils impacted, I cannot answer your question I am afraid.

**CHAIR:** In your submission you talked about—and I know you have touched on this a little bit—ministerial consideration of submissions where you say it is silent with regard to how matters contained in submissions should be addressed. Have there been problems in the past about the way this process works and the reasons why you have suggested that that should be seriously considered given the fact you have a recommendation that that recommendation should be taken? Can you give us a little bit more background?

**Mr Hannan:** Thank you for the question, Mr Chair. It is not uncommon where regulated public consultation does occur—for example, when planning schemes are drafted and consulted on with the community—that a response identifying how the submission has been addressed is necessary and it is a response back to the entity who makes the submission. The recommendation that we have provided is that when the minister is considering all the submissions from the different entities the minister also responds how those matters of concern or interest were actually considered. We think that that is particularly important when citing and dealing with the different jurisdictions that will be affected, particularly with local government. Obviously partnering with the state in providing a submission to the local government submission is particularly important given the extent of potential impacts.

**Mr Hoffman:** If I can add to that. In the response that we received from the then Labor Party when in opposition to our pre-election 10-point plan about the issues around planning processes and systems, a statement was made that Labor in government would acknowledge the importance of open and accountable processes to ensure communities and neighbourhoods can fully participate in the planning and development decisions that affect their local areas. I think that sentiment is reflected in the point we are making here—that is, if local government, as Luke has indicated, in responding to submissions to their planning schemes are required to explain why and how they have responded, we think in the same fashion it is appropriate for the state government to likewise do the same, particularly on a matter of such scale and importance and sensitivity as port development.

**CHAIR:** Thank you. As there are no further questions, I thank you for being here today.

**Mr Hoffman:** Thank you, Mr Chair, and thank you, committee.

**BARGER, Mr Andrew, Director, Infrastructure and Economics, Queensland Resources Council**

**GARLAND, Ms Nicola, Environmental Policy Advisor, Queensland Resources Council**

**ROCHE, Mr Michael, Chief Executive, Queensland Resources Council**

**CHAIR:** I now welcome representatives from the Queensland Resources Council. Michael, do you have an opening statement?

**Mr Roche:** QRC welcomes the opportunity to appear before the committee today and provide feedback on this very important piece of legislation. It is legislation which featured prominently in the Reef 2050 Long-Term Sustainability Plan, which was a plan that was unanimously endorsed by UNESCO's World Heritage Committee at its meeting in Bonn earlier this month. That Reef 2050 Plan was submitted jointly by the Australian and Queensland governments—and when I say the Queensland government I mean the present government—after extensive input from a multistakeholder Reef 2050 Partnership Group of which QRC was a member. The bill gives effect to many of the commitments in the Reef 2050 Plan and QRC has been appointed to the Reef 2050 Advisory Committee which will oversee the implementation of the plan. As you are aware, the QRC is the peak representative organisation of the Queensland minerals and energy sector and, as such, as a quintessentially export industry we are vitally interested in matters to do with the management of our ports. QRC's assessment is that the bill demonstrates that the highest standard of environmental outcomes are consistent with well managed ports. The bill will mean that the operation of the ports will become more complex and more expensive but also recognises that Queensland is fundamentally a maritime economy. Ports are the gateways for Queensland's regional economies, serving as a two-way hub for vital trade, for tourism and for defence activities.

The bill will come at an economic cost to the Queensland economy. Over time the bill's ban on maritime disposal of material from capital dredging will inevitably mean that some necessary port developments to keep pace with growth in trade will not proceed or will have to be scaled back. This will be either through a combination of lack of land for suitable disposal or cost. The bill establishes a management framework that clarifies the state interest in each of four priority ports and establishes a port overlay, which is effectively a tailored state interest map. QRC suggests that the committee recommend that the bill be passed but we would like to propose four areas of amendment: first, the bill should allow for incremental improvement in existing infrastructure of all existing ports, including in relation to loading facilities, tugs and pilotage; second, and consistent with the Reef 2050 Plan, the bill should make clear that reclamation can occur inside priority port areas; third, the bill should ensure that appeal and review mechanisms cannot be misused by vexatious litigants; and, fourth, the bill should clarify how the development of port networks and their associated supply chains will be protected and developed under the port overlay for each of the four priority ports. We would be happy to elaborate on each of these four issues in questions.

QRC was disappointed to see a number of submissions made to the committee calling on the bill to be used to ban transshipping. These calls misunderstand the purpose of the bill and have also missed the larger context of the commitments made in the Reef 2050 Plan. I submit that it is simply a nonsense to be insisting that the parliament rule out a particular port development technology in advance of such projects being submitted to the rigour of environmental impact assessment processes under Queensland and Commonwealth law. Transshipping can in fact be an attractive alternative to traditional port developments for smaller scale capacity expansions. Typically, transshipping obviates the need for dredging. The World Heritage Committee sent a mission to Queensland in 2012 to look into concerns about the Great Barrier Reef. That mission took a close look at transshipping and this is what they said in their report, so these words are from the World Heritage Centre and the IUCN. They said this—

... where new bulk cargo facilities are being considered within existing port areas, recommends that such alternatives that could reduce or eliminate dredging requirements should be evaluated within the relevant Environmental Impact Assessment process as a potential means to reduce the impacts of port development.

QRC suggests that those calling for a ban on transshipping in the bill should also take a close look at the Queensland government endorsed Reef 2050 Plan and in particular water quality action No. 21 on page 43 of the plan which says this—

The Queensland Government will not support trans-shipping operations that adversely affect the Great Barrier Reef Marine Park.

Given that very clear commitment, it is hard to see why this bill needs to ban transshipping. A number of environmental NGOs, including the EDO which presented this morning, argue that this bill should have been the vehicle for implementing a maintenance dredging framework. QRC invites the committee and those NGOs to take a close look at what the Reef 2050 Plan has to say about maintenance dredging. The Reef 2050 Plan commits to the development of a statewide, coordinated maintenance dredging strategy which identifies each port's historical dredging volumes and likely future requirements and limits; identifies appropriate environmental windows to avoid coral spawning, seagrass recruitment, turtle breeding and weather events; needs to examine opportunities for the beneficial re-use of dredged material or on-land disposal from maintenance activities; and, finally, establishes requirements for risk based monitoring programs. Those commitments were in fact proposed by the ports industry. As the department made clear to this committee, this bill was never intended to be the vehicle to deliver on that comprehensive maintenance dredging strategy. The Reef 2050 Advisory Committee, which includes WWF and the Queensland Conservation Council, will oversee development of that maintenance dredging strategy. Thank you. I am happy to take questions.

**CHAIR:** Thank you for that presentation. During your presentation you talked about transshipping being an attractive alternative but there will be the need for dredging activities to take place. Is that true?

**Mr Roche:** It will depend site by site, but typically one of the major attractions environmentally from transshipping activities is that it does away with the need for dredging as required for traditional port developments, that dredging being needed for shipping channels and for shipping berths. An example would be the proposal for a transshipping terminal out of the existing port of Hay Point where the attraction there would be that rather than the next development at Hay Point involving dredging it could be in fact a transshipping operation.

The other attraction of transshipping is that it is more suited for smaller scale developments. So if the industry is at a stage where it needs, say, 20 million tonnes of additional capacity as opposed to, say, 60 or 70, then it is a more boutique solution rather than undertaking a traditional major new port terminal development.

**CHAIR:** We are just talking about Hay Point at the moment. Is the capacity of Hay Point fully utilised at the moment?

**Mr Roche:** At Hay Point there are two coal terminals. One is the Dalrymple Bay Coal Terminal, which has just had a record year of tonnage and in some months, but not over the whole year, it performed up to what is called nameplate capacity, which is 85 million tonnes. The other terminal there, owned by BHP Billiton, is undertaking an expansion to 55 million tonnes from 44 million tonnes, but it is worth noting that in the year ended 30 June it did over 43 million tonnes. So I think it is probably fair to say that in Hay Point the industry is giving the supply chain a pretty solid work-out.

What remains to be seen is what would be the appropriate next incremental capacity enhancement. Is there more that can be done at the existing ports, the existing terminals? Does it require a traditional new terminal, such as at Dudgeon Point, which is right next door? Or would a more boutique solution such as transshipping be the right answer at this time?

**CHAIR:** Just staying on transshipping, there is no way that that particular company can use the facilities already established at Hay Point? Why do they need to have a transshipping terminal or a barge? Why would we have to go down that road to say that we can accept transshipping in that area?

**Mr Roche:** All I am saying is that it is an option that should be available for industry and governments to examine. I am not saying that it has to be the option. In certain circumstances, it may prove to be environmentally and economically more attractive than larger scale traditional port developments.

While we are talking about transshipping, can I just illuminate for the committee a little bit more about transshipping? The EDO and WWF mentioned Indonesia. We would not be wanting to benchmark ourselves against the open barges that are used in Indonesia to barge coal down rivers. That is not the model that would be used in Australia and is being used in Australia or, of course, in Europe. The technology that we look at is the technology that is used principally to import coal into Europe. Lots of coal is transported from ports like Rotterdam throughout the European river network safely. The Europeans do not have lower environmental standards than Australia.

Finally, if I could just touch on the incident in the gulf involving MV *Wunma*. There was an incident in 2007. It did not involve bauxite; it involved zinc concentrate. What happened there was that there was a cyclone in early 2007. If you have a look at the 500-page inquiry into that incident you will find that there were issues around cyclone moorings. I have been on that ship—and it is more a ship than a barge. It is a closed ship. It is not open to the elements.

**Mr HART:** Just reinforcing what the chair said about Hay Point in particular, you said during your opening statement that a good reason to transship might be to avoid the dredging of channels, but in a place like Hay Point we already have shipping channels. So why would we need to transship from that sort of location? Would not another loading terminal be a better outcome?

**Mr Roche:** As I was saying earlier in my evidence, Mr Hart, it is really making an assessment of what incremental capacity might be demanded and whether that is best serviced through a traditional port terminal building really a trestle out into the water with loading points. They do not come cheap those operations. Or would a smaller scale operation be more suited economically with perhaps some environmental benefits in terms of not requiring dredging? All I am saying is that it is an option that we should not be ruling out before there has ever been an opportunity to do an environment impact assessment.

**Mr HART:** WWF during its submission said that it would be better for our shipping terminals—our ports—to reach capacity before we expand on them. I would have thought that is a pretty normal thing to do—we reach capacity or we look like we are going to reach capacity before we expand. We have already heard from you that Hay Point and Dalrymple are running at capacity. I only ask you about resource areas, obviously, and not the rest of the ports. Are they running at capacity or will they run at capacity soon? What will happen there?

**Mr Roche:** If you start from the north, of course, Townsville is undergoing some expansions and will be affected by this legislation in terms of how they undertake that expansion. There is a need in Townsville across a number of industries, including minerals. If you come down to Abbot Point, in the year just ended 30 June, there was 27 million tonnes of coal exports from a port that has a capacity of 50 million. Year by year, that 50 million capacity is being used up. It is my understanding that all of that capacity is fully contracted by companies with plans to bring on new mines and export out of Abbot Point. At the moment, it is not being fully utilised, but it is ramping up every year quite strongly at Abbot Point.

I have given you some numbers for Hay Point. The Dalrymple Bay Coal Terminal on some months is operating at full capacity. But the company has done some good work to improve efficiencies at that port and BHP Billiton has just expanded its facility from 44 million tonnes to 55 million tonnes. We will have to see how much of that capacity is used, but that is all reserved for BHP Billiton's operation. Then at Gladstone, the tonnage there—around 70 million tonnes—is quite close to capacity. But there is a new terminal that has come on line, the Wiggins Island Coal Export Terminal, which has room for multiple stages and at its first stage has 27 million tonnes. There are some parts of the supply chain with some capacity, but now is the time to be planning for the next lift in the cycle.

**Mr HART:** I will just ask you the same question that I have asked everybody else. There was a bill tabled by the previous government last year that was similar to this bill. Is there anything in that particular bill that you would like to see in this bill, or vice versa?

**Mr Barger:** You are right. It was a very different style of bill. Probably the way the department characterised it was that the previous government's bill was a top-down, very determinative bill whereas this one is much more bottoms up built around what are the commitments that the state and federal governments have made to UNESCO and the World Heritage Committee and how do we deliver on those.

In recognising that different focus, I think you heard some mention from the Ports Association this morning around the mechanics of the master planning process and the way that their ongoing business operations are recognised in this new port overlay. I think perhaps there was a greater role for the ports in steering their master planning process. The role was perhaps more clearly articulated in the black-letter legislation. I think if you look at the explanatory memorandum you read the guidelines that we heard LGAQ reference about how those master planning documents are developed. I think the intention is very clearly that the new port overlay delivers quite a different style of planning instrument that allows those economic and environmental concerns to be played out in an economic planning framework. So it is quite a different framework.

I think probably I would echo what you heard from the Ports Association this morning—that they had a much clearer role in the previous act. I think, with this bill, the intention is there to lay that through some of the master planning process, but because the function of this act was to make clear

to the World Heritage Committee how a range of long-term commitments in the Reef 2050 Plan was being delivered, it was very clear that things were being ruled out. So it is a less balanced document in that sense, because it set out from the start to be saying, 'This won't be considered. These developments will be only considered in this area under certain circumstances.' So it is perhaps a less rounded bill. For that reason I understand the anxiety from the Ports Association about how that master planning process will work through.

**Mrs LAUGA:** Are there other places in the world where resource trade by sea is done in ecologically significant areas? What is world's best practice in terms of resource export by sea?

**Mr Roche:** I can give you an example. Europe, of course, is mostly an importer of resources. Much of their resources travel across the World Heritage Wadden Sea down the Elbe River to places like the port of Hamburg. The port of Hamburg dredges every year, maintenance dredging about 20 million tonnes of material just to keep the port open and navigable. Some of that is disposed of on land and some of it is disposed of at sea. That is an example where there is an interaction between a World Heritage area and, in this case, substantial shipping traffic—many, many times what you see off the Queensland coast—to import materials, including resource materials.

It varies even around Australia, where you have the operations in the gulf that have now ceased for the time being, because the Century Mine has shut down. Therefore, by the end of this year there will be no further export out of Karumba through the gulf. Then from Weipa you have the shipping that travels through the Torres Strait and back down close to Gladstone for that bauxite to be then turned into alumina and aluminium. So they are traversing both the gulf and the Great Barrier Reef and doing so successfully. Of course, those ships as they go through the Torres Strait have to be piloted. So there is a pilot on that ship all the way through and that is appropriate. So there are different ways that we deal with different parts of the ecology.

There are shipping channels out of our coal ports that require compulsory pilotage, not just in the port areas but out through some of the channels such as Hydrographers Passage. So depending on the nature of the maritime environment, different rules are already in place.

Finally, could I draw the committee's attention to something about which I think we can be very proud here in Queensland and that is the operation of REEFVTS. REEFVTS, based in Townsville, is the shipping control centre for commercial shipping for all of the Great Barrier Reef. So from the REEFVTS centre they are watching and monitoring every commercial ship in the Great Barrier Reef. If one of those ships goes offcourse, an alarm goes off and an intervention is initiated by REEFVTS. We all remember the incident with the Chinese ship, the *Shen Neng*. It took the wrong turn when it left Gladstone port. Unfortunately, back then—in 2010—the REEFVTS coverage did not extend that far south. That was quickly corrected by the federal government of the day and REEFVTS covers the entirety of the Great Barrier Reef.

**Mrs LAUGA:** What sort of environmental controls would be incorporated into transshipping projects in order to minimise those environmental impacts?

**Mr Roche:** I can imagine that there would be a lot of interest on the part of regulators about the opportunities and risks of spillage. What we know from the technology that is used in Europe and that was being proposed to be used here in Australia is that it would involve closed barges and material being transferred from closed barges into ship holds to minimise the exposure of the material to the air and, of course, to minimise risks of spillage. They do it successfully in Europe and, as I said earlier, we are not proposing to replicate Indonesian-style technology, if you can call it that.

**Mr BUTCHER:** I see from your submission that you believe that it will cost the Queensland economy if we have to do land based dredge spoil dumping. Do you believe that companies really will not invest in Queensland because they have to put dredge spoil on land or do you think that the commodity that they are chasing is that lucrative that they will pay for it as they need to?

**Mr Roche:** At the end of the day, it will come down to the economics. But as the report that was done as part of the strategic assessment for the Great Barrier Reef pointed out, the expert view is that there may be some physical limitations in terms of available land or available reclamation opportunities and not all the material is suited for beneficial re-use, so there is that physical restriction. Typically, land based disposal and reclamation is more expensive, so the project economics will be determined by prices and the economics of the resource operation that requires that capacity.

I am not putting that out there as anything other than an observation. We totally respect the decisions made by the Commonwealth government and the Queensland government to put these restrictions on port development and on the disposal of capital dredge material. I am simply saying that over time I expect that it will come at an economic cost and that it is appropriate for governments to make balanced judgements about the environment and economics.

**Mr KNUTH:** Michael, to go back to onshore disposal, do you see it as reasonably tangible to support this bill if that main core issue could be resolved?

**Mr Roche:** I might ask Andrew Barger to supplement. While the Reef 2050 Plan is very clear at seeing reclamation as being in scope to deliver on the government's commitments, it was not absolutely clear to us in the wording of the bill.

**Mr Barger:** Again echoing some of what you heard this morning from the Ports Association, it may well come down to whether the port master plan areas are able to identify an area that is suitable for reclamation and have that recognised in the master planning process so that it is protected and preserved. That way you are not undermining the economics of that port's operation, both in terms of its ongoing maintenance and its future operations. I think there is a bit of an undercurrent in all the submissions that you have heard today in that, while the bill sets out a framework, a lot of the detail is in guidelines and documents that are still being developed. Until we have clarity around how some of those will work and we see them start to play out, it is difficult to know how some of those issues will be played out.

**Mr KNUTH:** Would the Queensland Resources Council like to have input into that master planning process?

**Mr Barger:** The bill describes the stakeholders fairly generally and the process of public consultation around that. We would look to get involved. Ultimately, the way I understand the overlay process is that the state government sets out their state interests, so their 30-year vision for the particular port. Then you have the much more detailed operational planning of the port and how that connects with that 30-year vision. I think there will be a quite important process. You heard this morning from some of the other stakeholders about concerns with the timetable for that consultation process. I think these discussions will have been running in communities for years and years about how the process runs. Users will have a view about how things work. I think there will be quite a lot of consultation and discussion around how that master plan evolves. A lot of that will have been done before you get into the statutory process of the 20 to 30 days where the minister gives you notification. That is a long winded answer to your question. Yes, we would be interested in getting involved and, to a large extent, we are now as a lot of the other stakeholders have been. I think it is a continuity of the status quo in a lot of ways.

**Mrs LAUGA:** I asked the Ports Association before whether the Queensland Resources Council or perhaps any of your members are involved in research and development, looking at new and innovative ways of onshore disposal and the technology that is out there. I assume it is changing rapidly.

**Mr Barger:** It is a good question. I am not entirely sure I understood the answer because it was 'if you meant this, then'. Clearly, there were a couple of technologies that the port guys knew about that are happening. Nothing in the industry is static, so there will be research going on into how you can better stabilise that spoil, how you can better model where the spoil goes if you disposing of it offshore. The bar continually gets ratcheted up. Our membership and the Ports Association overlap to some extent, because we have companies such as BHP that manage ports. You have Rio up in the gulf and, until recently, MMG managing their port operations, too. That is replicated right around the world, whether they are import ports bringing nickel into Spain and so on. There will be a lot of work going on and I would not profess to understand it.

You are right: the economics will change from time to time, which I think underlines the point that the ports made in their answer that a single blanket answer is a really crude blunt instrument. You are much better to have a case-by-case framework where you can say, 'At this point in time for this project, with the economics as we know at the process with these technologies, what sort of outcomes can we deliver?' Then you can make an objective assessment about whether that is acceptable or not. I would echo what they said this morning, that technology continues to develop and it creates more opportunities for you.

**Mr Roche:** I would supplement by making the point, though, that there will be circumstances where the environmental risks of onshore disposal may actually be greater than for an offshore solution, which is why it has not probably been mentioned here and it is not referenced in the legislation but there is a thing called the London Protocol that governs dredging worldwide. The London Protocol requires all project proponents to look at onshore disposal options, but does not absolutely rule out offshore disposal which, of course, this bill does in relation to capital dredging. When the QRC talks about raising our very high standards to amongst the highest in the world, that is really what I mean: we are moving past the world adopted London Protocol to an absolute ban on

the disposal of capital dredge material. There may be, therefore, issues about the environmental impacts of some of the onshore solutions over time. Of course, I am hoping that that will be well managed.

**Mrs LAUGA:** What did UNESCO have to say about that? If there are situations where it is possible that environmental impacts of onshore disposal will be greater than those for disposal offshore, why would UNESCO make this legislation a priority when that can be an implication of it?

**Mr Roche:** I do not think they have delved into all the ins and outs of that sort of detail. They were very pleased with the combination of the Queensland government's legislation, this legislation, and the regulation from federal Minister Hunt, which in combination prevents the disposal of capital dredge material at sea. They saw that as, more than anything else, a strong positive for Australia's response and I have not seen any evidence that they have delved down into those other issues. They will emerge over time as environmental impact assessments are done case by case.

**CHAIR:** This will be the final question. Michael, what can you tell us about the future of the coal industry? There is a lot of uncertainty around at the moment. Those uncertainties certainly flow through to government when we have to make decisions about the future. I would be interested in how you see the future of coal exports from Queensland?

**Mr Roche:** Of course, there is coal and there is coal. Queensland is the home of the some of the world's best coking coal and we are the biggest seaborne exporter of coking coal to the world. Nearly 60 per cent of the world trade comes out of Queensland. That trade is very much tied to steel production. If anything, steel production is flatlining at the moment. Some countries are growing, but it is flatlining in places such as Japan and China. We expect that the coking coal market will be a very competitive one for some years to come and Australia still has the opportunity, based on quality and reliability, to be a strong supplier into that market. Perhaps there will not be a hugely growing market overall, but there are opportunities for Australia to win market share from competitors based on those factors. Some of the northern American operations are quite high cost.

Where we see the biggest growth is in demand for thermal coal. Asia's use of thermal coal for affordable power generation is likely to be a strongly growing one in places such as India and other parts of Asia, including South-East Asia. There are markets that are not yet on people's radar screens that are predicted to be strongly growing markets, such as Vietnam. A recent *Four Corners* program called 'The end of coal' tried to say on the one hand that we will all be replaced by renewables tomorrow, but then said that India will need coal but it will not need imported coal. Unfortunately, those predictions keep being disproved by evidence. So far this year, Indian imports of thermal coal have increased 23 per cent. So there is strongly growing growth and demand out of India. All the experts who look at India say, yes, they have a strong local coal industry, but there are two problems they have. One is quality. They do not have the quality of coal that is required for the technology that they have mandated from 2017. From 2017, Indian coal-fired power stations have to use super critical technology. To get the best performance out of that technology, you need the high-calorific value coal that you get from Queensland. That is a positive for our industry. The other problem India has is land access. In the Galilee Basin, you might have to negotiate with 12 landholders. Try negotiating with tens of thousands of landholders. India has 17 per cent of the world's population and two per cent of the world's land mass. They have coal, but getting at it is another matter altogether. There is more upside in my personal view, and it is an educated one, in thermal coal and, of course, there is no surprise then that there is strong Indian interest in the Galilee Basin thermal coal.

**CHAIR:** Thank you very much for your input. There being no further questions, we will move on.



**McCONE, Ms Sally, Project Manager, Policy and Legislation, Department of State Development**

**NOONAN, Ms Sally, Executive Director, Policy and Legislation, Department of State Development**

**SILVESTER, Mr Peter, Director, Policy and Legislation, Department of State Development**

**CHAIR:** I now welcome representatives from the Department of State Development. On behalf of the committee, I would like to thank you for providing all of the additional material within such short time frames. You have put in many hours to get the information back to us, and the committee appreciates it.

**Ms Noonan:** I would like to make some very brief general comments. First of all, I would really like to express thanks to all those submitters who put in considerable time and effort in preparing the comments that we have been discussing today. These comments and feedback have been extremely useful for us in terms of considering the bill, but more broadly in terms of our consideration of the next stages of work. We have heard a lot of comments and questions raised today about the port master planning guidelines in particular, and I think the feedback that we have received through the submission process has been incredibly instructive.

Another issue that I would just like to touch on very briefly is to acknowledge the comments that have also been made by submitters with respect to the influence or the impact that it is understood this piece of draft legislation has had with respect to UNESCO's consideration of the Great Barrier Reef endangered listing. We feel that the five policy commitments out of 139 Reef 2050 commitments that are reflected in the bill are adequate with respect to UNESCO's expectations of what the bill will deliver, and we believe that the result that we have seen from UNESCO has been reflective of the appropriateness of the scope and the implementation through the bill.

**CHAIR:** This morning you heard different witnesses talk about recommendations that they would like to see go through to ensure that there are changes in the legislation. How do you manage those? What happens to those recommendations for changes to the legislation? Do you take any notice of them?

**Ms Noonan:** Thank you for the question. We would be foolish not to take any notice of them. To be honest, we have had a lot of contact over the last few years with the representatives and stakeholders that we have seen today. We do work cooperatively with all of the organisations that have been represented today.

As I have outlined very briefly, the legislation is part of a package of instruments—administrative measures, if you like—with respect to both the implementation of the Reef 2050 commitments and the commitments in the legislation in a policy sense as well. The legislation is not expected to be the start and finish with respect to those five LTSP commitments that are contained, but there will also be a package of guidelines, supporting materials and administrative processes that go into the implementation of the package in addition to regulation and other statutory instruments. We are in the process of drafting master planning guidelines. We have one component of that guideline out for public consultation at the moment, which is the guideline for making the boundary for a port master planning area. We very keen to encourage public feedback and consideration of that component which will then inform how we develop the guidelines.

What we have heard today is in some cases a little bit of misunderstanding, which is not unreasonable, with respect to what the guidelines will seek to achieve and how they will operate. It is a bit of a chicken and egg situation, where we cannot actually produce or develop the guidelines until the legislation is bedded down and understood; but as I said, this process has been incredibly useful and instructive for us. The important message to bear in mind with respect to the master planning process is that it is not designed to develop an operational plan as such. It is not designed to overtake development assessment processes. Those assessment manager powers, as they currently are outlined in other pieces of legislation, will remain.

We have heard some interesting comments and had some very useful discussions with LGAQ, for example, around the impact of infrastructure requirements for local councils and how they will be affected by the master planning process and the port overlay. Again we are in this difficult situation where we cannot prove because we are still developing the guidelines, but the intention is not to say 'This is an operational plan.' The intention is to develop a planning coordination mechanism across multiple planning jurisdictions. Similarly when it comes to issues such as have been raised today

around the port master planning boundary not being sufficient with respect to all the operational aspects of a port, be it anchorages or potential channels that extend into the marine park, the legislation is really about providing for a coordinated mechanism that can give effect to the state's interest to the effect that the state jurisdiction applies. For things like anchorages it is business as usual; we do not get into that space. This is the Sustainable Ports Development Bill, not the port operations bill—there is a Transport and Infrastructure Act that does that. Similarly, it is not an assessment or an approval piece of legislation. There are no planning approvals that will be made as a result of this legislation. There are perfectly good and useful instruments that currently exist in Queensland legislation; for example, the Environmental Protection Act. We have had a lot of discussion around transshipping over the last couple of weeks, and today there are provisions in existing pieces of legislation. The Environmental Protection Act, for example, does regulate the bulk handling of commodities such as could be the case with transshipping.

It is not a piece of legislation that acts in isolation as the government has proposed it: it is an enabling piece of legislation which helps to coordinate and provide a level of communication between the planning instruments that currently exist within the state such that a consistent overarching picture can be understood with respect to a port overlay.

**CHAIR:** The Queensland Ports Association stated that 'beneficial re-use' or land disposal options for capital dredge are not without ongoing environmental risks. What are some of these risks and how will the government mitigate them?

**Mr Silvester:** Some of the primary risks are really around managing the water that comes off those sites. There are plenty of good engineering solutions around that, but they all require ongoing monitoring, maintenance and good oversight. It really does come down to how good your engineering solutions are and how you monitor and manage those over time. With that in mind, then you overlay that back into existing approval processes, so what approval processes, permits and licences are needed to manage many of the potential environmental risks, and they already sit in existing both Commonwealth and state legislation.

**Mr HART:** I just wanted to go over a couple of things that came up this morning to ask you your response. I know you just spoke about channel access at Hay Point not being a part of this particular bill, but what does happen there? What happens if the approach path or the departure path gets too shallow for the type of ships that are using it? How is that maintenance dredging carried out, under what sort of approval and what happens to the dredge spoil?

**Ms Noonan:** As outlined, the legislation proposes nothing with respect to assessment or approval processes as they currently sit in other pieces of legislation. For example, with Hay Point where there is the departure path which extends into the Great Barrier Reef Marine Park, that is an area which is regulated by the Great Barrier Reef Marine Park Act, so the Great Barrier Reef Marine Park Authority is responsible for governing and is the regulator with respect to that piece of legislation. If there was an operation, be it maintenance dredging or any other operation that would be occurring within that Great Barrier Reef Marine Park, there would be a licensing or a permitting requirement depending on the nature of the action that a project proponent would need to seek from the Great Barrier Reef Marine Park Authority as the relevant legislative authority. Similarly, if there was seen to be an action which had an impact on a matter of national environmental significance, it would be the Commonwealth Government Department of the Environment that may also need to undertake an assessment or issue an approval. It is really the case that the approvals, the processes and the assessments as they currently stand will continue to operate as they do. What this piece of legislation does is make some very explicit bans that relate directly to Queensland government policy and the long-term sustainable plan commitments, but it does not change the assessment and the approval processes as they currently sit through other pieces of state and Commonwealth legislation.

**Mr HART:** With regard to the safety of the reef, this legislation is about ports and not dumping spoil onto the reef itself. You are saying that a channel that goes through the reef is still handled by legislation or an application to the marine park and that spoil could still be dumped on the reef, or the federal government's legislation overarchingly says capital dredge spoil comes back on to land but maintenance dredge spoil could still be disposed of somewhere near the reef; is that correct?

**Ms Noonan:** For the Commonwealth's regulation to the Great Barrier Reef Marine Park that has recently been enacted, the jurisdiction is as you have indicated. The Great Barrier Reef Marine Park is the area with respect to that prohibition. It does relate to capital dredging in that area. Maintenance dredging is not a subject of that regulation, nor is maintenance dredging a subject of the legislation that we are discussing today.

**Mr HART:** I asked the LGAQ about the effect of on-land disposal of dredge spoil and how that may affect them in particular and their infrastructure, and they had not given it a great deal of thought yet. What involvement will local government have in planning for the on-shore disposal of dredge spoil, and how are you going to mitigate any impact it may have on their infrastructure?

**Mr Silvester:** We see master planning involving all of the key stakeholders in a master planned area. What I mean by that is any of the relevant planning jurisdictions that are affected by a master planning area, whether it be the port, the Local Government Association, the Coordinator-General, as the case may be, or the minister for economic development, those particular entities will be key stakeholders and key partners as we go through a master planning process. Each of those entities as we go through the process will have to bring all of their inputs for the planning process, and as we work out what are the key state interests to enable the economic and environmental vision for the port master planning area, part of those discussions really need to elicit what will be the impacts on each of those planning jurisdictions so they can be potentially dealt with in a port interest overlay or negotiated out.

**Mr HART:** How long will it take the department to get those processes into place so you know how everything is going to work?

**Mr Silvester:** At the moment we are in the process of developing a draft set of guidelines for the master planning process. As soon as we are ready to distribute that, our next step is to engage with those key stakeholders that we have been negotiating with for quite a long period of time through the preparation of the LTSP. We see their assistance with developing the guidelines as key to being able to make this work. Then we are also proposing to take that wider to the other key stakeholders and then also to have public consultation to test those concepts.

**Mr HART:** How long has that consultation been going on for?

**Mr Silvester:** I guess the consultation really links all the way back to the preparation of the strategic assessment for the Great Barrier Reef. So it is just a continuum of consultation that has been consistent since about 2011.

**Mr HART:** So it is four years. This is nothing new then.

**Mr Silvester:** In terms of the policy components, this will be nothing new. We are now getting into the details around implementation of specific commitments that are enabled by this bill.

**Mr HART:** On the appeals issue that the Local Government Association brought up, they have a great deal of concern that the state government may not be attached to an appeal of a local government decision that is taken to court. Under this particular bill, can you give them any comfort that that will be covered under state planning laws that are yet to be changed?

**Ms McCone:** It would continue to be covered under SPA, so we have not affected any existing processes or appeal rights or processes under SPA. As far as the new Planning and Development Act is concerned, we have not actually seen that. So we would have to look at that at the time. But under SPA as it is it would be protected.

**Mr HART:** SPA under the previous legislation or the private member's bill that was tabled recently is to be axed—completely repealed and replaced by a new act. You do not know what is happening in the future?

**Ms McCone:** Their assessment manager rights and appeal rights and referral agency rights are being continued under that, so it would not be an issue. But until we have an act in place that is finalised and we see that—but at this stage it is continued.

**Mr HART:** At this stage you should be okay and the state government should still be part of the appeal.

**Ms McCone:** Yes.

**Mrs LAUGA:** The Ports Association and the Queensland Resources Council both said that there will be occasions where onshore disposal will have greater environmental impact than offshore disposal. I just wondered if that is likely to be the case and what scope this legislation allows for the best environmental outcomes?

**Ms Noonan:** Thank you for the question. The legislation faithfully outlines the commitment as per the long-term sustainability plan to prohibit the sea based disposal of capital dredge spoil material in the World Heritage area. That is something which the government has been very clear about as a policy issue and a policy commitment. The legislation does that. With respect to the environmental impacts of land based disposal, those environmental impacts would need to be assessed as per current legislation—for example, under the Environmental Protection Act, under the State

Development and Public Works Organisation Act if there is a requirement for an EIS if it is a coordinated project, or under appropriate pieces of Commonwealth legislation if there is considered to be a potential impact on a matter of national environmental significance. Those assessment and approval processes will stay in place. If there is considered to be an unacceptable impact with respect to the assessments that are carried out under those pieces of legislation, the project or the land based disposal as it is proposed would not be able to go ahead without either some modification to the disposal option or to the project.

**CHAIR:** Do you have a definition yet of 'transshipping'?

**Ms Noonan:** I suppose going back to the earlier question about what we do with submissions and do we listen to them, I think we have really taken on board a lot of the discussion today in addition to the written submissions. One point that I would like to clarify—and it has come up through the course of today—is that the commitment that was made by the government in the long-term sustainability plan is to not support transshipping operations that affect the Great Barrier Reef Marine Park. The government's commitment, as articulated through the LTSP, is about impacts on the Great Barrier Reef Marine Park. The LTSP commitment does not say, 'We will ban transshipping.' It is more nuanced than that. This is a complex area, as has been indicated today, with respect to the jurisdictional matters between the state and the federal government.

I think that it is fair to say due to the fact that we actually have had this success at UNESCO recently that there is a very high level of cooperation between the state and the federal government in Great Barrier Reef Marine Park management issues. That is also evidenced through the long-term sustainability plan, which was a very complex undertaking to put together with both governments and also a range of external stakeholders. Some of these policy issues—and I think the commitments as per the LTSP are not a simple black-and-white issue of 'We can ban this.' That is not the wording in the long-term sustainability plan. As I said, in addition to the jurisdictional issues, there could be expected to be some other unintended consequences by using such a blunt instrument.

The Sustainable Ports Development Bill is about port development; it is not about port operations. Transshipping is a port operation. There are other pieces of legislation that govern port operations, as I indicated earlier—the Transport Infrastructure Act, the Environmental Protection Act et cetera. It is fair to say that I am in very regular contact with my colleagues in the Department of Transport and Main Roads and also in the Office of the Great Barrier Reef. The government has made a strong commitment with respect to the impact of transshipping on the Great Barrier Reef Marine Park, and there is a very high level of commitment within government to implement that action.

**CHAIR:** Thank you, Sally. Once again, thank you very much for your attendance. I always appreciate and respect the attitude that you take and the work that you are putting in. I now declare this hearing closed.

**Committee adjourned at 11.36 am**