



STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE

Members present:

Mr DF Gibson MP (Chair)
Mr MJ Hart MP
Mr SA Holswich MP
Mr R Katter MP
Ms KN Millard MP
Mr TS Mulherin MP
Mr BC Young MP

Staff present:

Dr K Munro (Research Director)
Ms M Telford (Principal Research Officer)
Ms M Westcott (Principal Research Officer)

PUBLIC HEARING—INQUIRY INTO THE GASFIELDS COMMISSION BILL 2012

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 13 FEBRUARY 2013

Brisbane

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Committee met at 9.02 am

CHAIR: Good morning, everyone. I declare open the public hearing for the committee's inquiry into the Gasfields Commission Bill 2012. I thank you all for your attendance here today. I would like to introduce the members of the State Development, Infrastructure and Industry Committee. I am David Gibson, the member for Gympie and chair of the committee. Tim Mulherin, the member for Mackay, is the deputy chair. The other committee members are Mr Michael Hart, member for Burleigh; Mr Seath Holswich, member for Pine Rivers; Mr Rob Katter, member for Mount Isa; Ms Kerry Millard, member for Sandgate; and Mr Bruce Young, member for Keppel.

The committee is a committee of the Queensland parliament and, as such, represents the parliament. It is an all-party committee which adopts a non-partisan approach to its proceedings. The hearings today form part of the committee's examination of the Gasfields Commission Bill 2012. The Parliament of Queensland Act 2001 requires the committee to examine the bill to consider the policy to be given effect by the bill and the application of fundamental legislative principles. The purpose of the Gasfields Commission Bill, as set out in clause 2, is to establish the GasFields Commission to manage and improve the sustainable co-existence of landholders, regional communities and the onshore gas industry in Queensland. The hearing today will consider matters that fall within the scope and purpose of the bill. It is not a forum for debating the merits or otherwise of the onshore gas industry in general.

In relation to media coverage, the committee has resolved to allow television coverage and photography during the public hearing. The committee has also agreed to the live broadcast of the hearing via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. The program for today is as follows: from 9 am to 9.30 am we will be hearing from the gas fields commissioner, 9.30 am to 10.30 am from the Queensland Resources Council, APPEA and QGC. Then we will break at 10.30 am. From 11 o'clock we will hear from agricultural interests: AgForce Queensland and Cotton Australia Ltd. From 11.45 am to 12.05 pm we will hear from environmental interests, the Queensland Conservation Council, and from 12.05 pm to 12.25 pm Property Rights Australia.

Although the committee is not swearing in witnesses, I remind all witnesses that this hearing is a formal process of the parliament. As such, any person intentionally misleading the committee is committing a serious offence. For the benefit of Hansard, I ask all witnesses to identify themselves when they first speak and to speak clearly and at a reasonable pace. It is the committee's intention that the transcript of this public hearing be published. Before we commence I ask all members and members of the public to ensure that their mobiles or pagers are switched off or put on to silent mode. I now call on Mr John Cotter, the gas fields commissioner.

BRIER, Mr Andrew, General Manager, GasFields Commission

COTTER, Mr John, Chair, GasFields Commission

CHAIR: Welcome, Mr Cotter. Would you care to make an opening statement?

Mr Cotter: Thank you for the opportunity to appear before the committee and to your members today. The establishment of the GasFields Commission is a consequence of a commitment by the incoming government to address some of the systemic issues of the gas industry developing across Queensland. The objective of the GasFields Commission is to manage and improve sustainable co-existence of landowners, regional communities and the onshore gas industry. The GasFields Commission is somewhat unique in the fact that it has been instigated and operational while the legislation has been developed. However, this has been a great opportunity for a greater input into the effectiveness of the legislation considering all of the aspects that have been put forward by the community.

The call for community submissions was made in June this year. Of those, 55 received provided input into how the powers and functions of the commission should be developed. There were also 83 submissions as to commissioners who might be eligible to be appointed to the commission. That process has been quickly addressed. The first meeting of those commissioners who were appointed in July highlighted the content of those submissions from the community as to

what the legislation should look like. Moving forward from then, the legislation you have before you today has been developed with much community input as well as that of industry and representatives.

The commission has been out there delivering for the community over the last six months in a range of ways including integrating landowner issues and senior executives of the gas industry. It has honed in on the development of policy for the better use of water extracted by the gas industry and has been to the forefront of collating scientific research that has been done around the gas industry to make it publicly aware. This is just a small indicator of the effectiveness of the commission already. I look forward to the progression of this bill to give us the statutory authority, credibility and powers that will allow us to develop a sustainable and progressive arrangement between regional communities, the gas industry and agricultural industries.

CHAIR: When we look at clause 6 of the bill we see that it outlines about a dozen functions of the commission. For the benefit of the committee can you provide us with your views of what you might see as being the most important function or functions?

Mr Cotter: The functions that have been developed are as a result of the input from submissions, and the importance of those has been developed by the interaction and the arrangements we have had with both the communities and landowners. For instance, the power to get information has always been at the top of mind of proponents allowing landowners and communities to know what is ahead of them. Without doubt, it is that information and the planning ahead for this industry's development that has been a major concern to those communities out there, simply because the unknown is always more concerning than the known. Without doubt, a good example is as we are starting to gain more and more of that information and lay out to those communities what is ahead of them and in what time frame.

The understanding and information on the scientific research is another example of the lack of knowledge in the general community as to what has been done because the opportunity for people to put out misinformation has been to the forefront. The ability to gather senior executives and facilitate arrangements between different proponents has also been significantly enhanced by having that power and function as well.

Mr HART: Can you give us a breakdown of the different sectors of the onshore gas industry and the percentages that it comprises?

Mr Cotter: Certainly. The major players in the onshore gas industry are the CSG industry, about which we read a lot—and if I could quote the way one of my commissioners talks about gas, he says it is all gas that comes out of four different rocks. One is out of the coal seams, one is out of the shales, one is out of deep gas—and we have seen one well developed in the Cooper—and one is sandstone gas. It is gas coming out of a range of different rocks at a range of different levels of depth.

Mr HART: What percentage of the whole industry would coal seam make up?

Mr Cotter: I would not give a definitive answer on that, but I do know that over 90 per cent of the domestic gas used in the south-east corner is coal seam gas.

Mr Brier: I think it would fair to say that, in terms of a percentage industry-wise, that normally does not align with the percentage of time that the commission might spend on that issue. So if we look at gas production itself, obviously coal seam gas and conventional gas would be the two major producers. The split would be somewhere around 40 per cent to 60 per cent for each. In terms of contentiousness and in terms of co-existence issues, coal seam gas is probably the highest priority for commissioners at this point, although there is a fledgling shale gas industry out there. There are some deep gas wells being drilled in certain areas. A lot of those issues are the same across industry itself but it would probably be fair to say that coal seam gas would be 90 per cent of the issues that come across the commission's desk at this time.

Mr KATTER: In terms of the different industries, is there the potential for them to all use the same infrastructure?

Mr Brier: No, quite shortly. Yes, gas comes from four different rocks, but the technologies to get it out of those four different rocks are different.

Mr KATTER: I understand the problems associated with any mining industry moving into a community that does not have the infrastructure or the labour force. It creates a lot of opportunities but at the same time it puts a lot of stress on communities in that rents go up, people take jobs in the mines which does not allow the butcher's shop to stay open or for someone to drive the school bus. In a way, it can create a lot of stress, as everyone knows, and can make things dysfunctional in

the short term. At the same time, it seems that when some mines go into those areas there is an intention for them to alleviate that somehow. In my experience in the north-west, sometimes there is a problem between what the local government is trying to achieve and what the mines are willing to do for them to come out the back end. I think it is relevant for this commission as a third party to come in and be proactive. You are going to be dealing with a lot of towns and a lot of different issues. Do you see yourself as being able to get involved on that front end and say, 'Look, perhaps you should be trying to build some more housing,' or perhaps say to the mines, 'You should be trying to provide school buses,' or something. Are you getting involved at that sort of level, being proactive to offset those community issues that are going to be experienced when a new industry comes to a small community?

Mr Cotter: Certainly. That is why we have appointed Shane Charles as the commissioner for social impact and community activities. I think we have a very strong responsibility to address some of the wider community issues. I certainly had some involvement in things like skilling and making sure that the butcher does have trade, the school has a gardener and those sorts of things, because they are just as critical to the functions of those communities as is having the gas industry there.

Unfortunately, the speed at which that has developed in a lot of areas is a huge challenge for local government, to be able to keep up the infrastructure. We talked about information—making sure that we are starting to get ahead of the game so that we know what is coming for the communities. Also, the proponents are very keen to look at—and we have had discussions with them—what is the sustainability of some of these communities. There is a ramp-up while there is development going on, but people do not want ghost towns out there—and I certainly do not, either. We want to see them at a sustainable level.

A great challenge also is what other industries can develop on the back of this to make these communities grow. We have seen the demise of rural Queensland's population for a long, long time. Now is the opportunity to look outside the square and to see what other opportunities there are. If we use this industry as the catalyst for providing good services and good communities to live in, then there is no reason other businesses cannot be there to help sustain them. I think that is important. As I said, we have had discussions with one proponent as to what a sustainable community will look like. In other words, when their construction staff move, what are the operations going to be in those areas? I think that is important.

If we can just look at some of the things that have happened, such as the upgrading of airports—take Roma airport, for instance—the upgrading of a range of facilities around things like water supplies and education facilities, training facilities, therein lies another opportunity to make these very amenable and acceptable places to live.

Mr MULHERIN: I want to ask a couple of questions in relation to the legislation we are currently considering and the election manifesto that the government put out prior to the last election. The document—and I can give you a copy of this—at pages 3 and 4 details a list of items and actions that should be subject to compensation to landholders. Why are none of these items appearing in the legislation?

Mr Cotter: The legislation has been written to give us a broad opportunity to address not only those issues but also other issues that we have come across. One of the obvious ones that have come to the fore since then is organic farming. We need the capacity to address issues across a broad range of activities out there.

The specific ones that are listed certainly are being addressed in not only the land-access review that was carried out by the previous government but also in the six-point plan that is going to be implemented by this government now. That land-access review, which was for not only the gas industry but also across the resource industry, brought to the fore what we call the systemic issues. It also highlighted where there were gaps in the system of what was working now. Certainly, those issues should not be constrained to just ones that have been narrowly identified but should be able to be scoped out as this industry changes and moves into different production systems. So I would certainly see no hindrance in not having them singly identified but having the broad scope to address those and other issues.

Mr MULHERIN: So you are saying that the intention is still there to meet all of those commitments that are detailed in the manifesto, plus more?

Mr Cotter: Plus others that shall arise, yes.

Mr MULHERIN: Clause 24(3)(d) of the bill on page 13 exempts organisations from providing material to the commission that may incriminate the entity in question. Why is there a need for this exemption? Is it not part of the commission's role to investigate compliance with the legislation? If your role is to investigate the compliance, why are you allowing exemptions for these entities? Would that not assist you in fulfilling your role?

Mr Brier: One thing I would point out upfront is that the commission itself is not a regulator. The commission is very much about facilitating co-existence. If we believed that there were issues that could be a regulation or a compliance issue—and that is generally what we would be looking at in terms of incriminating evidence that may be presented to the commission or requested elsewhere—then we would be referring those to the relevant regulatory authority that had those powers and abilities to do so. What I would say, though, is that in terms of my understanding of the intent in this—and I am only an engineer; bear with me, I am not a lawyer—it is very much that the commission needs the powers to get the information that it needs in order to make decisions regarding co-existence and to make decisions regarding facilitation. Generally speaking, these are things such as development plans for companies, details around conduct and compensation agreements, the way companies negotiate with landholders. The need to provide self-incriminating information as part of that, I think, would be extremely unlikely, to be honest.

Mr MULHERIN: Okay.

Mr HOLSWICH: Mr Cotter, in the time that the commission has been established to date, what have you seen as the major impediments to the sustainable co-existence between the key stakeholders? Do you see that the legislation as it stands at the moment will give you the scope that you need to be able to deal with those impediments?

Mr Cotter: The major impediment, I believe, in the total development of this industry has been the lack of clarity in what it means to local communities and local landowners. What is the forward planning? What does it mean as far as impact on your business and what are the benefits and the financial impacts that it is going to bring to you? We have just heard mention of things like the ability to find labour, the ability to provide services in the community. Local governments have an enormous struggle to find operators when a company down the road is paying half as much again. There is a range of those things, but without doubt the clarity on where this industry will go and what it will look like has been, I believe, in the eyes of the community the most significant issue that has been there.

I mentioned before the ability for people to put out misinformation about the status of the water—the contamination of the Great Artesian Basin. The number of times I have heard people say, 'Is it going to drain the Great Artesian Basin?'—that sort of misinformation has created mistrust. Without doubt, the outcome of the commission to develop some trust between the gas industry and the community will be a major and a significant outcome if we can achieve that.

CHAIR: Can I just pick up, Andrew, on what you mentioned with regard to clause 24. What are the bodies that currently exist that have those powers to conduct the investigations that you referred to?

Mr Brier: Of course, it varies. As you would be aware, the regulation of CSG and the onshore gas industry as well as the regulation of many other industries is bundled up across many different acts that are administered by the government. Particularly relating to onshore gas, I think the key areas of consideration will be the Environmental Protection Act itself, which has very strong compliance and enforcement powers associated with that and penalties associated as well. Obviously, the petroleum and gas act is also high on the agenda, particularly in terms of petroleum and gas safety and reliability. The land-access framework, which is administered across all of those, deals with conduct and compensation issues. The Water Act deals with make-good arrangements, impacts on the Great Artesian Basin, the development of an underground water impact report. So there are many acts that regulate the industry itself.

One of the things that John and the other commissioners have been very strong on in their discussions is that that can be confusing for the average punter. So in terms of the commission's role in that space, it is ensuring that that information is easily available, easily understood and well communicated to industry, stakeholders and regional communities, but not perform the function of a regulator or duplicate existing functions by agencies that administer those acts.

CHAIR: Thank you.

Mr Cotter: Could I just follow up on that? Just recently there have been some indications from certain elements of the community that there was malpractice and public wrong done. That was referred immediately to the police, as it should be as the operating people out there who do those sorts of investigations. I think that is a good example of how the function of the commission will see that the right processes are put in place.

CHAIR: Just for clarity, the allegations were referred to the commission and then the commission referred it to the police?

Mr Cotter: No, the people were advised to refer it to the police.

CHAIR: To refer it to the police. Thank you very much for that.

Mr HART: John, one of the submitters to the committee's inquiry into the Gasfields Commission Bill has raised the possibility that, because of the wording of the definition of 'petroleum' the commission's powers may extend to the production of incidental coalmine gas and a range of other activities on a mining lease. What is your understanding of how such matters will be dealt with by the bill and the commission?

Mr Brier: Yes, I am aware of the submission. From my understanding—and, John, please correct me if I am wrong—it is very much that the commission's focus is aimed at the onshore gas industry. Associated or subsequent production of gas by coalmines or another industry—it is almost a by-product, so to speak—as part of producing a different product or supply generally would not be considered to be within the scope of the commission by the commissioners themselves. I have read the concerns and understand the concerns themselves, but very much the focus would be on the production of gas as the mainstay of that industry. That would be where the commission focuses its efforts.

CHAIR: Mr Cotter, can I pick up on something that you just said there? I would be interested in your view, because the bill does not have an obligation on a duty of referral. Do you believe that it should put that onus on the commission so that if something is brought to you there is that obligation to refer? Or do you believe it should be the current way in which the bill is worded, where you would go back to the people bringing it to your attention and advise them of what actions they should take?

Mr Cotter: One of the issues the commission deals with fairly regularly is clarifying the validity of the information. I think it bears the responsibility of the proponent putting that information forward to be able to do that. It is very easy to put forward accusations to an organisation like the commission. I have been very much to the fore in saying that they must be validated, they must be genuine and they must be factual, not only from individuals but also from proponents saying about the safety of their industry, or whatever it might be.

So I believe that the best action for the commission is to see that that information is referred by the person putting it forward, not necessarily the commission, because I believe that that would place far too much legal onus on the commission to validate that information and I do not believe that that would be in the best interests of the objective of the commission.

CHAIR: Okay.

Mr KATTER: I am interested to hear your comments on what you think would be the major impediments to sustainable co-existence with landholders, regional communities and the onshore gas industry in Queensland?

Mr Cotter: The major impediments?

Mr KATTER: What do you see as the major impediments to the sustainable co-existence between landholders, regional communities and the onshore gas industry?

Mr Cotter: Without doubt trust in the industry—that the communities and the landowners out there believe and trust what the proponents are telling them and delivering on their plans and how they are going to deal with them in their day-to-day business at a local level. On a broader, regional level, I think the lack of return into those communities financially—to use a common thread, they are wearing all the pain without a lot of the gain at this point in time of the development. Someone mentioned school buses. There is a huge range of school bus routes that now have 200 cars a day on them whereas once they might have had 10. One of the things we addressed before the commission was even formed was that there had to be a safety element of dealing with that. It is this huge, overwhelming impetus of people through communities that were once very serene and very unpopulated. But I go back to the fact that the amount of knowledge the community has about where the industry is, where it is going and what it is going to be is to the forefront.

CHAIR: Thank you very much. The time allocated for this session has now expired.

Ms MILLARD: With regard to the GasFields Commission, how do you receive your advice from your committee? Is it the community leaders council?

Mr Cotter: Part of the commitment to form the commission was to have a community leaders council—and we have formed one in southern Queensland—which is a much broader group across the community. At our second or third meeting we analysed the potential for input across the state, and we moved to form a northern community leaders council. That was part of our trip to Longreach recently. That will be happening in the near future. Those councils will be the forum for the broader base of the community to have input into the commission. They will be made up of local government, industry and community representatives. They will be putting them forward. We will not be nominating them. They will be putting forward what they believe are the best areas that need to be represented.

Ms MILLARD: And the reporting process?

Mr Cotter: The issues that are raised and put forward will then be put on the agenda and discussed at the commission meeting.

Mr MULHERIN: Your scope is right across Queensland. Is there a need to appoint a commissioner from North Queensland and a commissioner from Central Queensland—people who know and understand those communities?

Mr Cotter: It is always an issue regardless of what—

Mr MULHERIN: Queensland is very parochial, as you would understand. There are 14 regions.

Mr Cotter: I would never have guessed.

Mr MULHERIN: That is an issue out there in regional Queensland. Do you think there is scope for that? Would you be advocating to the government that there should be a commissioner from North Queensland and a commissioner from Central Queensland to reflect an understanding of the issues in those areas if we are going to see this industry ramped up?

Mr Cotter: I certainly advocated to the government that this did not become a huge committee. I certainly wanted it to be accountable and responsive and effective. The commissioners they chose were based on a skill set, and I would expect every one of those commissioners to be equally across the issues across the whole of Queensland, as I try to be myself.

The issue of where you start and where you finish becomes a huge challenge of how big the group ends up being. There is a significant concern across the commissioners about being seen to be across the issues in the whole of the state—that is, the Cooper Basin, the north-west province and Central Queensland, as well as anything that may or may not happen in Far North Queensland. I do not believe that having a cast of thousands is the most effective way to deliver. However, I think there is an enormous responsibility on the commissioners we have at the moment to be significantly not only across the issues but also seen out there to listen to the issues. Certainly the northern community leaders moved to see that they had better representation.

Mr MULHERIN: I am not questioning the merits of the people who are there. I think they are excellent appointments. In those other communities, people would say that the commissioners are south-east-corner-centric and that there would be people in those other regions who would have the skill sets to carry out that function. I realise that if you have too many commissioners it will become unwieldy. But there is that perception that it has a south-east-centric view of the world.

Mr Cotter: And I do not think that is deniable. But I do believe that the northern community leaders council will be where we will test that in a much more on-the-ground way. Then I guess it is up for review. We would certainly take on board any strong representation from those areas.

CHAIR: Mr Cotter, I am conscious of the time. Thank you very much for your attendance here today. We do need to move forward. Thank you to Andrew as well for coming. This session is now closed and we will invite the mining interests to come forward.

Mr Cotter: Thank you, Chair. Can I just say to the committee that we are available on a private basis any time to you or any of your constituents to further discuss any of the issues.

CHAIR: Thank you. I now call representatives from the Queensland Resources Council, QGC and APPEA.

BARGER, Mr Andrew, Director, Resource Policy, Queensland Resources Council

LORIGAN, Mr Brian, General Manager, Land and Community, QGC Pty Ltd

PAULL, Mr Matthew, Director, Policy Queensland, Australian Petroleum Production and Exploration Association

WOODLAND, Mr Paul, Manager, External Affairs, QCLNG

CHAIR: Gentlemen, thank you very much for your time. Would you each like to make an opening statement and then we will proceed to questions from members?

Mr Paull: I do not have an opening statement but there was a question I heard earlier on about the significance of CSG. There are various metrics we could provide but, in terms of production, 70 per cent of onshore gas production in Australia comes from CSG. In Queensland the amount of CSG produced is more than is consumed in Queensland, so there are exports of CSG via the domestic pipeline network. At the moment one-third of eastern Australia's gas consumption is CSG.

CHAIR: Thank you for that, Matthew.

Mr Woodland: QGC is supportive of the GasFields Commission. We think there is an important role for it to perform. We submitted on the terms of reference last year. We have submitted again to your committee. We think it has an important role, and it goes to the question that was asked before about whether it is a regulatory body or a facilitative body. We think the role of facilitation is important. There are regulators and we think they can do their job. We think they are capable of that. But we do think there is an opportunity for the commission, particularly with its membership, which is quite broad, to cut through some of the problems we have. One of the biggest problems we face, I think, is lack of information and misunderstanding. Some of those things can be solved very readily and the commission has a role to do that.

Mr Lorigan: Like the others, I do not have a particular opening statement. But I pick up on the comment that John made earlier in answer to your question of what are the things that matter most to landholders. That is very much my side of the world. It is about building trust. There have been questions about whether we trust each other. It is also that information. So the role that the GasFields Commission can play in helping the parties come together and resolve issues before they snowball I think is a very valuable one.

CHAIR: Thank you for that. You just alluded to the role of the commission and how it can build that trust. What are some of the activities you can see the commission doing that will facilitate better relationships between landholders, regional communities and the onshore gas industry?

Mr Lorigan: The first one is around helping us to engage. John has previously put himself forward as a connection point between us and, for example, the agricultural industry. I know that AgForce and others will get an opportunity to speak at this forum. But it is that interaction, helping us to interact not only with individual landholders but also with the representatives of their groups and understand what are the issues that are coming across the wider constituencies. So the big picture, if you like, representation that the commission can offer is a significant benefit. We see that as a significant opportunity for us.

The ability to be an open door for valid questions from landholders in particular is really important. Without wanting to put John on the spot, I think that has been one of his objectives—to be available to landholders. I think that is really important. We do ensure that we provide access to advisers. We will pay for access to legal advisers, valuers, accountants, as may be. But there is also this sensible head hopefully that I think the commission can offer.

CHAIR: I just note for the benefit of Hansard that the witnesses have just been joined by Mr Andrew Barger from the Queensland Resources Council. Welcome, Andrew. Would you care to make a brief opening remark? If you do not wish to, we will just continue with the questioning.

Mr Barger: Apologies for having interrupted everyone and for being late. I was appearing before a lesser committee talking about the Mining and Other Legislation Amendment Bill. I do not want to talk too long because I think, looking at the other submissions, our submission was probably the longest anyway. I would just like to make some broad comments about the QRC response. I guess the context is important. I wanted to make it really clear that we support the establishment of Brisbane

the GasFields Commission and the way it has been set up and structured. The people—the commissioners, the staff—have been chosen with the right mix of skills to deliver a pretty difficult mandate. We think it is a good initiative and it builds on a lot of work that was occurring before the commission was formally set up with its own act.

With the establishment of the commission as a statutory body with sort of quasi-regulatory powers, there is not a carbon-copy precedent that we can look at. So the motivation of a lot of the detail in our submission was in looking through the bill clause by clause thinking about a hypothetical future: if we had a different government or if we had different commissioners, is there an opportunity for application of the very strict letter of the law to lead to unintended consequences? There are a few things in reading that that we were concerned about.

But the one that probably occurred the most in our submission—and I saw a number of other submissions that had picked up on it, too—was the characterisation of how confidential data is identified and then how it is managed. I think of all the submissions that I looked at perhaps the Queensland Law Society's was the most elegant in terms of how that might be managed within the commission, making it very clear that information that was commercial-in-confidence or confidential was not to be withheld but then was to be treated in an appropriate way and able to be used.

The other issue that we called out in our submission was around the definition of gas fields. If you traced it through all of the various acts, there was some potential that perhaps some operations on coal production tenures could be called into scope. So we would suggest that perhaps that is broadening the ambit of the commission too far. They were really the key points of our submission—it is that overarching support but with lots of quibbles about where we might trip ourselves up in the future.

CHAIR: I will open it up to questions.

Ms MILLARD: Mr Barger, as an active member of the gas fields community leaders council, how do you assist the commission to identify the issues affecting the co-existence of the landholders and the regional communities?

Mr Barger: Good question. Since it has been a leaders council I think it has met only the once. The membership is largely the same as a committee that John had managed before he was the commissioner. I guess why I characterise it as helping co-existence is that it provides a really good vehicle for both formal and informal engagement. It is a really good opportunity. People will wander up to you over a cup of tea and say, 'Look, what do you know about this particular property?' or, 'I've got a landholder telling me this is an issue. What have you heard about that?' It is also a good opportunity for the local government representatives to say, 'I've heard or I've read somewhere that the legislation works in this way, but that doesn't seem right to me. Can you run it down for me?' I guess I would kind of characterise it as the core DNA of the way the commission has operated so far and has operated in the past is around that pretty useful process of just getting people around a table on a regular basis, providing an environment where people are quite happy to ask difficult questions and expect the people answering the questions to be held to account and so there is some follow-up and documenting of what people have said.

Ms MILLARD: The manufacturing sector has had its ups and downs over the years and the regional sector is an area where there is a lot of growth needed for manufacturing. Is that something that the QRC has identified and is looking at—perhaps more local content?

Mr Barger: The issue of manufacturing and local content is one that comes up a lot. Often the people who are advocating for local content are very quick to jump to some sort of prescription or a ratio or mandating in some way how projects are spending their money. What we have tended to find is that those schemes historically tend to turn into kind of red tape fests where you get into very complicated definitional issues really quickly.

Again, when the issue has been discussed around the GasFields Commission, the approach has been more around transparency, making it very clear where companies are spending money—where it is—for other companies that are interested to understand the process to tender and to get into that and also to see the companies themselves are enthusiastic, to ensure that they are spending the money locally, that they are not just necessarily importing everything either into the town, into the region or into the state.

On the issue of local content, I think what we are starting to see, as the projects in the gas fields are starting to bed down, is more and more granular, more and more clear reporting about the amount of spending that is flowing through to those local communities. For example, we go through an annual process of collecting from our members all our invoices and putting it into a database so

that somebody in Roma or Dalby can put in their postcode and see how many people the industry is employing and how much local spending there is. It has been an interesting process, because even in the communities, just walking down the main street, it is obvious to you that there is a big impact—a big local impact. Some of those totals are quite surprising when you look at the extent of local spending in manufacturing services, the whole gamut of activities in those towns.

Mr MULHERIN: Rather than by having a prescriptive regime around local content, the value the commission brings is bringing the community and the industry together in a sort of open forum where you can identify supply- and value-chain opportunities for those communities where this industry operates. Is that the way you see it would be best served: to increase local content and also to develop a legacy beyond just being a venue for extraction?

Mr Barger: That is much better put. I guess the way I would characterise it is: rather than saying, 'Here is a government inspector who wants to go through your books and make sure you have got 86.2 local content,' where I think the commission has been very effective is it provides a forum for somebody, whether it is from the local chamber of commerce or the local mayor, to sidle up to somebody and say, 'Look, the local baker is keen in terms of understanding how they could sell some more into your company. What is the process?' It is actually focusing on creating the opportunity rather than the reporting and the direction.

Mr MULHERIN: It can identify the opportunities that may need improvements to skill sets that would enable those communities to participate more in that value supply chain. Those sorts of things are some of the benefits of having that community engagement with the commission around the economy of the regions.

Mr Barger: Yes.

Mr YOUNG: Andrew, in your submission you say that clause 13 enables the commissioner to be removed from office at any time by the Governor in Council. Can you provide some examples of what you consider legitimate grounds for removal of a commissioner?

Mr Barger: I guess looking at the way some of the other statutory bodies have been set up, where there is some criteria to give some guidance to that, I guess the concern was that 'for any reason or none' seemed to be the default drafting position. Given that the role of the commissioner is to represent that community, often they are going to be put in a role where they are saying things that might be uncomfortable for the government of the day. I do not necessarily want to see it turning into a Queensland version of *The Dismissal*. Putting something around it to say, 'Well, actually, Commissioner, it is not that you are doing your job and being a burr in our saddle blanket; it is actually that you have been fiddling the books' or 'you have gone broke' or 'you are taking banned sports supplements' or 'you have done something else to bring the state and your position into disrepute.' It was more trying to characterise the nature of where a change in commissioner might be appropriate.

CHAIR: Gazing upon our commissioners, I am sure they have not been engaging in any undue sporting supplements!

Mr KATTER: You were talking about communities and getting that work locally. I will not name the council or the mine, but there is a council with a large established mine in my area that has done a pretty good job of working something out with them and it is looking pretty positive. I think it would be a good model that I would be happy to discuss with John or others if it works out. The important thing is that the mining company is pretty favourable towards it. It is a model through the chamber of commerce. They set up as a front and they send the invoice to the mines. All the local contractors in a lot of cases are doing the same thing cheaper than a lot of the other big guys. They are just a front and invoice the mining company. The mining company is looking very favourably at that. I think they are even looking at inserting something else in their tender documents. The information I am getting is that they offered to do that. I am happy to put you in touch with those people and see what they are doing because I think it could be a really good model.

Mr Woodland: Just to answer a couple of those questions, it goes to that point about whether the commission is a regulator or a facilitator. Many of the things that you have talked about are things that we set out to do as companies and did three, four, five years ago. They are also things that we are conditioned to do in Queensland by the Coordinator-General and by the Commonwealth government—in the conditions of our project. Where the commission still has a

role, an obvious role, is those places where it is falling down, where we are missing something, where towns are missing or regions are missing something. I do think the commission has a role. But a lot of that is already in place. I think, off the top of my head, 80 per cent of our spend is in Australia and 60-odd per cent is in Queensland. It is still a role that the commission could look at.

Mr HART: Paul, just carrying on from that a little bit, in QGC's submission you raise concerns that other government departments will have to liaise with the GasFields Commission about things that might have been outside the scope of the original set-up of the GasFields Commission—things like royalties. What are your concerns with that and how do you think the government and the bill should handle that sort of situation?

Mr Woodland: I think it is a matter for the commission to make some judgements itself. Let us take royalties. If the commission was interested in Royalties for the Regions, that is fine for the commission. That really should not have anything to do with us and we feel that it should not have anything to do with the rates of royalty. If the commission wished to speak to the government about that matter, that is well within their role. The thing that probably could concern us is about the granting of petroleum licences, authorities to prospect and petroleum leases. We probably would not see the commission having a role there. In terms of setting of conditions on environmental authorities—that sort of detailed regulation which is done by the expert department—we would see that the commission certainly should not delay those processes by interfering in them.

Mr HART: Do you think the requirement of the other entities of government to liaise with the GasFields Commission in those areas is going too far?

Mr Woodland: As I say, we would not like to see it causing delay and I do not think the commission itself is set up to set conditions on a petroleum licence, which might go to the nature of wells and pipes and things like that. It is just beyond their ken, I would have thought, and I think they would recognise that, too.

Mr HOLSWICH: I will address this question to QGC representatives as well. With the benefit of the commission having been in place now for a period of time, from your point of view, from industry's point of view, what have been the benefits of this so far? How has the commission assisted you with the issues of sustainable co-existence and are there aspects of the legislation as it sits at the moment that you see could be improved further to better facilitate that from your perspective?

Mr Woodland: With regard to the legislation, we support the QRC submission which goes into some detail. I think, as Andrew said, our concern is that we can do this on a handshake or we can do this with good legislation. We just want to see good legislation. We are not concerned that the commissioners will do something wrong, but who knows where we are in five years time? As to the specific question of how it has helped us, we have had an issue in an area with our major export pipeline. Our performance has probably not been spectacular. We were aware that it was not spectacular, but we probably did not realise how unspectacular it was. There is a gradient there, I think. The commission has been involved in that—the commissioner and others on the commission—and that has been most useful to us. It is that informal thing as opposed to what might be in the legislation. It is that ability to bring both sides together and to point out, in our case, some shortfalls.

CHAIR: For the benefit of the committee can we just expand on that a little bit. I think it is probably a very good example for us to understand how the commission worked with you and how you identified your less-than-spectacular performance and then how you agreed on moving forward and what needed to occur.

Mr Woodland: Mr Cotter has an ability to tell you how it is. I was not directly involved, but I believe he had explained it to us.

CHAIR: You could hear it from where you were?

Mr Woodland: Yes. He simply laid out the facts to us and told us what he thought was a way forward. He brought the parties together. I think as you go up the chain sometimes the reporting of things is not always as clear, and I think John has that ability to talk to senior executives and say, 'You've got a problem and you need to fix it.'

Mr MULHERIN: You indicated it was a rocky road that you had come from in your relationship with the community and that Mr Cotter, through his previous role before being named a commissioner, was able to bring together the community and your company to sort out those sorts of issues that had probably caused you and the community a lot of grief. Do you support a legislative model or the informal model that was in place before?

Mr Woodland: We take the view that the legislative model is good support for the commission, but I think you will have heard me say ‘facilitate’ a number of times. I think it is handy to have the legislation there, but we think it is about how the commission chooses to conduct itself. Could I say, and I do not want to sound like an apologist, that we do not expect the commission to solve every problem we have. We now have something of the order of 1,300 compensation and conduct agreements with 440-odd landholders. We need to get to about 500 landholders and about 2,000 agreements. I know that the perception of the industry is one of endless conflict, but there is a lot of success. It is just that that was a particular case on that pipeline where perhaps we were not seeing things clearly. I expect there will be others and there will be others for other companies.

Mr MULHERIN: You are never going to please everyone. That is just a fact of life. The role of a commissioner going in there and trying to address some of the issues that cause conflict I think overall is a good thing.

Mr Woodland: Yes. We would hope that we have learned something from that process so that we do not have it repeat itself.

Mr HOLSWICH: Matthew, if I can direct this to you: in your submission you talk about it being appropriate that there be a defined review period for the refinement of the commission’s role. Do you have any suggestions on a period of time that you would consider appropriate in which a review should take place?

Mr Paull: It would probably be at least 12 months—perhaps a bit longer, though. That was more a point about it generally being good policy to review a new entity such as this after a certain period of time.

Mr HOLSWICH: So you are not concerned so much about the time but just that the facility is in there?

Mr Paull: Yes.

Mr HART: Gentlemen, most of you raised the issue of confidentiality. Is there one major item that you are really concerned about? If there is, have you got some sort of fix for it?

Mr Paull: It was a consistent point that was made to us from all of our members that it is not an issue of providing confidential information; it is an issue of protecting the confidentiality of that information. We did suggest a form of wording in our submission. I am not a lawyer. We just wanted to make sure that the wording in the final bill was crafted with that in mind. The feedback from our members was that perhaps it did not go quite far enough.

Mr HART: On that particular point, we have been given a note that you mentioned inserting ‘entity’ or ‘business’ in the definition. We just wanted to highlight to you that the Queensland Acts Interpretation Act states that a reference to a person generally includes a reference to a corporation as well as an individual. Does that fix your particular issue with the wording of that definition?

Mr Paull: In the terms of what we have suggested it does, but, again, I think we were just requesting that it be reviewed by an appropriate legally qualified person.

Mr HART: Is it more about publishing in the public arena the information that you give to the commission? Obviously that is your major concern: what level of public disclosure there is.

Mr Paull: Yes, it is about the publication of commercial-in-confidence information.

Mr MULHERIN: You do not mind supplying confidential information to the commission, but it is in your commercial interests that it is protected from your competitor or other groups?

Mr Paull: That is right.

Mr MULHERIN: You just want that reassurance that what you supply to the commission is protected.

Mr Paull: The same point was made by the QRC. I think AgForce had a similar concern from the perspective of landholders.

CHAIR: Would anyone else like to comment on the confidentiality issue?

Mr Barger: Just echoing what Matt said, looking through some of the other submissions it struck me that there was a bit of a delicate dance from some of the other stakeholders around, ‘Oh, the resource companies hide behind confidentiality, but I wouldn’t necessarily want to tell you too much about what’s happening with my farm.’ It is that sort of thing about, ‘I minimise my tax but you are a tax evader.’ Confidentiality is a little bit like that. I think ultimately for the commission to be successful what you want is a situation where people are quite comfortable giving information to the commission so that they can see both sides of the story and then people have some confidence

that their advice reflects that but that the information does not necessarily go further. Again I thought the Law Society discussion around some of the issues about how that advice could then be flagged as confidential but provided to, say, a minister or other relevant parts of the policy-making process was well thought through. Ultimately, the outcome you want is that people are comfortable sharing their information with the commission and they are confident that it will not go further in a form that will damage their commercial interests.

Mr Lorigan: From our point of view, we enter into contracts with our landholders and those contracts particularly have a mutual clause around confidentiality. We cannot disclose any information without their permission. Similarly, they ask us if they want to disclose that information to a third party. There is a very important consideration from our point of view that if we are disclosing information both parties agree to that and that the confidentiality remains within the agreed arena beyond the direct parties to the contract.

Mr KATTER: I think Brian might be the best person to answer this, but whoever is most appropriate. I am just interested whether you can enlighten the committee on what are the main issues when you are dealing with landholders. Is it more than likely going to be an access issue or disturbance? What are the main ones that you find? You might even throw a percentage or a ranking in. There might be a top 3 or something.

Mr Lorigan: Typically, and I guess consistent with the land-access code and the reviews, we engage with landholders to come up with a plan. If that plan is incomplete that becomes an issue because landholders like to plan. In your early days, when you are exploring, you do not quite know where you are going to end up. So your acquiring size makes a small impact but you do not know what that will lead to. It is difficult to communicate that to a landholder in the early days.

Where we are at now with our development, which is around in Ray's area, in particular around Western Downs Regional Council for us, we have a fairly good idea of what our plans are so we can now go to landholders saying, 'Ninety per cent, this is what we would like to do on your property. Now, we are aware you have got a business. We have engaged with you before. We know that you have got overland water flows here. Your grandad might be buried over there. We have tried to factor that into this plan but let's talk through that.' The first one is really: how do we interact? It is the key to co-existence at its very specific landholder level. What is our plan? What is their plan?

There are some examples, even from our early development days, where if you look at it from the air you will see that we have got circles—very large circles. They are centre pivots, whether they actually exist or not yet, in the layout of our fields. So we will have located our infrastructure around either an existing pivot, which is obviously an entirely sensible thing to do, or a planned pivot where a landholder may have future plans—and many landholders have large development plans for their properties—and we factor that in. So one of the big ones is definitely around how we plan together and at what stage in the process we can do that. It is not about honesty or about being forthcoming; it is about certainty, about a reasonably good idea of what we are going to do. So that is definitely one of them.

Access rules is another one. With every landholder our process effectively begins with introduction. We have acquired a tenure—the process that government allows for. We contact landholders in that area saying, 'We now have a tenure over this area.' It starts the engagement process. We do that better and worse on different occasions. If it is a very large tenure it is difficult to get out to all landholders, but we will certainly engage with landholders as soon as we have some idea of what we would like to do. We go and talk to them and we say, 'We'd like to come on. Now, if we come onto your property what do we need to be aware of? Is it "leave the gate open" or "leave it closed", "leave it as it was"? Speed limits: do you have particular animals that we need to drive at five kilometres an hour around or is it generally a 40-kilometre-an-hour speed limit? What about any weed concerns?' Weeds are certainly a big concern in some parts of our country.

Mr KATTER: Good point.

Mr Lorigan: 'How do we address weeds? Do we need to have a weed certification before we come onto your property? Do we need to have a weed declaration? How do we go about making sure that you feel comfortable that we are not going to impair your business?' That is all wrapped up into access rules. I guess I could go on for a little while. But compensation does come into it. Compensation is often a topic where you can try to group various different pieces together. If there is uncertainty around how we are going to conduct our activities then people will typically expect more compensation because, if you like, in some ways it provides a bit of an insurance policy. However, that is not the intent of compensation under the petroleum and gas act so what we are

looking to do is define as much as possible: what are those access rules, how will we develop this property, how deep will we bury this infrastructure so that you can drive your vehicles over it or you can plough that field? It is all those questions that we like to address early and then close out in terms of final contractual terms with advice from their lawyer representing them as well as the compensation side.

Mr KATTER: That is good information. Thanks.

Mr MULHERIN: You were saying that the compensation agreements between the individual property owner and the company should remain commercial-in-confidence. We heard earlier from the GasFields Commission that pages 3 and 4 of the government's election manifesto outlined a whole series of things. The question was put to the commission that these do not appear in legislation. They said that—I might be paraphrasing what they said—those commitments given in the policy will be met plus other issues. One of the issues that was in their manifesto was a mandatory requirement that compensation agreements should be made public in order to provide further clarity to stakeholders and to inform the market. Do you support that position?

Mr Lorigan: It depends on how you do that, I think, because it is an important consideration also to put yourself in the shoes of the landholder here. Sometimes compensation can be a very significant income stream.

Mr MULHERIN: I wouldn't want it to be known.

Mr Lorigan: Some people will have that view. As an individual landholder, do you want your neighbours to know in many ways what might be a primary income stream for some landholders? It might only be a secondary income stream for others perhaps. So there is confidentiality around that. There may be mechanisms to do it. Easements are registered on title but not all of the commercial terms are available in the standard easement registration document. So there may be ways to do that. I think we need to work together very much with AgForce and the farming representatives—through John and his team—to find a way to make that something that would be acceptable, particularly to the land-holding community.

Mr MULHERIN: It might be something that we should go back to the commissioners about because they did indicate that those provisions that were outlined in the policy manifesto would be met with this legislation.

CHAIR: It is a good point. I have seen the alternative with Traveston where it pitted neighbour against neighbour. People went down to the pub and looked across a beer at someone and said, 'You mongrel,' without any facts at all. The rumour mill built around it. There are obviously commercial considerations. Today everyone knows what everyone got for their properties plus the compensation, but at the time it was an incredibly divisive mechanism that really tore a community apart.

Mr MULHERIN: That is what I think the Resources Council, QGC and the Australian Petroleum Production and Exploration Association said. They do not mind sharing information with the commission but they stressed the importance of protecting commercial confidentiality so it does not get out there and so you are not pitting neighbour against neighbour. I think it is a good point, but it will be interesting to see how they will get around the issue in the commitment given before the election.

CHAIR: I would really appreciate your views on clause 33 of the bill, which talks about the annual report that is required. The Bar Association has given us a suggestion with regard to a confidential section of that report confined to that information which is confidential. I would be keen to hear your views. Obviously there is the requirement of a reporting mechanism. Building on what the deputy chair said, we need to be able to share it but also have confidence that it is being kept in. What are your views on what is being suggested by the Bar Association? I will read from its submission, although you have probably read it. It states—

By sub-paragraph (6) it is provided that the report to the Minister is not to be prepared in a way which discloses confidential information. A different course would be to allow for a confidential section of the report confined to that information which is confidential.

What are your views, gentlemen?

Mr Barger: In a way, how the annual report is structured is not a matter for legislation. In terms of advice as to how you would manage the process of compartmentalising information and making sure that it is aggregated so it is useful and the commissioners can apply it in using their advice, that seems like a good example of how you would give effect to the principle of respecting confidentiality but then using it in order to enable the commission to make sensible and informed pragmatic advice.

CHAIR: Is that generally agreed?

Mr Woodland: I would imagine that the sort of information that would get to an annual report level would be aggregated information and you might talk in terms of averages, outliers and issues like that. I do not think we would have a particular problem with aggregated information. We would have a concern if it said, 'QGC and Mr Smith have an agreement and it says ...'

There is one other small thing about releasing information. Often you will hear people talk about how much they get per well. We do not actually compensate for a well; we compensate for the impact of a well and a pipe and other pieces of equipment. If a well or wells were to go on a very valuable, high-income property, you could say that you are getting a large number for a well. If it goes on a property that has no income or is low value, your compensation for that well will be low. But, as I say, it is not compensation for the well; it is for the impact of the well on income.

Mr Lorigan: That is correct.

Mr YOUNG: Matthew, is there a mechanism to address issues where a third party—I am not talking about direct access—such as a property down the road claims or alleges that their groundwater has been affected by drilling in the area?

Mr Paull: Is there a mechanism?

Mr YOUNG: Yes. I know you are working through direct access, but what about a person who makes a claim that his groundwater has been affected by activity within the area?

Mr Paull: There are procedures in place. I am not sure whether I can give you chapter and verse here and now, but through the former Queensland Water Commission there was an underground water impact report. That was part of a process that was all about impacts on bores. It is not just bores within the tenements of the companies; it is any bore that may be affected and springs as well.

Mr MULHERIN: There are make-good provisions.

Mr YOUNG: So they do exist?

Mr MULHERIN: Yes. If there is an impact, the company has to go in and make good. If the company does not, the state can step in. For example, if you operated a feedlot and you were getting water and your water levels dropped and there became an animal welfare issue, the state could come in, provide water until it is rectified and then bill the company. So there are pretty strong provisions around that.

Mr Paull: Yes. There is also a requirement for the proponents to baseline the water in the region. There is a monitoring network that is in place and that has been expanded on so that water levels, quality and so on can be looked at over time. A lot of that information is available online.

Mr HART: Paul, going back to what you were talking about before about there being a high-value piece of land that may have a well on it and therefore has negotiated a better compensation deal, what are your thoughts on putting this information out there? I would assume that one farmer would know that the guy down the road has a better block of land and therefore should have got more compensation, but it might take away from the feeling, 'I have negotiated it badly. I have got a bad outcome for my negotiating process.' If that information was out there, it might actually set a benchmark that a well is worth this much money on this sort of level of land. I do not know whether that overcomplicates things. Maybe putting the information out there stops all this discussion about how much everybody got and the arguments that are formed by that. What are your thoughts on that?

Mr Woodland: If I could, I will let Brian answer that.

Mr Lorigan: It is a very good question. We do try to do that. We try to explain with an individual landholder on what basis we are saying we think the compensation due here is worth X dollars. Typically we will obtain valuation advice to say that this property is worth this much and let

us look at all the other impacts around that so we can explain in black-and-white terms why we have come to that point. The landholder may also seek an opinion from his valuer and then we have a conversation if there are differences.

This is a good example of where the GasFields Commission can really help. We are going to sit down with the GasFields Commission chairman and explain what our compensation methodology is. They are not all the same. All the gas companies do not follow exactly the same one, but typically they all provide a situation where the landholder is not worse off after we have been there than before in terms of the value and the impact on his or her business. So it is a good example in terms of this forum today of where the GasFields Commission can get involved and help us communicate. Communication, education and information, Mr Hart, are absolutely the areas where we need to work hard with the community and with the GasFields Commission.

Mr KATTER: I would like to add to that. I am pleased you mentioned the valuations. The only thing I would add is that I think you would agree that you are never going to reach an absolute standard or template for how much you are going to get, because valuations are an art, not a science. There is always going to be a commercial aspect to the negotiation of, 'We believe this is better.' I think there are five points of compensation and they are always going to be argued over. But I agree that I think information is good to have as a starting point, as long as we acknowledge that you are never going to hit a point where it is just going to be 'X plus Y equals this'.

Mr Lorigan: Standard. Every farmer's operation is different. Even if they are immediately adjacent, there are differences in how our activities will impact on how they operate their property and therefore their profitability.

CHAIR: Are there any further questions? Gentlemen, would you like to make any closing remarks? If not, thank you very much for your time. I really appreciate it.

Proceedings suspended from 10.24 am to 10.58 am

DILLON, Ms Sue, Program Manager, AgForce

MURRAY, Mr Michael, National Water Policy Manager and Queensland Policy Manager, Cotton Australia

CHAIR: On behalf of the committee, I would like to thank you for your attendance here today to discuss matters relating to the State Development, Infrastructure and Industry Committee's inquiry into the Gasfields Commission Bill 2012. The purpose of the Gasfields Commission Bill, as set out in clause 2, is to establish the GasFields Commission to manage and improve sustainable co-existence of landholders, regional communities and the onshore gas industry in Queensland.

The hearing today will consider matters that fall within the scope and purpose of the bill. It is not a forum for debating the merits or otherwise of the onshore gas industry in general. For the benefit of Hansard, I ask witnesses to identify themselves when they first speak and to speak clearly and at a reasonable pace. It is the committee's intention that the transcript of this hearing be published. Welcome to both of you. Would you like to provide an opening statement to the committee?

Ms Dillon: Firstly, AgForce supports the bill and the aims of the bill. We believe that it provides some extra grunt in levelling the playing field between the resource sector and the agricultural sector, so we are fully supportive. We only have a number of small concerns (1) the confidentiality issues that have been brought up and (2) from AgForce's perspective we did want to see a northern leaders council but that has now been addressed this week by the commissioner's statements. So the main issues remain around confidentiality. Apart from that, AgForce fully supports the bill.

Mr Murray: We have a very similar position to AgForce on this one. We are very supportive of the concept of the GasFields Commission and in general the roles and powers it has been given. Having said that, that does not mean all cotton growers support the coal seam gas industry, and there is a whole range of opinions on that. So I think the GasFields Commission has to approach its role not as trying to bring two equal parties together, but it does have to recognise that at the moment the resource companies have considerable powers and in comparison many of the landholders have very little. So it is not an equal arrangement. Therefore, we do have a couple of suggestions on the flow of information that we have included in our submission.

Primarily, we are concerned that the resource companies may hide a little bit behind what is 'relevant' material. Certainly in our dealings with them we have found it sometimes frustrating getting the information that we would like from them. It may almost seem hypocritical but we are also saying that we have concerns about maintaining the confidentiality of some of the landholder information that is provided. We would suggest that either it remains confidential or at the very least, as AgForce has suggested, the permission of the landholder is given before that information is made public. We understand the reason the commissioners may need it. We are not too sure why it needs to go out to the wider public. Likewise, we are concerned that the leaders forum as set out in the bill, trying to cover the whole state, would not be very effective. It makes sense to have maybe a Surat and Bowen Basin or a north-and-south type arrangement.

CHAIR: Excellent. Can I pick up on the issue of confidential information, because we as a committee heard those concerns earlier from both mining interests and others, and it was raised as a fairly consistent theme in submissions. Michael, you alluded to that almost conflict where people are saying, 'We want more information,' from one group and, 'We want to ensure our information is kept confidential.' Is the real concern about not providing the commission with the confidential information but what the commission may do with that confidential information?

Mr Murray: I am sure that some individuals will have concerns about even providing it to the commission. As an industry body, we understand that the commission needs information to be able to do its job properly. So our greater concern is in protecting the confidentiality of that information in the wider public. We are not sure where it is going to be relevant to have it out there in the wider public anyhow. It is probably a little bit of a balancing act as to how that is managed. In general, we would like to see the information provided from landholders treated as confidential by the commissioner unless there is some extraordinary reason for making it public. Then they should seek the permission of the person who provided that information.

Ms Dillon: Certainly we would agree with that. It is about private information being in the public arena. Some producers would feel extremely uncomfortable with their personal financial information, for example, being made public. Like Michael says, we understand why the commissioner needs it but we would hesitate, without some maybe formal written approval of producers, about that information being able to be made public.

Mr HART: How do you reconcile that with the requirement of the industry to put out information? You said they may hide behind what is 'relevant' information but it is information that you would like to see. How do you reconcile the two? Where is the happy medium in that?

Mr Murray: I can see their point and argument. I guess it comes down to the fact that at least we believe at the moment the relationship is very unbalanced. The resource companies, legally and just by their size and their resources, hold a lot of the cards that landholders do not. We see this as one way of balancing it out a little bit. Again, it is more important that the GasFields Commission receives all the information it requires. Again, there are probably reasons the resource companies do not want some of that information made public. I guess the GasFields Commission can make a judgement on that. But the most important thing is that the GasFields Commission does have that information to be able to do its job as well as possible.

Ms Dillon: I think it is the David-and-Goliath issue. Resource companies providing information which is on a larger scale about the impact on communities and the impact on a whole area is fairly different from Bill Bloggs providing information about how much compensation he got. I think it is about public information about an LNG project on a big scale compared to an individual's private information.

Mr HART: Just on that particular point, do you think there is any benefit to your members knowing what sort of compensation another person in the general vicinity got or the type of property that it was or anything like that?

Ms Dillon: I think we have to be careful because one property is never the same as another. I think you could have bands of information—a range. What AgForce has always proposed to producers is that they need to assess the impact on their own individual property. Obviously having ideas about what is acceptable or not certainly helps, but there is no 'one size fits all'. So we would suggest that maybe some bands of information could be made available and the commission could play a role there. Having individual per-well figures is quite misleading and contrary to the education program we have been trying to run.

Mr HART: Are the property owners negotiating directly themselves or are you representing them on some level?

Ms Dillon: No. Basically AgForce has an education program funded by the state government where we advise the producers on the legalities surrounding the issues—their rights and responsibilities—and provide some frameworks for them to negotiate through. But we certainly do not individually help negotiate. They need personal legal advice and they need to do that themselves.

Mr HOLSWICH: The mandate of the commission is obviously around this sustainable co-existence. With the benefit of having had the commission in place for some time now, how do you see that sustainable co-existence? Is the commission benefiting that at this point in time, from your industry's perspective?

Mr Murray: While the commission has been in place for almost six months, it is still very early days, particularly for the cotton industry. Most of our potential CSG development will occur on the Arrow area, which is further behind than the others, so we have not really got to that stage in any negotiations. Having said that, I think most people see that the commission does have a role, if you like, as a bit of an honest broker. We see that it should have a positive impact. But I would say that it is too early to say whether it has had a positive impact to date.

Ms Dillon: I have two examples to provide. One is that our funding for our education program concludes soon.

Mr MULHERIN: Is that the AgForward program?

Ms Dillon: Yes, that is right. The commission is trying to assist us in looking for further funding for that program. It obviously provides us with a great deal of support, rather than just AgForce and Cotton Australia, for example, going in on behalf of the industries. If the commission as a whole sees it as a positive, we have more opportunities for funding. That is the first example. So that is obviously very positive.

The second example was that this week we went to Longreach, where there is exploration occurring and there is a significant amount of angst. AgForce had a joint meeting with three of the commissioners present. My opinion on that meeting was that the producers went away believing that having the commission there was an extra safety valve for the industry, providing another opportunity as a checkpoint against the industry. So that was our take from this week's meeting.

Mr HART: Now that you have had a bit of time to have a look at the commissioners and their background and their skill sets, can you give us any input as to whether you think that needs to be expanded or extra skill sets added or anything along those lines? What do you think about the community council and how that is working and interacting with the GasFields Commission?

Mr Murray: I think the skill sets of the commissioners are probably just about right and the size is probably right to be reasonably effective. As far as I know, the council has only met the once. I attended that meeting. I thought it was probably a little large to be an effective organisation in terms of providing much in the way of input. It was probably okay if its only role is to be a communication tool back from the commissioners to the community. But, in terms of actually providing some meaningful direction to the commissioners, I think it is a little bit large and unwieldy.

Mr MULHERIN: So do you think the best way would be for the gas fields commissioners to engage with different sectors of that community?

Mr Murray: That is really important. I have to say that they have been very open and we have had good communication with them to date.

Mr MULHERIN: So if you had that sort of sectoral approach they could bring the whole lot together in the end—having that complete overview of what is happening rather than having one big public meeting where you have various interest groups there?

Mr Murray: Yes.

Mr MULHERIN: So that you can get to the bottom of some of your issues.

Mr Murray: It was based on only one meeting and obviously that was an introduction—people getting to know each other and whatever else. I would be surprised if you could provide that effective input. But the one-on-one sectoral stuff is working pretty well.

Ms Dillon: Certainly I think the commissioners' skills are well balanced and from our perspective we believe that the people on that commission do have a solid understanding of our issues which obviously gives us confidence in their ability to undertake their role. Secondly, like Michael, I think the Surat committee is too big. I would like to see the northern committee that is set up perhaps be a little more limited, because I think the southern one that has been set up is a bit unwieldy.

Mr YOUNG: You have touched on the confidentiality and also representation. But after you put in your submissions has anything come to light that you would like to be made known now?

Mr Murray: No. I think we are pretty satisfied with the rest of the bill.

Ms Dillon: As I said, the only thing we saw missing was the establishment of the northern leaders council, and that has been rectified this week.

Mr YOUNG: Do you see that there would be a regional chair for regions—for example, break it into the 14 regions and then have a regional chair for those councils?

Ms Dillon: It might become too unwieldy. I think, if you have the right representatives, from our perspective producers are happy. So, as long as there is reasonable input into getting the right representatives, I do not know if numbers help. Certainly in the north the exploration to date is in pockets.

Mr YOUNG: My point is that you are going to see exploration roll out right across this state. My suggestion is that they can have their meetings and everyone can have their say but out of those meetings the regional chair then takes the minutes to the commission.

Mr Murray: It is not something I have given a lot of thought to. I guess it adds an extra layer there. I personally think that if you get the regional forum, the north and the south councils, working well—and that probably needs a little bit of adjustment—and you continue with the good direct engagement between sectors and the commission, you have probably got it covered.

Just going back to your earlier question—and it is probably outside the scope of the bill as such—as Sue mentioned, the AgForward project is just about coming to its end, and just prior to Christmas the legal aid program that was dedicated to providing advice on mining and coal seam gas through the rural law service under the Attorney-General ended as well. So we actually have

lost a very valuable service. Particularly if the AgForward one is not renewed, we have a situation where landholders are really coming in cold with no support. The first they might get is a letter from a resource company. They have no-one to turn to to get the basic information that AgForward was providing. They have no-one to turn to to get a little bit more indepth legal advice. Possibly the commission could either foster or encourage government in general to reinstate those two very vital services.

CHAIR: Just for the benefit of the committee, can you give us some background to this AgForward program—how long it has been running and what the funding arrangements were for it?

Mr Murray: I will leave that to Sue.

Ms Dillon: Basically we began in 2011, so it has been running for over two years. We have seen about 2,400 producers initially in the Surat Basin only and last year we extended into the Galilee and Bowen basins. That education program is factual; it is not about opinions or policy. It is about providing information about what the legislation says, what producers can and cannot do, a process for negotiation and some tips and tools. So it really is base information and without that producers do not have a platform to start from. They are going in to see professional legal advisers but they do not know what they do not know. So without that project you really have not got a level playing field.

Mr MULHERIN: It was a four-year program, wasn't it?

Ms Dillon: It was initially. The funding was cut last year, so it finishes in June this year.

CHAIR: You talked about it being an information service. What has been the level of support associated with it?

Ms Dillon: In terms of funding?

CHAIR: Yes.

Ms Dillon: Basically the state government through DEEDI funded it initially for \$3.2 million and then expanded it to go into the Galilee and Bowen. However, in light of government budget cuts last year, the second phase was cut so we had to pull up stumps in June this year.

CHAIR: Any other questions?

Mr KATTER: Yes. At the risk of repeating what you said earlier, I want to further explore confidential information. Earlier we discussed the benefits in that it might expedite negotiations and help valuers and others who work in the field. You would probably acknowledge that there is some benefit in that but you were saying that benefit is outweighed. Can you outline the risks?

Mr Murray: It is not so much about whether that information should be provided to the commission. As I said, we would certainly have some landholders who would be reluctant to provide that information even to the commission, but I think in general people understand that that information is required if the commission is going to be able to do its job as well as possible. It is more a concern, and it is a bit hard to gauge at this stage under what circumstances that information would be made available to the public, but in general people are going to be very concerned about seeing their information out into the public domain.

I go back to an earlier question about whether it would be good to be able to have the compensation agreements made public. Again, I think most people would be very unsure. They would not want their compensation agreements to be made public in a way that could identify where they are from and the specifics of it. Like Sue, we believe that reporting on compensation agreements should be in a banded manner and in general terms. For example, 'For properties in this particular location of this size with five to 10 wells and three kilometres of pipeline, compensation has been in the order of X.' It gives people a guide so there is a bit of market information out there, which is quite important, but it protects an individual's information.

Mr KATTER: I would like to expand on that. I am probably not being very specific here, but I know that the property industry faces a similar issue. You can research a property sale and you cannot get a lot of the details. Sometimes for a cattle property you get a price but you do not know whether the sale price included the stock or other items. You are not too sure what is included in the sale price so you cannot work back to the land and building figure. I guess that is what you are saying. There might be one price or bands in those areas. I find it a little difficult myself and I do not know whether having bands would be of much benefit to industry operators or not.

Ms Dillon: I think the provision of public information needs to be in bands; otherwise, some properties are easily identified in an area for other reasons. With regard to individuals wanting information, the new Land Access Committee kicks off tomorrow. If you have a CCA registered on Brisbane

the title, if I want to buy your place obviously that will enable me to access that information. We do not think it is appropriate for personal financial information to be available to Bill Bloggs in the city or available to everyone, but certainly it should be available to a potential buyer of a property. Other than that, bands of information is all people need. As I said, the fundamental philosophy of our education program is that every individual needs to assess the CSG impact on themselves, purely because no two properties ever have the same impact.

Mr KATTER: Yes, I agree.

Mr MULHERIN: When you talk about bands, are you talking about a band for the Galilee Basin and a band for the Surat Basin, or do you want to get down to more defined geographic areas?

Mr Murray: I think it depends on how much information is available and how many CCAs are out there in a particular area. For instance, a CCA that applies in Roma is entirely irrelevant to a CCA that might apply in Cecil Plains. If there are four or five Cecil Plains CCAs that you can draw on and band up, that would be the appropriate level to be doing it on.

Mr MULHERIN: Would it also add to people's expectations? If you are on the periphery of one area and you say, 'This is the band that you will get,' and then when it is all done and dusted something is worth less than the minimum for a band, wouldn't that cause more conflict?

Ms Dillon: I think the concern is that if the bands become too narrow and too prescriptive the dollar value would become a ceiling instead of a floor. It comes back to individual impact on property. If it became known that \$5,000 to \$10,000 was acceptable, companies are obviously going to offer closer to \$5,000 than \$10,000. I think that gets away from the fundamentals of the impact on my business and my property. We are concerned that a number will become a ceiling instead of a floor.

Mr MULHERIN: The band sort of creates that.

Ms Dillon: Well, it does, but you have to balance that with the provision of information. The provision of too-tight information we think will advantage the resource industry, not the agricultural industry.

Mr Murray: To use an example, sometimes a livestock report talks about the individual lot that was sold but in general you hear steers sold at Roma for 160c/kg to 185c/kg. It is providing you with a guide; it is not telling you what you are going to get. Without providing at least some information out there, you get the ridiculous situation that was occurring two or three years ago where people were literally getting \$250 a well and not knowing what on earth the market value was on that. We need some way of getting that information out there while at the same time protecting an individual person's right.

CHAIR: There is an arrangement in place now with the CCAs being registered and being able to be searched for those with a purpose. Are you both very supportive of that? What we are seeing is that the information is publicly available for those who have a reason to access that information. Are you agreeable with that?

Mr Murray: Yes, I think if you are buying a property you have to know exactly what you are buying. From the point of view of developing a CCA it is obviously a long-term agreement so to me it makes sense that it is attached to the title. As a person with a genuine reason for doing it, you want to have access to it. I assume that people like property valuers would have the same right that they have to market information at the moment. We are not opposed to the information going out anywhere; it is just trying to balance that between what is in the media and the very public domain.

Ms Dillon: If the *Courier-Mail* could search something and find out that Bill Bloggs was getting X amount per well, it could easily be misconstrued. If I am buying Michael's property, I can understand that there is a CCA in place and then it is up to me to negotiate with that particular seller to get the information, but I am pretty sure most property owners would not want that publicly available because it could be easily understood.

CHAIR: In that example that you gave, if the deal falls over you still walk away with that information. You know what the property owner is getting through normal negotiations but it has not progressed to a sale. Are you comfortable with that?

Ms Dillon: I do not think you can avoid that risk. I think looking at purchasing a property without knowing there is a CCA in place which is attached to the title is high risk, and you have to balance it with that potential scenario.

Mr HART: How does that work with leasehold land?

Ms Dillon: Leasehold land is the same; it is attached to the title.

Mr HART: So the state title has a CCA attached to it?

Ms Dillon: The lessee has the contract with the state for the lease and the CCA is still registered on the title. It is the same in that they have to comply with their lease. If I buy Michael's property, that is the lease. I will still have to comply with the lease arrangements that I have with the government as well as with the CCA. That is my understanding of it but I am not a lawyer.

Mr KATTER: I will draw on my own experience to assist with that question. I am by no means an expert, but I see where you are going with that and that sounds pretty workable. I have a background in property valuation. If I was doing a valuation and I could search a CCA, I would use that in my calculations and my rationale but that does not enter into the report that is submitted. I am bound by confidentiality to not share that with the newspaper or with anyone else, but I use it for my own information to give the best assessment I can of what the compensation is. There is a workable solution there with getting access but having it restricted through confidentiality—

Ms Dillon: Professional access, yes.

Mr KATTER: I could not present my rationale and all those figures in a report.

Ms MILLARD: With regard to pricing negotiations, do you feel that the establishment of the GasFields Commission can help foster those relationships?

Mr Murray: I think they can help foster it. I think they can help set up some broad guidelines as to what is negotiable and what is not negotiable and assist in providing that band market information that we have spoken about, but at the end of the day it is still going to be up to the individual landholders and the resource companies to negotiate their CCA. We do not see value in any common CCA agreement because there are too many differences from property to property. That is not to say that there cannot be a lot of common clauses and common definitions. So we are not wasting a lot of time defining things, but at the end of the day I imagine each CCA would be quite unique.

Ms Dillon: From what we have seen in the past, sometimes particular companies are not as good operators as others. I think that is where the commission can play a role in discussing those issues with those companies. Obviously there are confidentiality issues but I think that is where the commission can play a co-existence role, by saying, 'This is acceptable behaviour.'

Mr MULHERIN: Michael, you were talking about bands and all that. Should some of these things be prescribed in the legislation?

Mr Murray: I am not too sure. I think if we want to have something in regulation it should be something along the lines that the commission should have—

Mr MULHERIN: I do not think there is any regulation.

Mr Murray:—the power to make available market information in a non-identifying manner such as in aggregate form. I think something like that could be a positive inclusion.

CHAIR: I think the most relevant clause in the bill is clause 33 with regard to the annual report. Without limitation it does indicate four key areas that it needs to address. Would you see the benefit of including that band type information in there or something that could be—

Mr Murray: It could be included there but if it is going to be done it needs to be more regular than an annual report to make it worthwhile. Things often change relatively quickly.

Mr MULHERIN: What are the four key things, David?

CHAIR: I was referring to clause 33(4), which states—

Without limiting subsection (1), the general manager must include in the report—

- (a) details of the functions performed by the commission during the year; and
- (b) financial statements for the commission for the year; and
- (c) a description of the prosecutions, if any, undertaken by the commission during the year; and
- (d) information about how efficiently and effectively the commission has carried out its operations, including identifying key achievements and financial and non-financial performance.

Mr Murray: I would think that provision of, for want of a better word, market information is probably separate from that and would need to be more regular than an annual report that probably comes out six months after the end of the financial year anyhow.

Mr MULHERIN: But should that be in legislation?

Mr Murray: I think the powers of the commission should not preclude them from doing that. I think that would probably be the easiest way of handling it. It does not necessarily say that they must do it or prescribe exactly how it needs to be done.

Ms Dillon: I think there are other ways to provide that information. It is education for the producers. I think it fits more into an education type function of the commission rather than a reporting function.

Mr MULHERIN: That is what AgForward is able to assist the producers with in negotiations with individual companies other than having a prescriptive model.

Ms Dillon: Yes, it is about the provision of information. The producers who are going through it are the people who need access to information and, as Mr Katter said, maybe the broader professional agribusiness as well. They are the people who need it, so just provide it appropriately to those sectors.

CHAIR: The commission received submissions from a broad range of people and some raised the issue in relation to the purpose of the commission, as set out in clause 2, of 'sustainable co-existence'. There was some discussion whether the word 'ecological' should be inserted, so it reads to 'improve the ecological co-existence of landholders'. I would be keen to hear your views as to whether that should be inserted into the purpose.

Mr Murray: My view is that 'sustainable' would cover the environment, the ecological, the economic and the social side of it. I think personally it is all encompassing. I guess the term that has raised a fair bit of debate in my circles is: what does 'co-existence' actually mean? I have heard people say that the commission should actually define what 'co-existence' is. At the end of the day the commission may have some ideas on co-existence, but co-existence really is an individual thing between the resource company and the landholder. What you may be happy with and consider co-existence someone else may not. Literally it is both living together, so it is decision that only those two parties can really make.

Ms Dillon: I think the same. I think by nature 'co-existence' would include all of those factors—financial, environmental. So I do not know that you need to specifically outline it.

CHAIR: Are there any other questions from committee members? Thank you very much for your time. Would you like to make any closing statements?

Ms Dillon: No. Basically, AgForce is supportive of the bill and we still have those surrounding issues around confidentiality that we would like to finetune a bit more.

Mr Murray: Likewise.

CHAIR: Thank you both very much. We appreciate that. We are a little bit ahead of time. Just before we call the Queensland Conservation Council, I am conscious that the GasFields Commission are still with us, and thank you very much for that. Is there anything you would like to comment on that has occurred to date or perhaps provide any clarification on? I note that you mentioned you may need to leave early. So I would like to give you that opportunity now between witnesses.

BROWN, Mr Ray, Commissioner, GasFields Commission

COTTER, Mr John, Chair, GasFields Commission

Mr Brown: I just mention to Mr Young, in relation to the underground coal gasification where coal is burnt underground and comes to the surface as a gas formation, should the GasFields Commission have that in their powers to look after also? It is registered under the minerals act. It is not under the petroleum act. But you are gasifying a product and bringing it to the surface. I would like to know what the direction is. We are still unaware of that one. We are well aware of tight gas, tight shale, coal shale, shale gas and all onshore gas. But when we say 'onshore gas', is that inclusive of the UCG industry?

CHAIR: That is a good question. Thank you for that. Mr Cotter, from what you have heard from other witnesses, do you have anything to add?

Mr Cotter: Thanks, Chair. I certainly came here today to help us be better informed on hearing the comments around the submissions, and I appreciate the opportunity to hear them. I do not think it would be beholden to me to make public comments on those issues, but I am certainly happy to clarify anything that members of the committee want to expand on while you have a few moments.

Certainly one of the areas that we are severely questioned on is the definition of 'co-existence'. I would commend the comments made by Ms Dillon from AgForce. It really is co-existence relative to two particular parties. I can assure you that co-existence described and arrived at by a couple of parties will not fit everyone. As she articulated, it is very different property to property and arrangement to arrangement. The best example is Michael's, of going from Cecil Plains to Injune where we have this diversity. I think that is one of the huge challenges for the GasFields Commission: to be across those variety of places, to say nothing about compared with where we visited a site 100 kilometres north of Longreach a couple of days ago. That diversity of Queensland has to be front and centre. I think being too prescriptive will certainly limit our ability to deliver for the community of Queensland.

Secondly, on the issue of a range of different gases, this is an evolving industry and we have to be nimble and flexible to look at the issues in those communities and see that we can adapt to deal with them.

Mr YOUNG: In reply to Ray, I want to point out that I believe that the gasification process should be part of or inclusive of the onshore gas process. I am in agreeance with that.

Mr MULHERIN: Earlier with the general manager I raised a question about the LNP manifesto where it states—

... mandatory requirement that compensation agreements should be made public in order to provide further clarity to stakeholders and to inform the market

I asked the question: why weren't those provisions included in this legislation? Mr Brier, I think, indicated that those commitments will be honoured plus more. In the light of the discussions we have had around mandatory disclosure, would you like to add anything?

Mr Cotter: Certainly. One of the great things about a statutory authority is that we are at arms-length and independent and can provide advice to the legislators on what we see as the best outcome for the particular objective that the commission has. In that particular instance, Mr Mulherin, the commission has already addressed that because it was top of mind and recommended to government that they be registered on title and they be searchable by the relevant parties for that detailed information. That has come from people like the AgForces of the world and from our experience of dealing with people around the state. I believe and I trust the government—I will be certainly expecting the government—to progress that in legislation so that they will be searchable, so that there is a flag on the title that says there is a CCA in place.

If I could just expand on that particular issue, one of the real concerns has been that when you go to purchase a property, if the CCA is a one-off payment, that owner of that property could have taken the money and run, for want of a better word, versus having an annual payment that may go on for 30 years. That makes an enormous difference to the ongoing financing of that operation. It also says that it will change the market of that property and not only that property but also the properties in that area because the market is not driven by a particular sale. At the moment

there is some considerable discussion about the value of properties with CCAs on them, and that is very much tied to the length and the term over which those CCAs are carried out. So they are all the complexities that we have analysed and recommended to government, but absolutely that it be recognised and then the detail of it be, as Mr Katter mentioned, searchable for the relevant parties.

CHAIR: Are there any other questions? Mr Cotter, thank you very much. I now call the Queensland Conservation Council.

PARRATT, Mr Nigel, Rivers Project Officer, Queensland Conservation Council

CHAIR: Welcome, Nigel. Would you like to make an opening statement?

Mr Parratt: I would, please. Firstly, we are broadly in support of the intent and purpose of the GasFields Commission. We do have some questions in regard to its primary roles, the principles by which it operates and, I suppose, the scope of what it can actually do in regard to any key critical issues that arise in regard to onshore gas.

What I would like to do, if I could, is basically answer your questions in regard to my submission. There is a whole range of issues there that we have touched on. But what I would like to expand on first is the primary role for the commission that we would like to see it empowered to do. The commission's primary purpose should be to ensure that any impacts—whether they be environmental, social or economic impacts—that occur as a result of the coal seam gas industry are, firstly, avoided; if they cannot be avoided, how can they be minimised; and, if they cannot be minimised, how then they are mitigated. In order for the commission to do that, it obviously needs to have the necessary powers.

So what that might mean is that if there is an impact, particularly an environmental impact, that comes to light—and I will use an example of an impact to a spring, which is obviously of a high level of importance to us—the commission really should have the powers to say to that coal seam gas company, 'Stop. This is what we think you need to do in order to avoid that impact occurring in the first place.' There are a bunch of provisions already in place under the Water Act, the make-good provisions. Our concern in regard to the make-good provision for environmental impacts is how you actually go about doing that.

In the many conversations I have had with coal seam gas operators, government agencies and others in the game, nobody can really give me an adequate answer on how an impact to a key environmental asset is going to be, firstly, avoided. What we have been saying for a long time in regard to that is that we really should be firstly identifying areas within the landscape where those potential environmental impacts could occur as a result of coal seam gas activities, because we do not want to see them occur because there is no way to mitigate those impacts and the functions and services provided by those environmental assets—whether they be wetlands or river systems or springs and so forth—are too important to both the ecological and environmental functions and services of that landscape and ongoing intergenerational equity that we do not want to risk it. So, once again, we believe the primary role of the commission should be ensuring that a precautionary approach is taken to the roll-out of the CSG industry.

Highlighting the two stories in the *Courier-Mail* on Monday and today in regard to the speed with which the CSG industry was rolled out and whether the environmental assessments required to give a high level of certainty that it was environmentally benign, for want of a better way to describe it, may not have been done as adequately as was needed, in our mind that puts a greater emphasis on the commission having the power to basically put the brakes on things if needed, rather than just keep on going ahead with the 'suck it and see' sort of approach where if an impact does occur then hopefully we are able to manage it somehow. In our mind it is far better to take a precautionary approach. If we know there is likely to be an impact, we have to do everything in our power to avoid it occurring in the first place.

CHAIR: Can I just expand, then, on what you have said? Clause 6 of the bill refers to the commission's functions, and there are about 12 of them that are listed. Are there any there that you have a concern about that should not be there or is it more that we should add those additional ones that you have referred to?

Mr Parratt: We would like to see more added and it is around that space of the commission having the authority to put the brakes on things, to press the pause button and say, 'This is likely to occur' or 'we are getting a strong indication that this impact or this result is going to occur.' So we need to take a step back, rather than tweak things around the edges and hopefully fumble through it at some point in the future.

CHAIR: Early this morning the committee heard evidence with regard to other agencies that have powers. The question was posed whether the commission should have referral powers to those existing agencies under the other acts that are currently in place. I would be interested to hear your views.

Mr Parratt: We would certainly like to see that, and that is one way that the commission could then have, I suppose, greater authority over certain issues associated with the onshore gas industry. I suppose it would give a greater degree of certainty and comfort to stakeholders in the

community that the commission is something more than potentially a paper tiger, if you follow what I mean—that it actually has the authority and the powers to do something. In the bill there is reference to how agencies communicate and consult with the commission. The way that I have read that particular clause in the bill is that there is an expectation that agencies consult with the commission but that does not necessarily mean they have to. So we would certainly like to see that particular clause strengthened, and I have commented on that in our submission.

Mr HART: Just on that point, deleting subsections (2) and (3) from clause 23, which is what you are talking about: how would that work in reality? You would expect the GasFields Commission to respond to the individual department that is putting out a policy and say, 'Yes, that's okay,' or, 'No, that's not okay,' or, 'Make these changes'?

Mr Parratt: Yes, absolutely.

Mr HART: You would like to see that actually negate the whole decision if the GasFields Commission disagreed with the department's policy on that?

Mr Parratt: In an ideal world, yes. I understand there are some technicalities around that in a whole range of issues. I suppose what we are particularly concerned about is: who is keeping the overview on the performance of the industry—which particular entity or agency is doing that? So, the way that we have got it at the moment is that various government agencies have, I suppose, a focus, an outcome, something they need to achieve, and certainly right now it is all about progressing economic development. What we would like to see is the commission have the power to say there are other issues that are equally important to economic development and we really should not be risking potential short-term economic gain for long-term environmental pain that future generations are going to have to pay for. There is ample evidence of policies from the past that may have been good in that economic perspective of the day but causing future generations considerable economic burden. It is about how we maintain that overview, who has the authority to put the pause button on when there are issues that do need further debate and discussion and investigation and for particular issues to be really adequately thought through and assessed and properly analysed.

Mr HART: The GasFields Commission is purely looking at gas, versus the EPA that is looking at all environmental issues with gas as part of it. Aren't we better off to take in the big picture rather than look at a concentrated part of it?

Mr Parratt: What we would like to see, then, is that the commission has a broader remit when it is looking at the impacts of gas.

Mr HART: So referral?

Mr Parratt: Yes, it is looking at it in a whole-of-landscape context rather than just components of it. For example, how offsets are applied is a bit of an issue in regard to whether they are strategic and/or they actually achieve long-term outcomes. That could be a role for the commission: to actually negotiate between the coal seam gas entity that is required to provide offsets and the agency that is requiring them to provide offsets and whereabouts in the landscape that could be actually placed in order to achieve strategic environmental outcomes.

CHAIR: Can I pick up on something that we have had some discussion about with regard to the gas fields community leaders council. I know within your submission you mention a number of groups that should be represented in that. I do not know if you heard earlier the discussion that was occurring where there was some view as to whether we should have regional representation. There has just been the announcement of a northern community leaders council. I note in your submission there was some discussion about Indigenous representation. Would you like to expand on that for the benefit of the committee?

Mr Parratt: Certainly. From our perspective the coal seam gas industry is having a huge footprint across large parts of Queensland and consequently it is having an impact on multiple stakeholders, if you like. The issues, particularly in regard to Indigenous representation and how their issues and values get brought to the surface among the whole array of other issues, are obviously very important—from an environmental perspective as well. In earlier submissions that we put in to both the commission on the bill and other forums that we have been involved in we have been very concerned about the lack of environmental representation on these sorts of forums that are now coming forward.

The commission has a challenge in front of it in regard to at least being seen to be inclusive—how it actually starts to reach out to other sectors of society, if you like, that are being impacted by the coal seam gas industry and its particular rollout in certain parts of the state. I

mentioned the residents of the Tara estate. There have been some big issues associated with the health of those people in that community. Where is the opportunity for them to get their voice heard? At the moment there is not any other forum other than the GasFields Commission. So, once again, we would like to see the GasFields Commission at least demonstrate that it is being inclusive and reach out to those other sectors of society that are affected. Obviously there are going to be some logistics issues there, but I think it is really important for that inclusive approach to be adopted

CHAIR: You are supportive of the northern community leaders council being established?

Mr Parratt: Sure, Absolutely.

Mr MULHERIN: What level of engagement has the GasFields Commission had with the Conservation Council?

Mr Parratt: I have had quite a number of conversations with Mr Cotter. I am confident that whenever I have an issue I can go and talk directly to John. For our member groups it is a little bit more challenging because it comes back down to a capacity issue. If I could just touch on funding, which you talked about with AgForce earlier, the only real mechanism for the conservation sector to engage in these processes, given our lack of capacity, is through my project, which is funded by the Department of Natural Resources and Mines. Unfortunately that funding is going to cease on 30 June this year so we lose that opportunity for us to engage in these sorts of processes because we just do not have the capacity otherwise to do that.

For our regional groups there is an issue on how they touch base at a regional level in regard to these issues. It comes down to capacity and resources once again and knowing where to go. Once my project ceases that line of communication and that information conduit will disappear, unfortunately.

CHAIR: The Queensland Conservation Council is confident with your engagement with the GasFields Commission to date?

Mr Parratt: Yes.

Mr MULHERIN: You see it as fairly important that, like the AgForward program for AgForce, the Conservation Council receives that funding so that you can go out and provide the information that you get, particularly around the regulation of the industry? It is an adaptive model, so therefore if there is some new technology introduced or if there are some concerns through regulation you can act fairly quickly.

Mr Parratt: Absolutely. Once again, once my project ceases we lose the capacity to do that. So that means that our sector, which is essentially the community sector, loses an avenue to engage in these sorts of processes. There is nobody else from our side of the fence who is able to come and do this sort of engagement, unfortunately.

CHAIR: Any closing remarks that you would like to make at all, Nigel?

Mr Parratt: Just reiterating that we think it is really important for the commission to be inclusive, for it to have those broader roles and powers to address particular issues as they come up and, if necessary, to have the power to put the pause button on certain things. Doing that and having that authority to do so would certainly give it a massive amount more credibility than what it potentially has. There is a bit of concern about what the commission will actually be able to achieve in these sorts of issues and for it to be a conduit in looking at broader issues related to coal seam gas rather than just specific ones. I think it is really important.

CHAIR: Were you present during the hearing when the QGC spoke of an engagement they had with the commission? They very delicately worded their performance as 'less than spectacular'. Has that created confidence in the broader community that the commission is already on the ground delivering some better outcomes?

Mr Parratt: Yes, for sure. Definitely. Once again, with our particular interest, which is environmental, we would like to see a specific focus on environmental outcomes. They are there, but they are sort of subsets of other issues, if you follow what I mean. We would really like the commission to say that avoiding, minimising and mitigating environmental impacts is front and centre of their focus and they are going to conduct their business around that space to ensure that if an environmental impact is going to occur then there are processes in place to minimise and then negate those impacts once they occur. There are processes there. It is a matter of making sure that they do occur in a timely fashion and that they are meaningful.

CHAIR: Thank you very much for your time. We appreciate it.

Mr MULHERIN: Nigel, how much is the funding that you received and when did you receive it?

Mr Parratt: The background there is that QCC has been receiving \$100,000 from the government for the last 15 years for the project. So it is \$100,000.

Mr MULHERIN: For the last 15 years?

Mr Parratt: The project has been ongoing for 15 years.

CHAIR: And that amount has not increased over 15 years?

Mr Parratt: It has. It started with a lower amount, but it has been \$100,000 for the last however many years. The Queensland Farmers Federation also receives an equal amount of money for a similar project for their organisation. Unfortunately the minister has decided to stop our funding but maintain QFF's funding. There is a little bit of inequity, I suppose.

BLAKE, Mr Bill, Principal, Mackay Solicitors Pty Ltd

STILLER, Mr Dale, Vice Chair, Property Rights Australia

CHAIR: Gentlemen, welcome. On behalf of the committee I would like to thank you for your attendance here today. Would you care to make an opening statement for the committee?

Mr Stiller: I am going to read an opening statement. Property Rights Australia represents the interests of landowners, specifically the property rights of landowners. The purpose of the bill is for the GasFields Commission to manage and to improve co-existence. To date the situation is that legislation ensures an imbalance of power between the resource authorities, landowners and the community. To date there have been problems with agricultural industries' and coal seam gas industries' co-existence, and friction is created when trying to exercise the complexities of different parties having different rights over the same patch of ground.

Sustained agriculture, water and community must be the GasFields Commission's highest priority, or equal priority to that enjoyed by resource holders, if real co-existence is to be achieved. If you, the committee, fulfil your role to define and enable the GasFields Commission to have a positive constructive role then the GasFields Commission will be better empowered to protect the interests of the state, landowners and the community, particularly with respect to the critical importance of sustainable agriculture and water.

PRA strongly emphasises that the bill gives the GasFields Commission a lot of power. Our recommended amendments will further increase that power. Proper checks and balances must be maintained to protect the interests of all if real co-existence is to be achieved. PRA are in principle opposed to non-judicial bodies having judicial powers. This opposition is compounded when there is no right of appeal through the common court system. This is based on practical experience of the Vegetation Management Act. When considering PRA's submissions we request that the committee consider that PRA's recommendations are dependent on one another to provide proper checks and balances.

CHAIR: Thank you, Dale.

Mr Blake: I endorse Mr Stiller's comments about the legislative imbalance between the resource authorities and landholders. There is probably no need to explain or go into that. Co-existence implies parity. It at least requires parity in that imbalance. This commission must be legislatively established, I think, as a regulatory body in order to provide that parity and balance. I think it is more than just an advisory body. I will partly read, just for the purposes of brevity, but the 2010 land-access amendments went part of the way to addressing the government's achievements to create that better relationship, that better balance. I would like to address in question time if I could, having heard some of the stuff that has gone before, how we might deal with some of those access and compensation issues. When the bill is law it must provide the commission with power and a priority commitment to preserve water, agriculture and the community and also look at what happens to a community after the industry has left. I have an expression that I have been using for a long time now—I was quoting Neil Young's *After the Gold Rush*: what happens after the gold rush? I think section 6 should list that as a specific function of the commission.

The act, when passed, must specify the appointment to the commission at all times of a commissioner expert in hydrology to ensure our water and our environment are not temporarily or permanently negatively affected. By that I think in clause 8(2)(b) there should be a new subsection (iv). I know there are six commissioners, but the fourth commissioner ought to be specified as someone expert in water. In support of that, it is a stated goal of this government to double food production by the year 2040. Without ensuring the health of our aquifers and our water systems, I do not know that that goal is achievable.

The PRA submission also details the bill's neutering effect upon the commission if a party is able to refuse to provide either information likely to incriminate or confidential commercial information. The submission recommends some fixes, and I am happy to take some questions on that. The bill must establish the rights of legal redress and appeal regarding decisions of the commission as a statutory body, and perhaps with that the Land Court's jurisdiction needs to be appropriately expanded. The commission must have power to make binding recommendations to amend Queensland law. I note clause 6(d), but I think that could be expanded and improved. The PRA submission also deals with the community leaders council. The act must give weight to the recommendations of the community leaders councils into the commission. Thank you.

CHAIR: Thank you both very much for that. I want to pick up on something that you both referred to in your opening comments, and we have had some discussion with other witnesses before the committee on this issue. With regard to the purpose of the commission in clause 2, we have had some discussion as to whether there should be inclusion of the word 'ecological'. I note in your submission you talk about the inclusion of a reference to soil and water. A view was put forward that 'sustainable' really does include all of those elements and therefore adding anything would be superfluous. Are you very strongly of the view though that soil and water should be included in that purpose of the commission?

Mr Stiller: Yes. I would have to agree with the Cotton Australia representative who gave that reply to you earlier. Yes, we are proposing that soil and water are added. The purpose as drafted in the bill is for sustainable co-existence and it was not defined. In the definitions that was not defined. I believe that is limiting the ability of the GasFields Commission to play an important part or function. The other aspect of that is that perhaps sometimes co-existence is not possible—that is, there is some situation where co-existence is not possible and one situation could well be, unless new technology comes about, the Condamine alluvial flood plain mainly around Cecil Plains.

Mr Blake: Certainly, 'sustainable existence' must mean sustainment of the means by which we produce food.

CHAIR: So if sustainable existence is not achievable, what would the alternatives be?

Mr Blake: That there be no mining and that there be no industry in that particular area.

Mr HART: Bill, you mentioned that you thought the GasFields Commission should have a binding recommendation to amend the law. What does that mean?

Mr Blake: The bill certainly gives the commission the ability to make recommendations in relation to the law, but I think it should have a stronger weight than that.

Mr HART: Binding? Is that a—

Mr Blake: The weight with which it makes recommendations to change the law should be strengthened. It should not be, 'Oh, look, we think this should be changed.' It should be able to give a directive that the law be changed.

Mr MULHERIN: So it becomes more of a regulatory body than an advisory body to government?

Mr Blake: Correct.

Mr MULHERIN: And have the powers to enforce the regulations. In terms of the regulations for the industry, should it all sit with the GasFields Commission, in your view?

Mr Blake: The GasFields Commission needs to be the link between the various bodies. For example, with respect to water, that is why we recommend a fourth commissioner or a paragraph (iv) commissioner in relation to water so that the commission can then be a genuine link between all of the law-making bodies.

Mr HART: Do you think they should have regulation power or referral power?

Mr Stiller: Regulatory authority is a double-edge sword, and in our submission we have outlined that. That is, when you give a statutory organisation judicial powers, there are some great dangers there. That is why we give the recommendation that there should be the right to appeal to a court of law to anybody who is subjected to a GasFields Commission with regulatory power to have the proper checks and balances. You cannot give a great power to an organisation without having some ability for redress.

Mr HART: What great power do you think they have got, Dale?

Mr Stiller: Currently they have more of a facilitative role. If they are given a regulatory power, that is when this comes into question.

CHAIR: So just for clarification, then, your view is that should they be given a regulatory power and then to balance that there need to be appeal rights?

Mr Stiller: That is correct.

CHAIR: It is not that in the current format, but they should have appeal rights?

Mr Stiller: Yes. That is why in my opening address I said that you cannot take the one without the other.

Mr MULHERIN: So you are suggesting that what should happen with this legislation is that the GasFields Commission should be a regulatory body with the right of an individual to judicial redress?

Mr Stiller: Correct.

Mr Blake: I would suggest to you—without suggesting the wording of it—a new subclause 7(3). That is probably where it could happen in the bill.

Mr Stiller: If I may continue, the question was asked of an earlier witness as to the overriding of all of the different legislation. Who has oversight of all of the different legislation? How we can advance the GasFields Commission to a practical, productive role in the future? How can we best do that? If we give them more power, we have to create those checks and balances.

Mr YOUNG: I see in the PRA submission at section 8 that you are looking at a fourth commissioner who has a background in hydrogeology. I would have thought Dr Steven Raine would have all of those skill sets to answer all of those questions that would have been asked, whereas you are saying that there should be another person.

Mr Blake: May I take that, Dale? Certainly the bill provides for the commission to appoint someone suitably experienced in a particular science. We are saying that water is such an important issue and in my opinion thus far has not been sufficiently addressed with specific reference to the coal seam gas industry. It is so important that the particular clause, which is clause 8(2)(b), ought to include a paragraph (iv) and specifically provide for that. It provides for three to be from certain disciplines; a fourth one ought to be from geohydrology for water. The bill also gives the power to remove a commissioner without cause. If a specific placitum recommended someone with that sort of experience—such as the honourable gentleman—then it would be much more unlikely for that person to be removed, I think.

Mr Stiller: One other point is that we wrote our submission without reflecting on the current commissioners.

Mr YOUNG: And I think that is my point. I think we have that expertise there.

Mr Blake: Right now, but obviously the commission is going to last. You are looking at one government term. It is going to become the most significant body in the coal seam gas industry in Queensland; otherwise, we are all wasting our time being here.

CHAIR: I want to build on that, because obviously the bill makes reference to the onshore gas industry and we have had some discussion and evidence earlier that whilst coal seam gas is the largest component of it it is broader than that at the moment. In light of the commission's broader responsibilities with onshore gas, do you still have such a strong view that there should be one who has that scientific basis on the water issue?

Mr Blake: Yes.

Mr Stiller: Yes, most definitely. Loss of water not only affects coal seam gas; it affects mining as well. But of course the GasFields Commission is concentrating on coal seam gas.

Mr Blake: We know that there is a separate Water Act. We understand the powers of that, but it needs to be linked. I do not think we can just say, 'Oh, water's over there.' Water is absolutely critical in the coal seam gas industry. We have lessons learned from others. Just anecdotally, there is new data now about the amount of toxins and tailings being thrown into the river systems and onto the land by the recent flooding as recently as January 2013. There is anecdotal evidence of one site in Canada alone with tailing pools over 35 years exceeding over 126 kilometres leaking 11 million litres worth of tailings water into the aquifers and onto the land. With regard to lessons learned, the commission is the appropriate body to take those lessons learned—good and bad—and to apply them. Water is critical. We are only just learning to compensate landowners in relation to water. I think all of us are just starting to understand—all sides of industry are just starting to understand—the importance of water in the industry. I think it is critical.

CHAIR: Bill, there was some discussion about whether the bill should contain or should have the commission with referral powers—that is, existing regulators under various acts. Would that be in your view a middle position to take where they may, instead of having the power themselves, be able to refer based on evidence that is presented to them?

Mr Blake: In an ideal world, yes, but referral is an advisement. There is no direct consequence. It can be taken up or it can be ignored. I would like to see it go that one step forward with those checks and balances that Mr Stiller addressed earlier.

CHAIR: I want to pick up on one other element, and again it is very early days as to what has occurred. There has been some discussion with regard to the gas fields community leaders council. We have just heard about there being a second council established. We are keen to hear your views on the council such as how its membership is drawn and its effectiveness or otherwise to date.

Mr Blake: I will be very brief. I have not had any direct exposure with the council yet. I do not know how the bill or the act would deal with it to ensure that recommendations from the leadership council are taken up by the commission. The PRA would like to see that the resolutions of the leadership council are taken up and dealt with by the commission. Mr Stiller has more to say.

Mr Stiller: I believe that we are able to have the community leaders council have a function that is actually a process for them to take things forward, but just because it goes to the GasFields Commission and is deliberated on does not mean that they have to pass it. I welcome the news of a northern group and I endorse the earlier comments by the Cotton Australia representative about the southern group being unwieldy at 40 members. If I may, I would like to read an account from a person on the community leaders council. They have given me permission to use their name and to use this account about what has happened with the southern community leaders council so far.

CHAIR: Is it relevant in the sense of how the council is operating?

Mr Stiller: Yes.

CHAIR: Okay, please.

Mr Stiller: Mr Bill Blackley of Wandoan has given me permission to use his name on this occasion. The community leaders council to date has only met once, on 18 October. Bill was asked to be on that committee something like a month before. He was basically given a tap on the shoulder. He has no real idea of the selection process or anything like that. He went to the meeting and there were about 40 people there. He has no idea who the other people are. He had no idea of their names. As far as he is aware, the names of the people there have not been published. He is unaware of any selection criteria. He is unaware whether any motions passed at the meeting have gone anywhere. So he is unaware whether anything has resulted from the discussions that occurred at the meeting. The biggest single concern at the community leaders council meeting was about water. There was to be a special meeting held to concentrate on the water issue. That was scheduled to be held before Christmas. It was postponed. It was scheduled to be held in January and it was postponed again.

The next meeting for the community leaders council was set down for 21 February and that has been postponed until the bill is passed. That is what has happened so far in the community leaders council. Again, I endorse the comment that it is unwieldy. I am not criticising that the community leaders council is there, but it just needs some adjustments and an ability to see that what it is talking about goes forward. Otherwise people will get brownd off and not participate.

Mr MULHERIN: How many times is the community leaders council supposed to meet, do you know?

Mr Stiller: I do not know.

Mr MULHERIN: What level of interaction or engagement have gas fields commissioners had with your organisation, Property Rights Australia?

Mr Stiller: Very little.

CHAIR: Clause 27 is the relevant clause within the bill. Would you be of the view that the clause should be more specific as to the number of times the community leaders council should meet per year?

Mr Stiller: My approach to this submission has been that in places it has been too vague and there needs to be more information, but on the other hand you can—

CHAIR: Be too prescriptive?

Mr Stiller: Yes.

Mr Blake: For consistency, I note that the bill prescribed how many times the commission meets. Bear in mind that there are great distances involved, too. We live out there and we are doing the drive and, as Mr Katter would be aware, there are great distances involved. It is a great idea to call everyone to a meeting in Wandoan but that means that everyone is coming from as far away as 300 kilometres. Sometimes it is a bit difficult to get there six times a year.

CHAIR: Sure. Thank you very much for that.

Mr YOUNG: It was mentioned earlier that there would be more regions and that they would have a regional chair for each one. Is that a good idea?

Mr Blake: Yes, I think so. What do you think, Dale?

Mr Stiller: The Galilee Basin is a long way from the Surat Basin so it is good that there is now the northern leaders council. I think the GasFields Commission should be at liberty to exercise its judgement on where the community leaders council should be. It is a great way to get feedback from the grassroots, as long as those people can see that what they are doing can be moved forward.

Mr Blake: I was recently appointed a member of the Chinchilla Community, Commerce and Industry Inc. and it will certainly be my intention for that group to be engaging with the community leaders council. We see it as a community obligation—

CHAIR: As its profile builds—

Mr Blake:—to engage as well. You cannot be too prescriptive as to when people have to engage.

Mr MULHERIN: You were talking earlier about distance and greater use of technology?

Mr Blake: Yes. I think it is important for a community to be aware of the leadership council, and it will be implicit upon the community to engage with it as well as the chambers and various other bodies.

Mr KATTER: I want to commend you on clause 6. From my experience—and I am sure the experience of others is the same—that is a huge issue. We touched on it before. Mines come to town and you lose your workers from the butcher and all the other retail stores. They shut down and go to the mines, and it is very hard to kick-start it again. The parents leave town because they do not have a butcher or the other services they are used to. It can really kill the community. I do not know how you ever restart. There are a lot of challenges, but if that is a focus I am very supportive. I think it is a good thing to highlight because it is a huge challenge. I think the commission could be in a good position to try to drive that.

Mr Blake: I agree, Mr Katter. If sustainable co-existence is the purpose, then what happens to those communities is a huge part of sustainable co-existence. Certainly my chamber, which is something of a futurist group as well, hopes to build into this so we can start doing some planning after the gold rush. It has been something that Mr Stiller and I have spoken about and are vocal about, and I agree with you.

Mr MULHERIN: We chase a legacy beyond being a venue for extraction.

Mr Blake: Yes, and towns change. Their populations swell. Mr Stiller and I are moderates in that we recognise the benefits of an energy and resources industry that is committed to the benefit of Australians. It has to be done in a sustainable way in terms of community, environment and agriculture. Technologies have to be proven technologies—safe and sound technologies. This is the impact upon water. This is the impact upon soil. Communities swell. Towns swell and grow. If the authorities move on in an unushered way after the limited resources expire, then what happens to those towns? I can see developments in my region now where brand-new housing was very quickly built. I have lived and travelled all around the world, unlike most of the people in my community, and I can see that there is a future ghetto in 40 years if the circus leaves town and a ghost town is left behind. It is those sorts of issues that Mr Katter raises.

Mr Stiller: We must ensure that the community is not affected in the short term and we must raise our vision beyond the medium term. The coal seam gas industry is going to burn out in each field in about 30 years, which means within 100 years there is a good chance it has moved on. That in the scheme of things is not a very long time. Our grandchildren are going to need that soil and that water. As a farmer I can tell you that soils are not soils. The very good soils are very hard to get. Other than good water it is probably our most valuable asset.

CHAIR: The good Lord is not making any more of it so what we have got we have got. Are there any further questions? I appreciate your presentations today. It has been of value to the committee so thank you very much for that.

Mr Blake: Could I assist the committee very briefly with one other aspect—the conversation about confidentiality?

CHAIR: Yes, please.

Mr Blake: It is very important that the section about 'likely to incriminate an entity' is removed. What is the point of the commission if someone can hide behind incriminating information? The commission ought to be there to discover incriminating activity and act upon it. In terms of confidentiality, there has been a lot of talk, particularly by the Resources Council, about perceptions in the community that a property got this much compensation and another got that much compensation and that the commercial terms of an easement are not automatically discoverable. My suggestion would be that this be dealt with by another committee looking into land access and compensation. I believe they start their work tomorrow with their six- or seven-point plan. I think it is a matter for that committee. It is a shame that this commission does not yet have the weight of law to be able to be influential in that committee, although I am sure they are taking part.

I see it that a compensation agreement be registered. It is part of the consideration of that committee that compensation agreements be registered on title. I think it is a great idea. You do not have to register the whole of it. It should just be a notice of agreement on the title which could state the amount of compensation payable and specifically the activities. Just like an easement or a transfer, if you want to see what the consideration paid for a property was, you just need to apply to DERM for a copy of the transfer, which is a matter of public record. If you want to know the commercial terms of an easement, apply to DERM for a copy of the easement and you will get it. There is no reason you should not be able to do it with a compensation agreement.

I do not know that I endorse the concept of it creating disparity and disharmony in the community. It is just a fact that, if you have a 32-perch, four-bedroom house in Tingalpa it is probably not going to have the same consideration paid for it as the transfer of an equivalent house in Paddington or in Brisbane. People understand disparity. If one property is a better property with better quality soil and a better run, compensation is negotiated in a better way as compared with scrubby country with not as much activity which is going to have a lower amount.

One of the problems that I have had as a lawyer advising landowners is that we do not really know how the quantum of compensation was arrived at. I have always suspected that these numbers were set during drought times and they are too low. I do not think there is a problem with compensation being known as a market commodity. I do not think that is a real problem. I think that information should be able to be obtained.

CHAIR: You are very supportive of the CCA being registered on the title?

Mr Blake: I am supportive of it being registered on the title.

Mr Stiller: The important thing is that there is confidence in the GasFields Commission. Throughout the day you have heard a lot about confidentiality. The GasFields Commission should be able to perform its functions. To perform its functions it cannot be impeded by those two clauses about incrimination and confidentiality, but there must be confidence in the GasFields Commission.

CHAIR: Thank you very much. I thank all the witnesses for their attendance at today's public hearing. I believe quite genuinely that the committee has gained some valuable information and some better insights into the views on the bill that will assist it in its examination on the Gasfields Commission Bill. I thank the parliamentary staff who have been involved and assisted in today's hearings.

Pursuant to section 50(2)(a) of the Parliament of Queensland Act, the committee authorises the publication of the public evidence given here before it today.

Committee adjourned at 12.27 pm