

Any clarifications of statements
made are attached to this transcript



STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE

Members present:

Mr DF Gibson MP (Chair)
Mr WS Byrne MP
Mr MJ Crandon MP
Mr MJ Hart MP
Mr R Katter MP
Ms KN Millard MP
Mr BC Young MP

Staff present:

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

PUBLIC HEARING—INQUIRY INTO THE STATE DEVELOPMENT AND PUBLIC WORKS ORGANISATION (STATE DEVELOPMENT AREAS) AMENDMENT REGULATION (NO. 1) 2014

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 15 OCTOBER 2014

Brisbane

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Committee met at 9.19 am

CHAIR: Good morning, everyone. I declare open the public hearing for the committee's inquiry into the State Development and Public Works Organisation (State Development Areas) Amendment Regulation (No. 1) 2014. I thank you for your attendance here today. Especially I thank the landholder organisations that have travelled some distances to be here for these hearings.

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. The other committee members are Mr Bill Byrne, the member for Rockhampton and deputy chair of the committee; we will be joined by Mr Michael Crandon, the member for Coomera; we have with us Mr Michael Hart, the member for Burleigh; we will be joined by Mr Rob Katter, the member for Mount Isa; we have Ms Kerry Millard, the member for Sandgate; and Mr Bruce Young, the member for Keppel.

The regulation that this committee is looking into came into effect on 13 June 2014. Whilst the committee was not required to look into all regulations, it chose to do so in this matter because of the high degree of public interest in the area. The Parliament of Queensland Act 2001 requires the committee to examine the regulation to consider the policy effect to be given by the regulation, the application of fundamental legislative principles to the regulation and its lawfulness.

Today's public hearings will form part of the committee's examination of the regulation. The hearing is being broadcast live via the Parliamentary Service's website and is being transcribed by Hansard. The hearing will conclude at 12.30 pm. Before we commence, I ask that all mobile devices be switched off or placed on silent mode. For the benefit of Hansard, I ask that witnesses state their name and the position in which they are appearing before the committee when they first speak, and to speak clearly and directly into the microphone. This hearing is a formal committee proceeding. The guide for appearing as a witness before a committee has been provided to those appearing today. The committee will also observe schedules 3 and 8 of the standing orders of the Queensland parliament. I now welcome the representative from Lock the Gate Alliance.

SMITH, Ms Eleanor, Lock the Gate Alliance

CHAIR: For the record, please state your name and the position in which you are appearing before the committee.

Ms Smith: My name is Eleanor Smith. I am representing the Lock the Gate Alliance today.

CHAIR: So we are clear, you are no longer employed by Lock the Gate but they have given you permission to appear?

Ms Smith: Exactly.

CHAIR: Thank you. Would you care to make an opening statement?

Ms Smith: First of all, I thank you for undertaking this process of reviewing the regulation. I understand that it was not necessary for you to do so. I would like to first talk a little about Lock the Gate's interest in this issue. We work across the country with landholders and communities that are concerned about inappropriate developments on their country. We define 'inappropriate developments' as being developments that are unduly affecting waterways, groundwater, bushland, farmland and communities. This development, both the rail corridors themselves and the declaration of the state development area, clearly fall within that purview as far as we are concerned. We are taking the lead from landholders in the region and have been working with them for a number of years on this issue.

We have had concerns with the planning process that has gone into the rail corridors for the Galilee Basin for a number of reasons and for a number of years. Although we have seen that the number of developments that are proposed for rail corridors from the Galilee Basin out to Abbot Point and previously to Dudgeon Point has been reduced over the past year or so, we still think it is unnecessary to have a number of rail corridors going through such important agricultural areas. We also believe that the declaration of a state development area is unnecessary in this case.

I want to make sure that the committee does not dismiss issues around the actual impacts of the rail corridors in looking at this regulation, because I believe that the lawfulness of the regulation is based on whether or not this state development area is in the public interest. Given that a full cost-benefit analysis has not been undertaken for the entire developments in the Galilee Basin, including the mines, the rail lines and the ports, any evidence that is given around the impacts of those rail corridors should be taken into account as part of the case for the impacts of these developments and, therefore, I guess, part of a weighing up of the balance of the economic positives of the developments versus the impacts.

I would like to talk to you today about some of the research that we have done into the impacts of the corridors on waterways and on flood plains in the area, as well as strategic cropping land. I want to make sure that that is taken into account as part of a full analysis of the impacts of these corridors. I would also like to talk about the need for the state development area. I will talk about that first.

The state development area has been declared essentially in order to facilitate these rail corridors. I guess there was a concern—I presume there was a concern—that landholders' negotiations would get in the way of being able to develop the rail corridors in the timely fashion that the proponents needed. However, I would argue that the public interest of these developments is reduced when there is an uneven playing field in the negotiations around where the corridors are placed or the number of culverts or the number of level crossings that the proponent needs to put in place. That is because when a company can go in and say, 'We've the right to compulsorily require land,' they do not enter into negotiations in a way that actually hears the concerns of landholders. If they were made to hear the concerns of landholders then the impact on their businesses would be lowered, if the companies actually have to listen to their concerns. That is why I think the state development area should be disallowed by the parliament. I would recommend that the committee recommends that.

Also, it is unnecessary, essentially. GVK already has public-infrastructure-of-significance status, so they have to negotiate with landholders but essentially can have compulsory acquisition rights after they have spent a period negotiating with landholders. Adani, which is the other proponent that has a rail proposal within the state development area, can apply. The new wording of the mechanism has changed since GVK got it, but essentially it is public infrastructure of significance.

I am happy to take questions on the impacts of flooding and other economic impacts of the rail corridors. I will hand it over to you.

CHAIR: Excellent. Thank you for that. We certainly appreciate your submission and the attached report to the submission as well. That was quite beneficial. I will pick up a couple of things that you have mentioned in your opening statement and then I will open to my colleagues for further questions. You made a point about the inequity in the negotiations when there is the power of compulsory acquisition not necessarily being applied but sitting in the background and then making it very difficult or putting landholders in a position where it is then difficult to negotiate with a proponent thinking, 'At the end of the day, they can just use these powers.' The committee has been made aware that the department has a landholder liaison officer. Can you share with the committee any experience you have had as to how successful or otherwise that role has been in addressing that power imbalance?

Ms Smith: I won't. I will leave that to the landholders who have actually spoken to the landholder liaison officer. I do not want to put words in their mouth.

CHAIR: But from the organisation's perspective, do you feel that that role helps to address that power imbalance?

Ms Smith: I do not believe so. I think the power imbalance is still there. Certainly the wording of the legislation and the regulation as well is difficult for anybody to understand. I commend the government for putting somebody in a full-time role to actually explain those concepts to landholders, and I think that is the role that that person is playing. But I do not think it is addressing the imbalance in terms of in the end the company can come to the government and ask for compulsory acquisition.

CHAIR: I just want to build on that because it is an important issue about how those negotiations are conducted. You also mentioned how there is—I am looking at my notes here to make sure I have it right—the infrastructure facility of significance, which GVK has, and then the private infrastructure facility, which Adani has.

Ms Smith: That is the one—well done.

CHAIR: It is hard enough for us to remember where all these things are at. Even within those frameworks—and you alluded to it in your statement—there are still compulsory acquisition powers. Regardless of whether we are dealing with a state development area or under that framework, there would still be that power imbalance in the negotiations.

Ms Smith: Certainly.

CHAIR: Do you have any thoughts on how we could better address that? Regardless of the mechanics, the committee is limited to looking at the state development area, but there is a broader issue about how proponents negotiate with landholders. Do you have any ideas on how that could be done in a better way?

Ms Smith: I think if mining companies—and in this case it is the mining companies that are wanting to build the rail corridors; I know that is not always the case—have a project that is profitable and is going to be profitable for decades to come, then they should be able to pay what landholders need in order to have fair compensation and the landholders would be happy to hand over that parcel of their land. So I do not think there is a need for compulsory acquisition. I understand that there is a need in general for that kind of legislation—if you have a hospital or an important road that is genuinely community infrastructure. But in this case it is a mining proposal that is hopefully going to be profitable and will be for many years to come. So you are just asking one businessperson to move aside so that another businessperson can make money. I do not believe that compulsory acquisition should be used in these situations.

CHAIR: Just to be clear, it is not that it is always being used; it is the threat of compulsory acquisition that raises that concern.

Ms Smith: Definitely.

CHAIR: I open it up to committee members.

Mr YOUNG: Wouldn't you have thought that the companies, the proponents, would have done economic modelling before they invest to ensure that this investment will stack up long term?

Ms Smith: I assume that they would do that. In 2007 and 2008 when they were first proposing these projects the project probably did stack up financially. But the price of coal has gone down significantly since then. Possibly they might be in a situation where these projects do not stack up in the end. I guess that brings up another point. At least one of the companies involved here is seeking delays of their own project because they have not been able to find the financing that they need to move it forward at the moment. Under the private infrastructure facility there is a period of time in which the company actually has to move their project forward, whereas with the state development area there is no sunset clause. There is no period of time in which the companies actually have to move their project forward or get construction started. So this spectre essentially sits over the land, over the landholders, until the companies finally get—maybe the coal price goes back up—their financing together to actually move the project forward.

Mr YOUNG: Does that not benefit the landholder in giving them a greater time frame so that they can talk about positioning of rail lines as to where they do want it or do not want it?

Ms Smith: I do not think that is necessarily the case, especially if a notice of acquisition has already been handed out. In the case of the Surat Basin state development area, which is kind of the only other similar state development area that we have in Queensland, that state development area is still sitting over 30 properties in the Surat Basin, even though the mine is never going to go ahead. In fact, the company has said that they are shelving it for good. Yet that state development area is still impacting upon those landholders. So they still have to go through the Coordinator-General if they want to have a material change of use on their land and just trying to sell a property with a state development area over it is obviously a lot more difficult than a property that does not have a state development area over it.

CHAIR: Are there other questions?

Ms MILLARD: In regard to the SDA—your last comment specifically has prompted me to ask this question—you have made the comment that you feel it is along the lines of unnecessary. You feel as though the power imbalance is out, even though we have put together the landholder liaison managers in accordance with trying to package this up to make it a more fair and equal balance for everybody. I am just struggling to understand why you feel that it is so unnecessary to have an SDA. Is it because, as you say, somebody may want to sell their land with an SDA over it? Is that more your concern?

Ms Smith: I will be honest with you. My concern is with the rail lines themselves. I think they are in the wrong place and they have not been designed to deal with the flood risk that is present there. I think when the government imposes a state development area over those specific corridors it means the companies have nowhere to move. They could go through an environmental impact assessment process for another corridor not in a state development area with compulsory acquisition rights. But essentially it is the government saying, 'We want you to build your corridors in these particular areas and we will help you do that by allowing compulsory acquisition,' rather than the companies and the landholders in the region talking to each other about what is going to be the best for the whole region and developing coal and developing agriculture at the same time.

CHAIR: With regard to the rail corridors, then, you obviously therefore have an alternative alignment that you believe would be of better use.

Ms Smith: I take my lead from some of the landholders who know that region really well on that, and I know that some of them are speaking today so I will leave that to them.

CHAIR: That is fine. I am conscious of time. Are there any final questions before we move on?

Mr HART: If this goes through, do you think there should be a sunset clause put on the SDA?

Ms Smith: Certainly. I am not sure of the legal mechanisms for that, whether it needs to be disallowed and then go through another process. If that is the case, I certainly think it should be disallowed and then a number of processes should happen. There should be a sunset clause. There should also be a full cost-benefit analysis including what are the impacts on these properties—the 60-something businesses that are going to be affected—and what are the actual economic benefits for the state, especially when you include the royalty discounts that are being proposed for these projects and the jobs that will happen overseas even though they are counted in the social impact assessments for the project. So there should be a full cost-benefit analysis for Queensland and a sunset clause for sure.

CHAIR: Thank you very much. The time allocated for this session has now expired. I thank you, Eleanor, for your time here today. I now welcome representatives from the Mackay Conservation Group.

WILLIAMS, Dr Moira, Community Organiser, Mackay Conservation Group

CHAIR: Good morning. Would you care to make an opening statement?

Dr Williams: Thanks. We have been working in the region for about 30 years on a range of issues, from coastal development to biodiversity protection. Over the last decade we have made multiple submissions around both the Bowen Basin and the Galilee Basin because of the direct impacts it will have on communities and the environment through Central Queensland. We have been concerned for a number of years about the way Queensland's legislative and planning frameworks consistently put the resource sector ahead of the concerns of communities and the environment and ahead of long-term protection of sustainable existing industries, and we feel the state development area is a clear example of that. It is unnecessary and should be revoked.

I will just touch on some of the key recommendations we made in the submission but also say that over the last six months I have been speaking to around 70 landholders that have been affected by the state development area to hear their concerns. Originally, as you know, the state development area covered 1.8 million hectares and over 100 landholders. We have seen that reduced, which is great. But certainly for the landholders that remain, there are significant impacts on their properties that they are feeling now mostly through the uncertainty of future land use and declining land values. In March this year two meetings were held in Clermont and Bowen. I was in attendance at those and there was a unanimous resolution passed at those meetings which was a rejection of the state development area by landholders and that was calling on Minister Seeney to revoke the proposal primarily because, as I said, of the uncertainty around future land use and the likely long-term negative impacts through reduction in land values. Subsequently, over 50 landholders representing 62 properties in the original state development area signed on to that resolution. That was presented to Minister Seeney by Corridor to Coast. Shontae Moran is speaking on behalf of them later today, so you will hear from her. But certainly no response from Minister Seeney has been received, which is very disappointing.

In terms of the key points—and it is following on a bit from the previous speaker—the first one is that the SDA is entirely unnecessary. There are existing legal provisions both within the Transport Infrastructure Act and the SDPWO Act, which the SDA sits under, that allow for both the investigation and acquisition of land for rail corridors. GVK has had infrastructure-facility-of-significance status since 2011, so they have been allowed to acquire land through that process. We have received legal advice on the state development area—and I know you received a submission from solicitors as well—that says that the SDA in comparison to other processes, like the private-infrastructure-facility status—the PIF, let's say; the PIF versus the SDA—is a very heavy-handed approach. It strips landholder rights in the negotiation process, and certainly we have made some recommendations in our submission about how that can be rebalanced in that there are some clear statutory guidelines that sit alongside a PIF that help retain landholder rights. No such guidelines exist for the state development area, and certainly we think there should be guidelines established.

One of the clear guidelines that Eleanor touched on is that the proponents do not have to show that these projects will in fact proceed within reasonable time frames. That seems like a small thing, but some of these landholders have been negotiating with the company since 2007. There are large questions over whether these projects are going to go ahead. There are certainly questions around economic viability with the declining coal price, and to put landholders in limbo for several years with that uncertainty about future land use, about whether the rail line is going to split their property in two and they have to change infrastructure and all sorts of things, means that there is an impact that is happening now in terms of not being able to invest in and expand farm infrastructure.

In that sense, the state development area is providing certainty for the mining industry, but at the same time it is removing certainty for the agricultural industry. That is another key point. We are also calling for a full cost-benefit analysis of these proposals. The key justification for the state development area is that there is a positive economic benefit of the mine, the rail and the port proposals. We have provided in our submission a critique of those economic benefits. We see them as overinflated. There has been absolutely no evaluation of the cost to existing industries.

In terms of the negotiation rights, which we have talked about, there is no doubt that the compulsory acquisition powers that are afforded under the SDA are applying added pressure and a large amount of stress to landholders. The negative impacts of this policy are being played out right now as Adani moves to finalise their rail line and sign-up agreements. We know that is happening as we speak.

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Within the last month the Coordinator-General's office has received complaints from landholders about Adani's bullying behaviour in the negotiations around the North Galilee rail line. That suggests that they are using the state development area as a very powerful weapon in the negotiations. You will probably hear from landholders about how that makes them feel in the negotiation process.

It is extremely concerning that those negotiations and the use of this policy were happening even before Adani's rail line received full environmental approval. That did not happen until just recently. Landholders were being forced into agreements before the rail line even received environmental approval. We certainly feel that this is a very dangerous example of government processes being used by private industry to extract unfair commercial advantage in negotiations.

Eleanor talked about the key justification for the state development area being that it is in the public interest. We certainly do not feel that securing land for private interests is in the public interest. It is certainly a concerning shift away from what we think the state development area was originally intended for.

Finally, I point out that this is already negatively impacting landholders. I have been speaking with landholders who are affected by the Surat Basin state development area. We have received advice that essentially once a state development area is in place it renders properties unsaleable. Therefore, it makes it very difficult to prove legally that the state development area has reduced land values. There was one property sold down there and reportedly land values had dropped by 30 per cent. There are certainly valuers near the Surat Basin who say that land values are at least likely to drop by 10 per cent. We are looking at a 10 to 30 per cent drop in land values.

The state development area is already having a significant impact on the agricultural industry. It will have an ongoing impact unless we put measures in place like a sunset clause which would remove the state development area if these projects do not occur within a reasonable time frame.

In summary, there are other legal options for acquiring land that better protect landholder rights. We have mentioned some things in the submission like statutory guidelines along the lines of the PIF statutory guidelines that would better uphold landholder rights in the negotiation process. We feel the government has really failed to justify why the state development area is necessary in this instance to facilitate development or is in the public interest. It is already damaging farm productivity and it is likely to have very long-lasting effects for these landholders and should be revoked.

CHAIR: Thank you. I just want to pick up on what you said at the end. I was just jotting it down. You said that this state development area is already impacting on farm productivity. Can you just tease that out? In what way is it impacting on farm productivity right now?

Dr Williams: Sure. An example is where rail lines are proposed to go through properties. Often there is a section of those properties where you cut the rail line in half. Certainly when there is uncertainty about whether that is going to take place it impacts landholders. As I said, some landholders have been negotiating since 2007. They have been talking about these companies since then. Is it going ahead? Is it not going to go ahead? Some landholders I have been speaking to are unsure about putting in a new dam or fixing a fence. They are holding off on investment in their farm because they do not know (1) where the rail line is going to go through and (2) if it ever will. Certainly there are many people who do think it will, but they have to be prepared for that.

The PIF guidelines state that proponents have to show that these projects proceed within reasonable time frames. That is not in place. We think that is incredibly unfair given that these projects still have to raise billions of dollars to get them off the ground and yet the companies are pushing landholders into agreements saying, 'We want to construct as early as next year.' Certainly that is not the case.

We know, for example, that the Carmichael mine is under a court process. The port is under court processes. Construction is likely to happen at the very earliest probably in 2016 and yet companies are pushing landholders into sign-up agreements now. It is certainly our view that the state development area is being used as a way to shore up investment in what we see as speculative projects.

These companies want to look like they are signing up landholders to agreements so they are making progress for their investors. That is because they do not have the money to build these projects yet. The state development area, in our view, is a very clear way that they are trying to shore up that investment.

CHAIR: Can I pick up on your comment about the PIF and a reasonable period of time. With major infrastructure projects I guess that phase would vary from project to project. In your opinion what would be a reasonable period of time for consideration in the Galilee Basin state development area?

Dr Williams: That is a really good question. I think the same thing would apply as would apply around the sunset clause. If we were going to instigate a sunset clause what is a reasonable time? Twelve months perhaps. Twelve months from now. Are we talking about from now? We have already been in negotiations for four years. Certainly with regard to a state development area I cannot see why if, by the end of next year, they have not progressed it should not be revoked.

Mr HART: On that point, you mentioned 12 months from, I assume, the declaration of the SDA is probably a good time to set. What sort of progress would you like to see made in order for the sunset clause not to kick in? Could it be the money for the project is in line, the land has been purchased, a hole has been dug in the ground? What are we looking at there?

Dr Williams: It is a bit of 'chicken and egg' because the company is trying to show their investors that signing up landholders is progress. Certainly they need to be demonstrating financial closure which is that they have the money to build these projects. We know that that is not the case. They have to have binding agreements with investors.

For example, for the GVK and the Aurizon line there is a non-binding agreement between GVK and Aurizon that they will build the railway line together. Certainly that railway line is definitely reliant on about \$2 billion to \$3 billion of investment from Aurizon. Recent comments from the CEO of Aurizon suggest that they are not interested in entering into that agreement in a binding fashion at least until the start of next year, if not later.

They are the sorts of things that make us concerned that this thing is going to be dragged out. We need binding agreements from investors to show that they are actually serious about progressing with these projects and they are not just hoping for the coal price to increase and sitting this in the background. Meanwhile landholders are left in limbo.

Mr HART: You said near the end of your statement that you do not support an SDA in this case. Do you generally support SDAs?

Dr Williams: I would say my experience with SDAs is fairly limited. I have heard about the Surat Basin one. Of course I understand that there is a need to develop public infrastructure—infrastructure that is in the interests of the public. Sometimes that is unavoidable. It might be a highway or a school or a hospital. I know there was a state development area around a hospital.

As I said, there are other legal avenues to acquire this land, and that includes compulsory acquisition. Of course, if you can only put the railway in one place you can only put it in one place. I think we have demonstrated that there is no legal reason to have the SDA in this case. We think the primary motivation from the government for this policy is to shore up investment in what we think are speculative projects. We think that is fairly inappropriate. It is a concerning shift away from what this policy is used for, which is for public interest. It is purely to support private interests.

CHAIR: Can I pick up on the conversation there. Is there not a risk that if we were to have too short a period—you alluded to the coal price, and I think it is a good example where if we were in a situation where there was a very high coal price, there was strong investor demand and there was a 12-month period to shore everything up—we could have the unintended consequence of landholders being rushed through things because it all has to be locked away within a 12-month period and therefore the negotiations could actually be far worse because there is a clock ticking?

Dr Williams: To be honest, I have not thought through that. The reality is that when the companies want to move, they will move and they will push landholders. They will give them unrealistic deadlines. It is important that the companies are honest with the landholders about the realistic construction time frames. From what I have heard, they are not. They are telling people that construction is going to happen in February next year. There is absolutely no way that is going to happen with both the mine and the port held up in court proceedings. We are looking for basic honesty here about the time frames involved. I think that is a key point. In terms of the sunset clause, maybe we need to think through that a bit more.

CHAIR: As you mentioned it I thought that it is different when the price is low. But if the price is high we could have unintended consequence in that space.

Dr Williams: Sure. I think there are some minimum guidelines around good-faith negotiations—around six months. Certainly I do not think a 12-month sunset clause precludes that.

Mr YOUNG: I am concerned about the allegations of bullying. Have these allegations of bullying by mining companies been brought to the landholder liaison officer?

Dr Williams: That is certainly where I have heard about them. Confidentially I have heard that from landholders. I have spoken to Scott Taylor, who said that that has occurred. Scott Taylor said that he has spoken to Adani about that. That apparently has not happened.

CHAIR: Sorry to interrupt. For the benefit of the committee, what is Scott Taylor's position?

Dr Williams: The landholder liaison officer around the Galilee Basin state development area. I have spoken to Scott about those. He has said that he has spoken to Adani about that behaviour. The point is, once that has already happened, once the threat of compulsory acquisition is there, once the threat of saying 'we are going to construct the rail line by February' is there, it is very hard to remove that power in the negotiations. As I said, that was happening before there was full federal environmental approval of the rail line which would have allowed for the scope changes to the rail line that Eleanor talked about—that is, landholders have been calling for that rail line to be much further to the west to avoid critical flood plains.

Mr BYRNE: Much of the evidence you have given this morning certainly resonates with me. I am of a similar view that this issue just does not apply to this particular project or this SDA—this issue of speculation by various companies and corporations seeking government ticks in the box in order to solicit for investment subsequently, rather than have that investment embedded upfront as part of the argument to seek the government assistance to go forward. I do not think it applies to just this particular development but also quite a few others I am aware of across the state and that concern me greatly. My takeaway from this is that the process itself is disjointed. A very clear process around major development proposals in terms of financial guarantees—not only the business case but also the upfront investment—needs to be established quite clearly. Your submission is that that is not the case here; is that right?

Dr Williams: I absolutely agree with what you have said.

Mr BYRNE: In terms of your point about the sunset clauses, again, that is much more broadly applied to projects in this state. That is my observation. Is it possible to have some sort of metric that says, based on scale, type, location—all the variations that come with project—there is a variable? At the end of the day, you suggest that every single one of these requires a sunset clause so it does not sit ad infinitum, upsetting landholders or stakeholders and basically being money in the bank in some respects for a proponent?

CHAIR: I think there was a question in there somewhere.

Dr Williams: I totally agree. As I said, we have been talking with landholders that are affected by the Surat Basin state development area. They certainly would be calling for that to be revoked from now. There is clearly no progress in that project. Whatever metric you use to measure that failure of the mine—

Mr BYRNE: I am more interested in the sunset clause.

Dr Williams: If there was a sunset clause in the Surat Basin SDA it would be revoked now. The landholders have been going through seven years of negotiations. The government ended up paying them \$10,000 each just for the stress and the time that they have gone through, which is nowhere near, I imagine, the amount of actual compensation needed in terms of the stress and the time that landholders go through in these negotiations. But I think we want to avoid the mistakes of the Surat Basin here.

Ms MILLARD: Both yourself and also Lock the Gate mentioned concerns around flooding issues. Can you sort of further tease that out for us as to your thought pattern with regard to that?

Dr Williams: Certainly the rail lines take the shortest, cheapest route from the mine to the port, and that happens to be through some of the best farming country in Queensland: the flood plains of the Belyando and Suttor river systems. For about four years now landholders have been saying that this is quite crazy. We have already seen washouts of coal rail lines in the Bowen Basin three times in the last six years, disrupting coal production there. So not only is it an incredible risk for the companies to build rail lines that are likely to wash out; when you build a rail line it is often up to 14 feet high, so it is a levee and it disrupts surface water flow and can actually increase flooding and flooding impacts on the land. There is also the issue of disrupting what is quite highly profitable farmland in terms of on those flood plain areas, so those landholders, plus members like Vaughan Johnson, for a while now have been calling for those rail lines to be shifted outside the flood plains. Certainly if we are talking about long-term rail infrastructure, it should not be in flood plains that are going to flood out and cause enormous cost in the future.

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

REA, Mr Andrew, Personal capacity

CHAIR: Would you care to make a statement?

Mr Rea: Yes, I will make a couple of points before I get to the SDA if that is okay.

CHAIR: Absolutely.

Mr Rea: Our family owns freehold country about 150 kilometres west of Rockhampton. We also own freehold country about 50 kilometres west of Bowen which has an SDA placed over it to accommodate a rail line proposal for a multinational foreign company. I want to place on record that I am not anti mining, I am not anti development and I am not anti progress. I want to make that very, very clear. I am vehemently opposed to a small section of the community bearing the brunt of this whole proposal, which are landholders. Freehold just means nothing.

The first point I would like to raise is the point of landholders' time regarding all contact with resource companies. I have no choice but to deal with them, but the resource companies have the choice of paying for the landholder's time or not. We have up to seven resource companies to deal with at one time, from coal seam gas exploration, coal exploration, mineral exploration and rail line construction, which is a huge drain on our time. When I go to talk to businesspeople I have to pay—I have no problem with that—but why the resource companies are exempt is beyond me. This has to be rectified.

Legal fees are a very costly impost on our business. When you are forced to deal with resource companies you have to have legal representation. You are foolish if you do not. These legal fees are supposed to be paid by the resource companies. The catch is that the legal fees do not have to be paid by them until you sign a conduct and compensation agreement. That is the nuts and bolts of it. If a resource company does not like the negotiation, they just walk. You have two choices: you accept a standard offer or stand your ground and run the risk of being left with a large legal bill. Our family right now is owed thousands of dollars which I know I am not going to get, but I have to pay my legal fees every day and so should the resource companies. This has to be rectified. I can show you some evidence of these fellows who will not pay me. It is entirely up to you whether you want to see this.

CHAIR: Can I look at them before we determine whether we table them?

Mr Rea: Yes.

CHAIR: We have rules as to what we can and cannot accept. I want to make sure we are not disclosing anything that may be confidential.

Mr Rea: That is fine. They are all e-mails.

CHAIR: Please continue.

Mr Rea: As I said earlier, our country is freehold. When we applied to freehold Eton Vale—that is where the SDA is applied—I was told the current UCV, unimproved capital value, would be the value of the freeholding plus the value of any commercial timber. There is no commercial timber, so we are back to the UCV. Also, the department resumed areas for national parks. We objected to that and we were informed that if we did not relinquish areas the freehold application would fail. That was it; that was the option we had. When the offer came from the government it was \$100,000 over the UCV. We could have gone to court, but we decided to borrow the money to have the security of freehold. It does not deserve the word 'freehold'. How wrong it has turned out to be. It just means nothing.

In my opinion the SDA is heavy-handed, premature and heavily tilted towards resource companies. We are negotiating with a foreign company which has a gun at our head backed by the Queensland government. I have been advised by my lawyer and the office of the Coordinator-General not to go to the Land Court because I will be worse off, which automatically gives the resource company a fallback position. They have somewhere to go; I do not. The land will be devalued for the life of the infrastructure. Some commercial process had to be put in place to offset the loss of the value—I know they are supposed to pay me—which will be ongoing for the next 90 years. My research tells me that mining royalties account for four per cent of the Queensland government's revenue, so why is the government giving a finite mining industry preference over an infinite agricultural industry—which is one of the four pillars of our Queensland economy—bearing in mind our sustainability and the fact that we developed our country: gating, fences, land titles, water extensions to prevent erosion and land degradation? A rail line has no such restrictions on it.

Land that is surrendered for an SDA should not be subject to capital gains. It is not the landholder's decision to sell the asset; it is forcibly acquired from him. The landholder and resource company should be given adequate time to reach a voluntary commercial agreement before an SDA is activated for a private business. Our family has been giving ground for years, whether it is the landholder's time, legal fees, freeholding fees and finally the SDA over our freehold land. It is totally unfair and unjustified. The SDA should be revoked immediately until all of the above concerns are addressed.

CHAIR: Thank you very much, Mr Rea. You mentioned in your comments about 'adequate time'. I know that this is a 'how long is a piece of string' question, but in your opinion what would 'adequate time' be?

Mr Rea: How keen are they? How pushy are they? How standover-ish are they? I have had them all. We have been dealing with them for 40 years. You name them, I have had them. As you have said, how long is a bit of string? When I said that to a lady once she said 'twice as far as from the middle to the end', so there we go. It took the wind out of me, I can tell you.

CHAIR: That is the best answer I have ever heard!

Mr Rea: I do not know what 'adequate time' is. I have no idea. But that has to come back to commercial, and I think commercial negotiations should remove this SDA completely. There is nothing whatsoever commercial about it.

CHAIR: You were here earlier, so you heard the other presenters. I want to tease some things out from your experiences, if that is okay. I wish to make it clear that if at any point you do not wish to answer a question, you are not obliged to. You can say that you do not want to answer and there is no pressure at all. In your dealing with the resource companies have they, either in a very overt way or in a subtle way, used the compulsory acquisition powers over you, or has it just been that you are aware that they are there and it has never actually been said but it is the elephant in the room, so to speak?

Mr Rea: The very first meeting we had with these guys was about six weeks ago. Do not hold me to that. They walked into the room and before they sat down they said, 'The Queensland government is going to issue the notice of intention to resume today.' Man, that rocked me. So the following day I got on to Scott Taylor, the land liaison fellow, and that was a porky. We are under pressure, and that is just not on. That is all documented with my solicitors if you want to see any evidence of it.

CHAIR: We take you at your word.

Mr Rea: Scott Taylor talked to him. You can talk to him.

Mr HART: Mr Rea, what is it that is proposed for your land? Is it a rail corridor or—

Mr Rea: Sorry, it is a six-kilometre railway line. That is cutting it at about 40-60, 70-30 or something like that.

Mr HART: So 30 per cent on one side and 70 per cent on the other?

Mr Rea: Yes, or it might be 40-60. We have not really worked it out.

Mr HART: Is there some sort of proposed access? Have you got any of that detail yet or is it still being—

Mr Rea: Yes, we have. It is supposed to be a couple of level crossings, A-grade crossings—call them what you like. We have been over this and they back off it, they change their minds and all this sort of stuff. We are just going over it and over it and over it. If we get rid of the SDA and let me negotiate on commercial decisions, I can fix it.

Mr HART: You said you met with them only a couple of weeks ago, but you have had other—

Mr Rea: Well, in an official capacity we did. They have been to the home and talked to us and this sort of thing probably going back 12 months. To take up the point about the level crossings, it was done and dusted there having smoko: two level crossings, what the specifications were and then—

Mr HART: This is actually about acquiring the land that you are talking about now?

Mr Rea: No, still about the entry agreements and that sort of thing. We thought the crossings were done and dusted, and then they come back and offered us—well, they did not actually offer us anything; our young fellow fell over it—an underpass, which was just refused.

Mr YOUNG: Andrew, you stated earlier that land that is targeted under an SDA should be exempt from capital gains, but undoubtedly there are lots of farmers out there who have done very well out of it. Are you saying that they should be exempt from capital gains? Then in your next comment you said you were happy to go to a commercial decision. Would that not be having a foot in both camps?

Mr Rea: No. If I go to a commercial decision I can make adequate allowances for that, but under this I cannot. But my point was that these fellows did not want to sell voluntarily, but now they are being made to sell compulsorily. As I understand it, if you relinquish the land voluntarily there are capital gains and if it is compulsorily acquired there are not. That is how I understand it. Maybe I am wrong.

Mr YOUNG: I understood that if it was a compulsory acquisition you are saying you want to be exempt from capital gains. Is that how we read that?

Mr Rea: Well, if I did that is wrong.

Mr KATTER: Andrew, with the talk of compensation and values, I would imagine it was probably more favourable four or five years ago to look at selling up. From the figures that I have heard, for example, in the north-west 30 per cent are declined and there is going to be a lot less incentive to take that option. Does that play much in your consciousness when you are dealing with this issue?

Mr Rea: Yes, because they are coming in and buying our land when we have a bit of a dip in land prices. I have absolutely no choice to say, 'No, I will wait until land prices come up.' I have no choice in that. When they decide to go, I have to buckle under and that just goes all the way down the line.

Mr HART: Andrew, did you get any information from the government about this process as to the time frames that are involved in negotiating and what each step would be, or are you getting this information from a solicitor? How are you working out what the process is?

Mr Rea: I am just blundering along, to be honest with you. You get these blue flyers from the government and it goes through it all, but there are no time frames; there is nothing. It just tells you all the steps of what is going to happen, what you can do, what you cannot do, what is under this and what is not under that. Those things come along.

Mr HART: So you are getting information that sets out the process?

Mr Rea: Yes, yes.

Mr YOUNG: Andrew, we have that landholder liaison officer. Would it be a fair comment to say that there needs to be further engagement with you guys so that you guys have clarity?

Mr Rea: It would not do any harm, put it that way.

Mr YOUNG: In your last statement you said that you were struggling with it. If that is the case then I think we need to put further emphasis on making sure that we have someone out there who does have clarity.

Mr Rea: Scott is doing a good job, but he is still inside the legislation. He cannot get outside that.

Mr CRANDON: I just want to come back to, obviously, the sticking point as far as access is concerned. You are talking about a six-kilometre rail line through your property with two access points.

Mr Rea: Yes.

Mr CRANDON: Over a six-kilometre stretch.

Mr Rea: Yes.

Mr CRANDON: That does not seem enough to me. It just does not seem adequate in itself. But then you said that they stepped away from that offer and then somehow or other there was some sort of an underpass—

Mr Rea: They are talking about an underpass. We made it clear: that might be fine if you have six jersey cows. That might be fine, but when you are talking a mob of 600 or 700 head, which are basically all quiet cattle, they have not seen this sort of stuff. They are trying to tell me 3.6 wide by 3.6 high, 15 metres through, I can just string 600 through it. This is rubbish. This is what they went back to and now we have to wind it all up. We are all in an argument now.

Mr CRANDON: Right. So you are in the middle of a bit of a blue over access across this. Were you happy with the two crossings? How wide were they?

Mr Rea: I understood they were about 24 feet—I do not know what that is in metres, but 24 feet. It is not good but just makes the best of a bad situation. We agreed to those.

Mr CRANDON: Right. Okay.

Mr Rea: Then they stepped away and went back to 3.6 metres, which is 11 feet or something.

Mr CRANDON: You are not even getting to the dollars; you are getting to, 'Hang on. How am I going to move my cattle around?' before you get anywhere near the dollars?

Mr Rea: Exactly.

Mr CRANDON: Okay.

Ms MILLARD: Thank you, Mr Rea, for coming in today. You made the comment in regard to your opportunities to negotiate your land value. Do you only have the opportunity to discuss the current spot value of your land? Do you not have the opportunity to project umpteen years forward, umpteen years back and do it across a projection? Or is it really only the opportunity to negotiate on a current spot value?

Mr Rea: That is today, what the value is today.

Ms MILLARD: Okay.

Mr Rea: I just want to go on a bit further from that point. That is a good point. They are supposed to compensate us for the loss of the value of the land. Money deteriorates every day. Hopefully, land will appreciate. So we are going this way. Now, I believe something—and do not ask me what it is—should be put in place to keep me going with it, like a royalty on the coal or something, a couple of cents off a wagon for me or something, priced on CPI or something. That is just off the top of my head. I have no idea. But something has to be put in place, I believe, that I can keep up with it. There is about a three quarters of a million dollars worth of infrastructure that we have to put up when the train line goes through. They are going to pay us for it, so they said. I am not doubting they will, but from the day I put it up it starts deteriorating. It has to be maintained. It is costing me money. In 30 years time, it is finished; I have to replace it. I am not going to carry one more head of cattle—not one—to try to generate enough money to maintain this. So somewhere along the line I think we have to—and do not ask me what it is—get it up to generate, to keep me up to pace, because in 30 years time I have to put this infrastructure back.

CHAIR: That is a very good point, Mr Rea. Thank you very much for your time. We have noted this and we will return these emails across to you.

Mr Rea: Okay. That is all good. Thank you very much.

CHAIR: Thank you very much for both your time and travelling for the committee. It has been of value.

LUND, Mr Stephen, Private capacity

CHAIR: Stephen, would you like to make an opening statement for the committee, please?

Mr Lund: Yes, I will do that. Righto. Talking about this SDA, the first I heard of it I got the letter in the mail one Friday and that letter told me that I had 2½ hours to reply to it. This is just typical of the whole process. It goes rush, rush, rush. There was no consultation and they expect landholders to do all the legwork if they wish to talk to the government officials.

The maps we were given were out of date. We were never visited by anyone. We were expected to drive hundreds of kilometres to talk to people who knew less about the Galilee railway lines than we did. There were no public meetings, no consultation and we were walked over and we are still being walked over.

Why do we need an SDA? The short answer is that we do not. We have been dealing with rail proponents quite successfully up until now. Now the Queensland government wants to take away any bargaining power that we may have had to try to get some fair compensation for having a railway line thrust through our properties. Adani was given an RFI, which is a rail feasibility investigator's authority. This gave them extra powers over the like of GVK Hancock. So there was no negotiating with Adani, as though they were just waving this in our face and saying, 'You'll do as you're told or we'll do it anyway.'

It is bad enough that we have to put up with two railway lines, but this SDA makes it a lot worse. Now the government is on the side of foreign mining companies and it has taken away landholders' rights to just compensation. If the Queensland government would just show a bit of leadership and make these companies put the railway lines where they should be—for example, having one line going from Alpha to Carmichael and then going across to the coast—we would be starting to get somewhere.

We have been dealing with these rail projects for six years and still nothing, and it could go for another 30. Meanwhile, our land values have suffered and will continue to suffer. I do not see why a landholder should be out of pocket because some engineer drew a line on a map and then the government backed them by taking away any chance that that landholder had to fair compensation. I think this is wrong and that is about all I have to say about it.

CHAIR: Stephen, thank you very much for that. You opened up by saying that you had a letter and you had 2½ hours to respond.

Mr Lund: That is correct. That is the letter I got from you fellows about this SDA. I opened the letter and they said, 'You have got until four o'clock on Friday afternoon to reply to this.'

CHAIR: Sorry—

Mr Lund: 'Or that's it.' I only got the letter on Friday a couple of hours before, about lunchtime. So I have only had a few hours to actually open the letter. They extended it later on, but I thought, 'Gee, this is a bit rough.'

CHAIR: Just so that I am clear, Stephen, is that from the committee, from the government or from the mining company?

Mr Lund: No, that was from the government to say about this SDA when they first proposed it.

CHAIR: Okay. And that was calling for your feedback or your input into it—

Mr Lund: Yes, whether I was interested in talking to them about it.

CHAIR: Thanks for that. I just wanted to clarify that. Earlier today we heard some things from some of the other people who have presented before us, and we are very keen to hear directly from individuals who are impacted by this, and I want to thank you for your time. You mentioned about land values suffering. Can you give the committee any sort of anecdotal evidence as to how this is impacting on your land values?

Mr Lund: Who is going to come and buy my property or my neighbour's property when they have a proposed railway line going through the middle of it? There is so much baggage that is there just from having it drawn there that no-one is going to be interested in it, or they are going to have to drop their values accordingly to make it worth their while.

CHAIR: Are you aware of any sales that have fallen over because of the SDA being established?

Mr Lund: No, I do not know that there have been too many sales, because people will not go near them.

CHAIR: Sure. Okay. That is a fair point.

Mr CRANDON: Can we just get a sense of your property to get a feel for the impact—hectares, whatever—

Mr Lund: I have a farm, a 16,000-hectare property. I am lucky to one extent that the GVK Hancock line runs up one boundary, but it is only a kilometre and a half from the house. So I am going to cop a heap of dust and noise and that. But there is the likes of the next-door neighbours, who have it running smack-bang clean through the centre of their place.

Mr CRANDON: Okay. So the line on the map runs along your boundary at this stage?

Mr Lund: Yes.

Mr CRANDON: But it does impact others. What is the distance from boundary to boundary on your property in kilometres?

Mr Lund: That the railway line is running on?

Mr CRANDON: Yes.

Mr Lund: I could not tell you that off the top of my head.

Mr CRANDON: Okay, that is all right. Sixteen thousand hectares gives us an indication. It is a sizeable property.

Mr Lund: The actual rail line is only taking up 60 hectares or whatever, but that is not the point. The point is that it is not far from my house and it is just going to blow coal dust this way.

Mr CRANDON: And with your other neighbours, their properties are of a similar size?

Mr Lund: That is correct, yes.

Mr CRANDON: Okay, thank you.

Mr Lund: Either that or bigger. The hard part is for us is to try to negotiate with these rail companies. We have a little bit of bargaining power now, because they have to resume us. We have to go to the Land Court and all of that sort of stuff. So we have a little bit of bargaining power there. But if we do not have any bargaining power, they can offer us what they like and away they go.

Mr YOUNG: Stephen, the first thing you started with was the 2½ hours to respond. We will get the secretariat to give you a call and I would not mind getting a copy of that letter, if you could fax it to us or email to us.

Mr Lund: You might be lucky with that. I think I threw it in the bin.

Mr YOUNG: You should have held on to it, mate. Anyway, there is also a landholder liaison officer, Scott Taylor. Have you had any discussions with him?

Mr Lund: No, I have had no discussions with anyone because they will not come and see us. Why do I have to drive 250 kilometres to go and talk to them?

Mr YOUNG: I would have thought he would go to see you.

Mr Lund: No, no-one from the state government has ever come and seen me.

Mr YOUNG: Understood.

Mr BYRNE: Prior to the declaration of the SDA, my recollection is that there were four proponents that involved rail lines associated with the Galilee Basin. How were you being impacted? What did you feel was the process? Were you more comfortable prior to the SDA being declared?

Mr Lund: We had two proponents. We had Hancock GVK up the boundary near the house here and then we had Adani that was cutting across the tail end of the place. They were cutting right through the middle originally but they have charged now. But talk about dealing with them: Hancock GVK, no dramas. We dealt with them quite successfully and we signed up a compensation agreement with them. Adani, a different story altogether. They did not want to know anything. They did not want to talk to us about it. Eventually, Adani shifted their line.

Mr BYRNE: Was that prior to the SDA?

Mr Lund: Yes, that was prior to the SDA, yes.

Mr BYRNE: What I am trying to get to is that the SDA has been problematic in itself rather than the negotiations prior to the SDA?

Mr Lund: Yes, I think so, but I just do not understand why we need an SDA. It is not going to help landholders, that is for sure. Landholders can talk to the railway proponents.

CHAIR: I want to pick up on something that you were mentioning there in negotiating with two different companies. From what you have explained to us, there were two very different attitudes in the way in which they dealt with you and how you were able to resolve it. What would you put that down to? Is that just a company culture or was there something else that resulted in one company being a lot easier to negotiate with as opposed to the other?

Mr Lund: Hancock GVK were desperate to sign a lot of people up before the last state election and that is what they did, because they wanted to be able to show the present government, 'Hey, look, we've got all of these people signed up on this line. This is where it should go. Everyone is happy with it,' whereas Adani also had that rail feasibility investigation authority given to them because they were supposedly going to hook on to one of QR's lines that is already going. Man, that made a big difference to those boys, because they used to rub that in our face all the time. I would say, 'No, you blokes aren't coming on today.' 'Yes, we are. We're going to do this, because we've got this.'

CHAIR: Okay. Thanks for that.

Mr KATTER: Stephen, in the submission about the water flows across your place if it all goes through, can you just talk us through the impacts of that? Do you think you will be adequately compensated or you will be in an equal position at the end of it, based on the negotiations?

Mr Lund: That is a hard one, because they are going right across the flood plain. We did a fair bit of talking with Hancock GVK about that and they have drawn flood maps, but no-one is really to know until we get a big flood exactly what is going to happen. It is sort of a bit hypothetical, but you can imagine going across all of this black soil country. You know what black soil is like to build stuff on. It is a crazy situation where they are putting it, but they did not seem to want to move it.

CHAIR: Thank you.

Mr KATTER: Have they found it more difficult, or the whole nature of the negotiation has changed since the announcement of the SDA? I think you have pretty much answered that, unless you want to add anything more to that, Stephen?

Mr Lund: Everything has gone quiet. We have not talked to any railway people at all for a while now—probably nearly 18 months. It is as if they have just run out of money and disappeared. So since this SDA thing has been around we have not had a chance to talk to anyone, because they did not really need to talk to us because everything is up in the air.

CHAIR: Okay.

Mr HART: Stephen, can you explain to us how you think the declaration of an SDA is affecting your rights to negotiate fair compensation? What is different?

Mr Lund: To me, the part that is different is the fact that we are getting threatened with our land just being resumed. That is our only bargaining power. We can say, 'No, no. We want a bit more of this,' and now they will say, 'No, we will just take the lot anyway.' We do not have too many rights anyway, but they are getting eroded a little bit. The SDA, the way I understand it, is to be like a lolly for the railway companies to put their line through here. So if it is going to be sweeter for them, it is going to be sourer for us. Someone has to be a loser and it is going to be landholders.

Mr HART: So you have not had any negotiations yet? So you have not been faced with this but you are assuming that will happen?

Mr Lund: I am assuming that, yes. I have done negotiations with Hancock GVK. I have a piece paper signed here with an agreement of what they are supposed to pay me or whatever. I guarantee they will tear it up and start again.

CHAIR: All right. Stephen, have you been to the Land Court? You mentioned the Land Court in your comments.

Mr Lund: Not, I have not, but you know the rules. The way it was before, if we cannot come to agreement that is where we go and we decide it there.

CHAIR: I just wanted to clarify that for the benefit of the committee. Are there any other questions? Stephen, are there any final remarks that you would like to make? It has been quite forthright and really valuable for the committee. Is there anything that you would like to wrap up with?

Mr Lund: The only thing is that I had a phone call from some people this morning who said that they were keen to go on and to do this thing today but they reckoned the confidentiality agreements had them worried about it. So they were not going to say boo, which I find hard to understand, because I will not sign a confidentiality agreement. But they just asked me if I would just mention that.

CHAIR: Fair point. Anyone who appears before a parliamentary committee is extended parliamentary privilege, so I would be concerned if people felt that they did not have the freedom to speak to a parliamentary committee in any case.

Mr Lund: Right.

CHAIR: Regardless of that.

Mr Lund: I do not think they were aware of that. They were just too scared to do it.

CHAIR: Stephen, can I ask you to go back to them and, from the committee's perspective, give them the opportunity, if they want to email us any of their points and if they wish us to treat that as a confidential email, we are happy to do that. It will benefit us as a committee to have as much information as we possibly can.

Mr Lund: No dramas. I will ring them as soon as I get off the line.

CHAIR: Excellent. Stephen, thank you very much for your time and for your frankness in dealing with us. We do not get that often enough. It is like a breath of fresh air. Thank you.

Mr Lund: Good on you. Good talking to you.

Proceedings suspended from 10.36 am to 11.00 am

CORMACK, Mr Val, Private capacity

ROBERTS, Dr Grant, Adviser to Mr Cormack

CHAIR: Welcome gentlemen. I believe you have had a long drive to get to this committee hearing and we really do appreciate that, thank you. For the benefit of the record, could you please state your names and the positions by which you are appearing before the committee.

Mr Cormack: My name is Valentine Alexander Troup Cormack.

CHAIR: You are a landholder?

Mr Cormack: Yes. I am a cattle producer.

Dr Roberts: I am Grant Roberts. I am an adviser to Val Cormack. I am helping him with some of the technical issues and some of the hidden impacts that are not necessarily being identified readily.

CHAIR: Excellent. Thank you very much. Mr Cormack, would you like to make an opening statement?

Mr Cormack: First of all, thank you for the invitation to attend to put my concerns to the committee. I am a cattle producer and grazier from the Clermont district in North Queensland and a landholder whose property and livelihood, along with many others, will be substantially affected by this development. It is not only the landholders who I am concerned about but also the families of people involved in the Great Barrier Reef through tourism, as can be seen in my submission issue No. 5. I have come a long way today to raise my concerns as an affected landholder. As indicated in my submissions, it is my view that there are many aspects of the proposed Galilee Basin development area that have not been properly assessed and considered to date.

I have owned and operated my cattle-producing property, Wavering Downs, for more than 40 years and have been in discussion with both the GVK and Adani proponents over the past four to five years. I am not opposed to the development of the state's resources, nor am I opposed to the concepts of developing rail infrastructure in common rail corridors, but I am opposed to the roughshod and bullying manner in which the proponents use both the current legislation and the projects of state significance status to disadvantage landholders. Just to give you an idea of what I mean by 'roughshod', for example, in 2010 I was involved in the survey conducted by Hancock with GHD. A Hancock employee said, 'Hancock will say to leave that out.' The other person said, 'Or, don't put that in.' This was information that was going to the Coordinator-General's department. Clearly, the resources of Queensland need to be developed if we are to prosper and grow as a state, but such developments, as I have stated in my submission, should not be solely at the expense or subsidisation of the individual landholders affected or at the expense of our natural treasures such as the Great Barrier Reef.

Specifically, my concerns relate to five areas raised in my submission where I feel the direct and indirect impacts of the proposed rail corridor on the daily operations of my property and its finances, both now and into the future, have been ignored by the proponents. In my submission No. 2, there is loss of beef production from disturbance; No. 3, rail corridor fires; No. 4, railway lines as industrial contaminated sites; No. 5, coal dust; and No. 6, representation issues.

I cannot overstate the importance of this meeting today. As a committee member said, this meeting is to complete the inquiry into the regulation and its effects. I point out with great concern that this project, the railway and mines in the Galilee Basin will last from 30 to 150 years. What the State Development, Infrastructure and Industry Committee tables from this meeting has the potential to affect families for generations to come. We do not want future generations to say, 'Why did they ever allow that to happen?' There is nothing that cannot be worked through, but the proponents and the government must listen to the affected landholders. In its current form, the GBSDA rail represents the most financially disruptive option to my business that could possibly have been proposed.

CHAIR: Thank you. Your submission was very beneficial to us and I thank you for that. Your point 2 relates to the loss of beef production from disturbance. I want to tease some things out, if that is okay.

Mr Cormack: Yes.

CHAIR: You estimated the impact on your income stream would be in the order of \$600,000 per annum.

Mr Cormack: Yes.

CHAIR: For the benefit of the committee, can you talk us through that? Is that a direct loss in income? How did you calculate it? What other factors may have been considered in that area?

Mr Cormack: Sure. We have three sons and a daughter. All the three boys want to do is go on the land. We own Wavering Downs, which is a fattening block at Clermont. We had breeders on that. In 2005 we purchased Johnny Cake Station at Collinsville, which is just a breeder block. Then we purchased another little block there, Glen Bowen, which is a little cattle property with irrigation. We bring our weaners from those two properties down to Wavering Downs.

In the future—and we have arrived at that stage now—once we build up our numbers we need another property between Collinsville and Wavering Downs to grow the cattle out and then bring them down at, say, 450kg to 500kg to our fattening property. Now that we have arrived at that state, from my experience with cattle—and I am 66 years old—we just will not be able to do it with our *Bos indicus* cattle, because of the disturbance of the trains coming through. They will graze for maintenance and not fatten. When I say ‘graze for maintenance’—and you have this in the submission from, I think, Mark Trotter from the New England University, which has done a trial. I find the same thing is happening at home without any railway line. If a railway line comes through, when we bring our weaners down, it is going straight through the middle of the paddock where we bring them in.

Dr Roberts: I might help here.

Mr Cormack: Yes.

Dr Roberts: Basically, Val’s operation is that he breeds cattle up on a quiet property at Johnny Cake. The animals do not have any industrial noise or noise of any sort around it. They then ship those cattle down to Wavering Downs to fatten them up. He has a certain period to put weight on the cattle to make the European Union market, which is a very lucrative market. If you miss the window of opportunity, it is worth about \$150 per animal, so it is quite a significant amount. When he first did his numbers he had about 1,500 cattle, and he is up to about 3,000 now. Those numbers are significantly higher as a potential loss. If you do not make the particular European market—and it is to do with the age of the cattle and the weight—you lose a lot of money per animal.

His concern is that two things are happening. The railway line goes right through at right angles to all his property movements, so he starts at one spot, he moves to the next spot, comes down and goes back across the rail. In his case, the railway line is about eight kilometres. He has two rail crossings, four kilometres apart. He runs the whole operation now with about 10 dogs. That is going to have a huge impact into the future, because the dogs are not really good at opening and closing gates.

In terms of the animals, as you drive down the road you will see cattle grazing next to a railway line or a road. Most likely those animals have been conceived in that area and they are familiar with the noise. But if you bring an animal down that has never seen a train or heard a wheel flat pounding or anything and you let it loose, it is going to run miles when it hears it because it is going to think some predator is after it. That is going to have an impact on its growth rates.

If that turns out to be the case, and that is Val’s belief, which is contrary to GVK and Adani, which believe that a railway line will not have any impact on weight gains of cattle with noise and vibration and dust, then Val stands to lose a significant amount of money. They have consistently rejected any opportunity to do the monitoring and the assessment and take the seismic measurements to determine that.

CHAIR: So that \$600,000 is really—

Dr Roberts: A lower estimate. That is on the number of animals losing.

CHAIR: That is based on the current number of cattle that you have?

Mr Cormack: Exactly, that we have arrived at. The way that I worked it out is that we will not be able to fatten them. We will have to sell them as stores and there is a loss of, say, \$300 per head on average. We just will not be able to do it.

CHAIR: Thank you for that, because we needed to clarify it. I will open it to committee members and start with the member for Mount Isa.

Mr KATTER: Val, can you clarify for me, at what point is this talking about compensation, because that should be an amount that is factored in? When you are dealing with compensation, it is about putting people in the same position after as before, and you would have to look at individual production systems for producers because otherwise it falls well short. You are the perfect example of where it will fall well short of putting someone in the same position as they were.

Mr Cormack: Yes, Rob. Every property is different. Every property has different issues. That is only one. One other way of fattening cattle: we have creep feeders. We had 900 breeders and the calves had access to grain and the cows could not get in. The railway line is going to go straight over the top of them. We will never, ever be able to do that again. That is a loss there, what we are working on at the moment.

Mr KATTER: We have been talking about SDAs, which seem to be fast-tracking. They are likely to force the resolution faster, if need be. You are saying it will fail to pick up these compensation issues?

Dr Roberts: Compensation is one thing. Land compensation is relatively easy, but what happens when you disrupt the business and, in Val's case, you split a property down the middle at 45 and 55 per cent and you put in a railway line in that is fenced?

Mr KATTER: Yes, I appreciate that.

Dr Roberts: Previously he could move his cattle freely back and forth without requiring extra people. Now the process would be to take the cattle to a holding pen, pop them in some yards, get approval to run the cattle across the railway line—and his is an over-the-line proposal—and all those have significant costs into the future. Every time he wants to move his animals across the railway line he is going to have to hire people to do it, because he is not going to be able to do it himself.

The second thing is that all the cattle, while they are being held, have to be fed. Somebody has to provide bales of hay. That is not being considered and they do not want to talk about it, because that is an ongoing cost into the future. Therefore, the compensation really just deals with the impact now, but it does not look at how it affects your business and the disruptions to the business into the future and the growth of that business.

Compensation is about losses; it is not about potential losses. Cattle weight loss is hypothetical at this stage, until somebody does the research. There are people in CSIRO and the like who have started that process. But what the proponents would like to do is make the landholder responsible for paying for that monitoring and to provide certainty of weight loss. It does not quite work that way. You can look over periods of time and you can see a general growth in people's cattle numbers, you can see the cattle weights and you will have price fluctuations, but you will generally get a trending over a long period that shows either they are a successful cattle producer or they are not. That is the problem. You will get to a peak point somewhere where they get a good stable income return, they have the property running really well—and after 40 years, Val's property runs really well. He has the best configuration movements through all the paddocks. Running a railway line at right angles basically just destroys his whole property design.

Mr KATTER: But what you are talking about is an inadequacy in the compensation process at the moment. You are saying it is inadequate and that is the best point at which to address this.

Mr Cormack: Rob, what they are actually asking landholders to do is to subsidise their project. We lose the money and they gain by putting their business through our business. We are paying for it and they do not want to pay us—you can call it either compensation or subsidisation.

Dr Roberts: The other thing which is adding to that is that at the moment Val does not have a railway line through his property. When you put a railway line through a property you get a couple of things. Firstly, you do create industrial contamination. They do use industrial chemicals and spray herbicides for weeds and maintenance and all sorts of things in an agricultural area. Herbicide application is registered for agricultural use. It is illegal to use industrial registered chemicals in an agricultural area, so they are going to take an easement and effectively spray industrial chemicals.

The other part to having a railway line is that you create a fire hazard. Under the current frameworks there is very little incentive for any of the proponents who put a railway line in to manage the fire hazards properly. They do not compensate, as far as I know. They do not compensate rural fire brigades and donate to them. If a fire generates in the property of a railway line, they rely upon the landholder to make all efforts to do it.

If there is a disagreement about the amount of quantum involved, they rely then on straight compensation. For example, I know of one case where a grader was used for a whole day. They asked for a reasonable sum at a commercial rental rate and a few other items. The railway line proponent did not like it. They offered them \$50 a day for their grader, which was the depreciated value of the grader which was the actual compensation for losses incurred. So there needs to be

some better arrangement in the commercial process of how they manage fires, and at the moment it is cheaper to use the farmer to manage a fire hazard than it is to maintain the railway line vegetation.

CHAIR: I am conscious of time, so I am going to flick across firstly to the member for Keppel.

Mr YOUNG: Val, as you have an EU accredited herd, have you received any documentation from the people that give you accreditation to say there is the very real potential you may lose your accreditation if this rail line is to go through your property?

Mr Cormack: Bruce, I contacted them and they could not help me. They put me on to—I think this was about three years ago—the MLA. I have not been able to get any satisfaction from anyone. None of them want to put their neck out and say, 'You are going to lose accreditation.' It is the risk to the beef industry with the chemicals. It is a big concern. You may have read my submission. You saw the photo of an animal on the railway line. If you would like to have a look at a photo I took last Friday when I was going from Mount Coolum from home to Collinsville, that is exactly what I am on about with the concern for chemicals getting into the beef industry. That was on a QR National railway line between Collinsville and Mount Coolum.

Mr BYRNE: You talk about herbicides. Are you talking about Atrazine or those sorts of contaminatory herbicides?

Mr Cormack: Yes, Bill, because industrial sites use industrial chemicals. That bull there is eating, chewing on a bush. I would like someone to tell me that that bush has not been sprayed with an industrial chemical and also to prove to me that that bull might not go through the meatworks next week. That is the type of thing I am concerned about. If you see the photo where there is no fence, there is an opening in the fence where the QR National are driving in and it is about the width of this building here. Why? It is not as though the bull crawled through the fence. This is where they have to be aware. We are an industry. What would have happened this year or last year if a chemical got into our beef chain and shut down our beef industry for two or three weeks? They will not shut it down forever, but it might be for two or three weeks until they finalise it and get it sorted out. You have feedlots full of cattle. There is a big, big loss.

CHAIR: I am conscious of time. I call the member for Burleigh.

Mr HART: Val, the committee's investigation is into the regulation that approves the SDA in this area. How has the declaration of an SDA changed your negotiating process or the outcomes that you think you will see from what was happening before?

Mr Cormack: I have not had any negotiations since this came in. I was negotiating—we have the Hancock GVK line going through our place. Last year we had a solicitor and he sacked himself. So we have not been negotiating with anyone up until now. They talk about Scott Taylor—I have not seen him. He is supposed to be the liaison officer.

Mr HART: But your issue is more with the fact that there is a railway line going through there, not the actual—

Mr Cormack: That is right, Michael. At the moment my head is full of this. I have got the flood plain. We are about the No. 6 top flood plain. I have showed Hancock where there was a limb in a tree that was put there in the 1958 flood. I have taken them there and I have showed them. I have photos. They had a measuring stick and everything. I have done all that I can as far as the flood is concerned. I have told them. They know about it.

CHAIR: You can't beat local knowledge.

Dr Roberts: I will just add a bit. There is no doubt in the conversations that the SDA and the declaration of that gives the proponents an enormous amount of power, whether it be directly or psychologically. There is always the implied, 'If you don't agree with what we are doing, we will take you to court and we will do the resumption process and that will be out of your hands.' There is that quite direct implication. It is not so bluntly stated but it is quite overt in the process.

CHAIR: Our final question will be from the member for Sandgate.

Ms MILLARD: Val, with regard to where the railway line is proposed to be situated on your property, do you feel as though anybody that you are talking to is actually listening to you with regard to the fact that you do not feel that that is suitable for you or that the rail line in general is not in a suitable position?

Mr Cormack: No. I do not think they are listening. They are not listening. I put it in that 2010 survey. I said to them they must listen. It is important to listen to the landholders. They just have not been listening to us.

Public Hearing—Inquiry into the State Development and Public Works Organisation (State Development Areas) Amendment Regulation (No. 1) 2014

CHAIR: The time allocated for this session has now expired. Gentlemen, I thank you both for your attendance here today. Val, I thank you for your submission. It has been of great benefit to the committee and its deliberations as well.

Mr Cormack: You are welcome. Thank you very much.

MORAN, Ms Shontae, Manager, Double D Partnership; Steering Committee Member, Corridor to Coast Galilee Network

CHAIR: Shontae, would you care to make an opening statement?

Ms Moran: Yes, I would, thank you. Good morning, Mr Chair, and members of the committee. Thank you for the opportunity to represent both our family enterprise, Double D Partnership, and the landholders affected by the Galilee Basin state development area who formed Corridor to Coast Galilee Network. So my representation is made on behalf of both parties because the issues that I present are parallel in most cases.

Firstly, I would like to make it abundantly clear that landholders are not averse to the development of the Galilee. We support the development and can see the potential benefits to our industry in the long term if a seasonally secure transport corridor exists in the right place. So I was just wondering, Chair, if I could expand a little on the submission that we put forward.

CHAIR: Absolutely, Shontae. We all have copies of the submission but feel free to address any of the issues that you feel are important or tease anything out. It is a bit hard in a teleconference scenario, but we will let you speak first and when you are ready we will come in with questions. We will not interrupt you through the process, if that is okay.

Ms Moran: That sounds great, thank you. Obviously the state development area was declared because of the perceived public interest or general welfare for the state. Prior to this, in June 2012—you are probably already aware of this—the Deputy Premier and Minister for State Development, Infrastructure and Planning, Jeff Seeney, indicated the state's preferred rail corridors, both of which were already covered by the infrastructure-facility-of-significance status or the Transport Infrastructure Act that gave the Coordinator-General the power to compulsorily acquire land.

In August 2013, landholders received a letter from the Coordinator-General, Barry Broe, indicating the possibly of SDA powers being utilised. However, these would be 'linked to the timing of projects and proponents' ability to demonstrate certainty that they can move their projects towards construction'. We would like to challenge the legality of the SDA on the grounds that neither proponent has the capacity at this point in time to indicate and stick to clear time frames for development. The proponents are yet to submit any form of justification report to the state government which indicates their ability to progress with their projects as neither has reached a point within their own companies to make this financial decision. As far as I am aware, neither has indicated when they will reach this decision, although we are led to believe that this will be a considerable amount of time into the future, possibly years.

The impact of this on the public interest and the general welfare of those affected is great. Despite the watering down of the impacts on landholders by proponents and the government, this process and the unnecessary use of the state development area powers are making people sick and it is affecting the viability of existing land users, who have a right to operate a business.

The only other benefit to my knowledge is that an SDA simplifies the material-change-of-use application. The state has chosen to further erode the rights of landholders by proposing to remove the need for proponents to gain permission from landholders to proceed with the MCU application. So this is the proposed changes to the Galilee Basin state development area development scheme arm—the proposal that is currently up at the moment. So we no longer, if this goes through, have any capacity to negotiate a fair and equitable compensation agreement as what little bargaining power we had, as in the ability to sign off on this MCU, has been stripped from us.

I would also like to respond to acting Assistant Coordinator-General David Stolz's original appearance before the committee. I was personally very disappointed in his assessment of the delivery of information to affected stakeholders regarding the SDA. Whilst his explanation to the committee—to yourselves—was quite clear, the information landholders received was disjointed, it was very confusing and at no point did it indicate directly that the original size of the SDA was the consultation zone, as he said in his statement. This is particularly upsetting, considering that he has been involved with these projects since the beginning.

He also indicated that change is disconcerting for people. That shows a clear lack of understanding of the department's part in how an agricultural business operates. Landholders are not averse to change. Change and coping with change are our business. That is what we do. I think you would probably find that agribusiness is one of the most adaptable industries. What we are averse to is the stripping of our democratic right to run a business in favour of overseas companies that are yet to provide solid evidence of their intention to proceed with their projects.

Just to further summarise our position and to demonstrate the heavy-handedness of the SDA, as indicated in our submission, the implementation of the development scheme removes the right of landholders to appeal any decision of the Coordinator-General under section 16(3). At no point does the Galilee Basin's development scheme refer to proponents being compelled to negotiate commercial agreements with landholders. This is despite constant verbal assurances from the Deputy Premier and departmental staff.

The development scheme contains no useful reference to allowable agricultural activities, except for animal husbandry. It appears for all intents and purposes that all other activities would be deemed not consistent with the land use intent. So an SDA is not a conduit to development—this has been proven with the Surat Basin rail proposal—and nor are landholders a constraint on development. The financial viability of a project is always going to dictate development of a proposal.

The Deputy Premier has consistently indicated that the position of the rail corridors is the fault of the previous government. He then reinforced that decision making by initiating the SDA. If he fails to revoke the SDA, then a clear time sunset clause needs to be put in place to allow for the correction of bad policy and the placement of the rail corridor in the right place, west of the Belyando River and outside of the flood plain. Thank you.

CHAIR: Excellent, Shontae. Thank you for that. I am just going to pick up on something that you said. It is a process thing that I just want to clarify. In terms of the regulation that we are looking into, it is not a matter of it going through; it is already in place.

Ms Moran: Yes.

CHAIR: So that regulation is enforced. We have conducted an inquiry and then the parliament has a right to move a disallowance motion, debate that and vote in accordance. I just wanted to make it clear that the criteria that are contained in the regulation are already in force. It is not a matter of our decision to determine whether it goes through or not—unlike, say, a bill where we look at before it becomes an act of parliament.

Ms Moran: Yes. Thank you.

CHAIR: Can I now pick up on something that you alluded to—and we have heard it from other people as well—and this is the concept of a limitation on the time frame that the proponent should have to move forward. Do you have any views as to what a reasonable period of time would be to progress a proposal and if they did not by that time frame then the approvals should lapse?

Ms Moran: We are impacted by the GVK Hancock corridor directly. We have been negotiating with these companies for six years now. So I am not sure what is a reasonable time frame. I would have thought 10 years from at least the beginning of construction should be ample time for a project to consider its viability.

CHAIR: I guess the committee is looking at it from the perspective of the SDA. So if we took it from the grant of the SDA, what would you consider a reasonable period of time to be?

Ms Moran: So where are we? Four years.

CHAIR: Okay.

Ms Moran: Surely that gives landholders some direction and some capacity to plan, given that, I guess, these companies are yet to decide whether or not they are even going to proceed with their projects. That gives them ample time to make a decision. I think there needs to be a balance.

CHAIR: Okay. Thank you for that. The other thing you have mentioned in your submission and other submitters have also mentioned is that you recommend a sunset clause. The advice that we have received back from the department is that a mechanism for revoking the SDA already exists under the State Development and Public Works Organisation Act and, therefore, a sunset clause in its own right is unnecessary. Based on that information, how do you feel about a sunset provision, or would you be comfortable with the fact that there is already a revocation power and it would simply mean that the government would need to act on that after a reasonable period of time, like the four years that you mentioned earlier?

Ms Moran: I was doing some reading yesterday and I would be more comfortable if there was actually something legislated, because there is the capacity within the State Development and Public Works Organisation Act for a regulation to pass to negate that end date. As far as I could understand—and I guess I would definitely encourage you guys to check this out—somewhere in there there are other processes that can override that time frame.

CHAIR: Okay. Excellent. I promise you that we will check things out. Do not worry.

Ms Moran: I am sure you will.

CHAIR: I will now open it up to my committee members for questions.

Mr YOUNG: Shontae, you have stated in here that the SDA is 10 times the size of the surveyed EIS area. You have also talked about the willingness to get away to the western side of the Belyando flood plain. If we were to move the line over to the western side flood plain, does that still fit within the SDA?

Ms Moran: No, that area was never included in the original SDA.

CHAIR: All right. Any other members?

Ms MILLARD: Ms Moran, just with regard to the SDA, do you feel that it has an effect on land value moving forward?

Ms Moran: Absolutely, and we have received that advice from our financial institution as well—that they would definitely take the SDA into consideration in future applications for credit. They were unable to specify how that would impact our capacity for them to lend, but they said that it would definitely be something that they would look at.

CHAIR: They did not quantify it but they did say that it would be a factor that they would take into consideration; is that correct?

Ms Moran: Yes.

Mr KATTER: Shontae, what has been your relationship with the government in terms of communication? What is the best way to do that, do you think?

Ms Moran: The communication from the government: we have sort of not been sure who we should even speak to up until the recent appointment of Scott Taylor. To Scott's credit, he has been trying very hard to make sure that he builds relationships with landholders. It is very disappointing to us, because previously we had a good relationship with the last Coordinator-General. We sort of had the door shut in our faces, so to speak. Scott has been working very hard and he is very open and forthcoming in what he does know and what he does not know. I have had to wait a considerable amount of time to get answers when he has had to pass on the question. The response that I have received—I spent 40 minutes on the phone yesterday to a legal person trying to explain something to me and it was not done spectacularly.

CHAIR: Sorry, when you say a 'legal person', that was a government legal person?

Ms Moran: Yes, a person within State Development and Infrastructure.

CHAIR: Thank you for that. Sorry, continue.

Ms Moran: If the state development area needs to stay there, it would be good to see Scott's role remain permanent for the foreseeable future. I realise that at the moment it is only a part-time position, or not a permanent position. I do not mean to sound rude or anything here, but they need to get a real person to write the stuff that goes out, because it is clearly written by solicitors and most of the time it is very difficult to follow and very unclear. It needs to be in one package, not sent to us in bits and pieces. It is very disjointed.

One letter that we received had a strong focus on compulsory acquisition. It had a flyer in it about compulsory acquisition. It did not mention that the government was compelling proponents to negotiate with landholders. So after finishing that document we thought, 'What's going on? What are they trying to say to us?'

CHAIR: Would it not be a challenge, though, that if they waited until they had all the information there would be this vacuum without any information being communicated?

Ms Moran: Absolutely, but in the case of this information that came between January, February and March, they would not have needed to do the follow-up documents if they had considered all the implications and all the impacts in January and sent that information out to landholders from the start.

CHAIR: I understand now.

Ms Moran: Obviously there are going to be developments and things like that along the way that you cannot see at the start.

CHAIR: Shontae, are there any final comments that you would like to make?

Ms Moran: Thank you again for the opportunity to represent both my family and landholders. We do wish you guys all the best in pulling together all of your information. I will be honest with you and say that landholders are becoming increasingly sceptical of the processes involved with these projects and their ability to create change and to create something positive for us.

CHAIR: Can I just pick up on that. We were very keen to travel but, obviously, to justify the expense of taxpayers' dollars we needed to show that there was support to do it. Do you think that cynicism was in part why we did not get as much response from landholders in the area, because we would have happily packed our bags and travelled up to Clermont or whatever? Is that part of the reason or was it just as a committee we did not communicate that well enough?

Ms Moran: No, absolutely, and I think I expressed that in the email that I sent with our submission. Landholders just thought, 'What's the point? They're not going to listen.' The work that you guys are doing, does it go before the parliament or does it go before Minister Seeney?

CHAIR: It goes to the parliament. Our committee processes work in a very bipartisan way. We report to the parliament. The minister will receive our report, obviously, and can then respond to the parliament. It is not quite like a bill, where in their second reading speech they would address our recommendations. It is a slightly different process with a regulation but we report to the parliament, not to the executive.

Ms Moran: Okay. Our experience with the minister has not exactly been a positive one. It has been recently unprofessional, as far as we are concerned. The thought that this information is just going to get pulled together, you guys are going to do a good job of pulling this all together, it is going to go before the minister and he is just going to totally reject it—

CHAIR: Thank you for that. I really appreciate your honesty and I appreciate your time and the submission that you have put forward.

Ms Moran: Thanks so much for your time, everyone, and all the best.

CHAIR: Thank you.

GORDON, Mr James, Private capacity

CHAIR: Hello, James. Would you care to make an opening statement?

Mr Gordon: Yes. I have some concerns with the SDA inasmuch as we have had no communication from any of the proponents with regard to whatever might be proposed with developments. I am assuming it will be a railway line in my instance. My only source of information has been the occasional newsletter from the government that started off with a big wide red line covering quite a lot of my property to a very narrow red line that goes right beside my house.

CHAIR: When you say 'right beside', James, in country terms are we talking literally right beside or within a kilometre?

Mr Gordon: Within probably 100 metres.

CHAIR: Okay, right beside. Please continue.

Mr Gordon: There has been a lack of communication, and that is my major concern. I am still unsure as to why the SDA needed to be declared when projects have been proposed and developed without it being necessary before. I would like to know when it will end so that we can go back to saying, 'Okay, we don't have a red line across our property any longer.' That is the major thing: we have no end in sight and it could go on. I am guessing a little bit in that I think the red line that goes beside my house is probably an Aurizon/Hancock project, or possibly was, but the environmental impact statement I think expired the other week. I am wondering: if they have allowed that to expire, is the project finished and can we remove the red line?

CHAIR: Obviously as a committee we are looking at the regulation re the SDA. I want to pick up on your comment about it expiring. We have heard and certainly received submissions in which people have talked about a sunset clause. I think that is the phrase that some people have used. Others have talked about a reasonable period for the proponent to do what they need to do and if they do not get it all together by then it should expire. From your perspective, what would you consider to be a suitable period before it expired or a sunset clause was activated?

Mr Gordon: Right: I probably need to see the plans that a project developer put forward and their time frames and then go, 'Okay, we will allow for some deviations from that and after that—finished.'

CHAIR: I appreciate what you are saying, because one of the points that we made earlier is that in some ways the question I am asking is 'how long is a piece of string?'

Mr Gordon: That is right.

CHAIR: It depends on the project. If I am correct in understanding what you have said, you are indicating that you believe the information is put forward by the proponent that they need whatever period and you would be comfortable with that, but if they had not achieved it within their own set time frames that should be sufficient?

Mr Gordon: Probably. I am trying to think what the process for the development of this stuff is. If they put together their paper proposals and plans, they do preliminary construction timeframes and before they get to construction they have all the other things. Somewhere in there there is some time budgeting. Within whatever time they can achieve it, with milestones along the way—basically, I guess, looking at the world today, if you build a plan today on the costs of today, you would not expect that to hold for more than six months with the changing economics.

CHAIR: Exactly.

Mr Gordon: They cannot dig out a plan that is five years old and say, 'Let's run to this.'

CHAIR: Good point. I am going to open to committee members. I have a fair bit of interest. I will start with the member for Sandgate.

Ms MILLARD: Good morning. How large is your property that is affected? How many hectares?

Mr Gordon: The total area of the parcel of land is 13,800 hectares.

Ms MILLARD: Do you know how many hectares would be affected specifically?

Mr Gordon: No. I think they have indicated that the red line would be—I am not sure—it is a 500-metre red line at the moment that they are probably looking at. It is probably at least seven kilometres long by 500 metres wide as their corridor of interest, I suppose you would call it.

Ms MILLARD: What impact do you think these rail corridors would have on your stock and other operations surrounding the property?

Mr Gordon: The property is already bisected by the Newlands-Pring rail line. My family actually purchased the property just prior to that railway line going through. That bisects the property in half. We have lived with that one for a very long time. We have seen the change in traffic and we have access points across that line that have been there for a very long time. As it cuts the property almost equally in half, it only becomes an issue when we are moving stock from one side to the other. We are very comfortable doing that. It is not a great difficulty as yet, with the traffic that is there.

This next proposed line would cut one-half of the property into quarters. This would have more than double the impact inasmuch as to check water, check fences, check cattle we would be crossing—at the moment we run the property almost as two separate properties, with a stock transaction between them over the existing line. To go to that next stage, we would be crossing the new line quite a bit more often. We are living on the down-wind side of it, so we are quite close to it, and we will be copping quite a lot of coal dust and diesel particulate fumes. That is about it.

Mr HART: James, when the Galilee Basin SDA was first proposed, there was a 1800 freecall number set up. Are you aware of that?

Mr Gordon: Yes.

Mr HART: Have you ever used it?

Mr Gordon: Yes.

Mr HART: What sort of response do you get?

Mr Gordon: They could not answer my questions very well, like, who was the proponent who was investigating a project that involves my land? No-one can answer it.

Mr HART: Are they able to direct you to a website or anything like that that helped?

Mr Gordon: No.

Mr YOUNG: James, I have a couple of questions following on from the questions of the member for Sandgate. You are on 35,000 acres. Obviously it is a breeder operation?

Mr Gordon: Breeding, growing, fattening, trading.

Mr YOUNG: You do the whole lot?

Mr Gordon: Combined.

Mr YOUNG: Do you do any ag.? Do you grow any crops?

Mr Gordon: No.

Mr YOUNG: Was there any consultation before they decided to put the proposed rail line so close to your homestead?

Mr Gordon: No—sorry. There may have been. There was communication, probably five to seven years ago with, at the time, Queensland National. It had just changed to Queensland National from Queensland Rail, Coal and Minerals, I think, regarding an upgrade to the Newlands-Pring rail line. We had communication regarding that. At that stage I think it might have already been in their plans to put this deviation in; I am not sure. They did not tell me then. That was the last communication we had. That was five years ago with Aurizon, or what became Aurizon, and they still did not tell me exactly what was going on then.

Mr YOUNG: We have a landholder liaison officer. Have you had any discussions with Mr Scott Taylor?

Mr Gordon: Yes, I have spoken to Scott Taylor.

Mr YOUNG: And those discussions have been good?

Mr Gordon: Yes. Scott told me what he could, but he could not answer those questions.

Mr BYRNE: Specific to your submission, you mention a proposed bridging impact on the hydrology of the river and particularly the water source set out for your property. Do you want to use this opportunity to expand on that or make an extra contribution, because it interests me?

Mr Gordon: Certainly. The corridor, the red line that they have drawn, crosses the river. My house is in a bend in the river. It crosses the river beside my house, just upstream. It is a culturally significant site to my family and it is also a significant source of water. Pretty much where their line is cannot miss interfering. I have a pump there that services 3,000 or 4,000 hectares. It distributes water from that point through a pipeline. It would be almost within the corridor, under the bridge, if it goes ahead. It is a very good, permanent supply of water. There are mango trees there that were

planted 120 to 130 years ago. My old uncles used to dig up Chinese coins under those mango trees. There were Chinese market gardeners there before my family came. If they put the bridge in there, there is always a disturbance to the flow through the bed sands of the rivers when you start putting the embankments and the footings for the bridges in. I would like that to be very delicate, if it has to go there.

Mr BYRNE: Have you seen any reports from hydrologists or any technical scientific based analysis of this?

Mr Gordon: No. I have discussed with hydrologists in general how water moves through this particular part of the landscape. I have communicated with a few hydrologists and geologists fairly closely doing projects with Burdekin Dry Tropics NRM doing salinity and water-flow research a few years ago, so I have discussed broadly how water will flow through our soils and through our drainage lines through the bed sands of the rivers and creeks. I have not gone into specifics in that instance.

Mr BYRNE: Your evidence and that of other people who have made submissions and given verbal evidence to the committee raises questions about what appears to be a haphazard communications strategy supporting this SDA. How would you describe the department's communication strategy? Have you seen a document about a stakeholder consultation plan or anything of that nature?

Mr Gordon: No, not stakeholder consultation. The last communication I saw was regarding whether you were going to come out to the regions a little bit, I think.

CHAIR: Are you referring to the committee as distinct from the department?

Mr Gordon: Yes, referring to the committee. But I did not see anything as far as stakeholders, proponents or anyone else to engage with, no.

CHAIR: James, I am conscious of the time and we need to move on, but is there anything that you would like to wrap up with or are there any final statements that you would like to make?

Mr Gordon: No, I have covered everything, thank you.

CHAIR: Excellent. Thank for your time. It is great that we did not miss catching up with you. It has been of value and interest to us.

STOLZ, Mr David, Assistant Coordinator-General, Department of State Development, Infrastructure and Planning

CHAIR: You have obviously had the opportunity to hear all of the witnesses today. I would like to keep it fairly free-flowing, but if there is anything that you would like to start with and then we could perhaps pick up with some questions, if that is okay.

Mr Stolz: I am happy to make a couple of brief comments. Obviously I have presented to the committee before. During the course of the committee's investigations we have looked at and reviewed the submissions that have been made, and we have made a subsequent submission to the committee in terms of those submissions and our response to those submissions.

As I have listened here this morning I have probably heard, in my view, four key things. There seems to be a theme around communication, and that theme has been linked to our landholder liaison manager Scott Taylor, as well as correspondence and materials provided by the department. I might go through the themes and then I might come back and answer your questions.

CHAIR: You encapsulate the themes and then we will pick up on them.

Mr Stolz: There has been a theme around the duration of the state development area, and that has sort of been encapsulated through commentary around sunset clauses or the potential to revoke the state development area in due course if that were to be required. There has been a theme around the location of the state development area, and some of the subthemes that I would link to that include the potential for flooding, some of the impacts that might be experienced in terms of farm operations, locations of houses in the previous example, and generally linked to that is the extent to which there have been consultation processes and plans proposed to ameliorate any impacts that may come from the location of the state development area. So I guess I am linking those as four theme areas—

CHAIR: I think you have done our job really well, so thank you for that because I think you have captured very well what we have heard in the evidence.

Mr CRANDON: Health and wellbeing is another theme that was coming through.

CHAIR: Yes, we could pick up that area as well. I might just start off with the communications side of things, because I think we have heard certainly some very positive comments with regard to the liaison officer and the role that he is performing. We have to narrow our consideration to the regulation. It does seem that since the regulation has been brought in, or perhaps in the lead-up to it and the implementation of it, there has been a disconnect or cessation of communication activities that maybe have caused people some concern. For the benefit of the committee, can you explain what the department has done that may or may not have been effective with regard to the SDA being declared?

Mr Stolz: I would be very happy to do that. I might divide it into two stages. There was a very significant consultation process that preceded the declaration of the state development area, and a number of the presentations to the committee this morning have mentioned aspects of that consultation and some of the timing around that consultation. During that phase there were a number of communications, letters, fact sheets and briefing materials as well as material provided on our departmental website intended to describe not only the area that was being consulted upon but also the nature of state development areas and what potentially some of the impacts for affected parties may be.

Probably the key component of that consultation was an offer to meet with landholders or any interested parties. I think it was mentioned in one of the earlier presentations that we held meetings in a number of centres which included Clermont, Collinsville and Bowen. We provided an opportunity for any individual or party that wished to speak to us to have information about the state development area and to work through the impacts on their individual properties. That included an individual map for each property showing where the state development area would be and in particular where it was proposed that a rail line would be located on that property.

CHAIR: Just for the benefit of the committee, are we talking about when the massive state development area was—

Mr Stolz: This is the larger state development area. The mapping that was used to support that consultation looked at each property, looked at the state development area and then looked at where rail lines would be on that property. The second phase of activity then relates to post the declaration of the state development area. There have been a number of communications from the Coordinator-General, again including letters and fact sheets, intended to describe again in more Brisbane

detail what a state development area is and how various Coordinator-General processes work, but in particular also communicating the 1800 number and the availability for landholders to access Scott Taylor to have an individual dialogue with him about their individual concerns.

I guess our feedback has been very much in the positive space. Even where there have been concerns raised, our general feedback has been that landholders have appreciated access to Scott and that their questions in general have been answered. I guess the other statement I would make there is that if there are still landholders who do not have that view and if there is still information that they seek, we are very happy to work with them to do that. The brief to Scott from the Coordinator-General is that he can travel and go to individual properties and sit down and speak individually with landholders if they so wish.

CHAIR: Does he have to be invited? He cannot proactively turn up to someone's place and say—

Mr Stolz: On a number of occasions Scott has proactively called all of the landholders that we have contact details for. I guess you might appreciate that we do not necessarily have everyone's telephone number, but we have made considerable efforts to develop a database of contact details, phone numbers, email and obviously residential addresses. On a number of occasions Scott has called all parties and made an offer to individually visit and sit down and discuss their concerns. I guess from the department's—

Mr HART: How many people are we talking about?

Mr Stolz: I think there were 73 in the state development area.

CHAIR: Of those 73, how many do you have the contact details of?

Mr Stolz: I think it is about mid-50s. I am happy to take that on notice and give you an exact number.

CHAIR: That would be appreciated.

Mr Stolz: I am very happy to do that.

CHAIR: Please continue.

Mr Stolz: We have phoned landholders and made an offer to sit down with them individually and also to speak with them individually on the telephone. From our point of view, we feel that we have a reasonable handle on individual issues where they have been raised with us. I think it is fair to say that there is ongoing concern around the location of the state development area, and many of the issues that have been raised with Scott continue to relate to locational issues, whether that is expressed in terms of flooding impacts or whether that is expressed in terms of other impacts on individual properties.

As you would have seen through our submission, it would be the department's view that the location of the state development area has had considerable examination through environmental impact statement processes, and in the course of those processes there have been considerable consultation processes, both individually with affected parties, but also I guess generally with parties wishing to contribute and to make submissions on the location of the state development area. That has been over an extended period of time, and I think during the course of the sessions today many parties have indicated that they have been discussing these issues for six or seven years. The issues around flooding and the issues around location of the state development area are fundamentally issues that have, from the department's point of view, been addressed through the environmental impact statement processes.

CHAIR: Sticking with the theme, are there any questions on the communication side?

Mr HART: With the 1800 number, do you have any statistic on how many people are using it and whether they are happy with the feedback?

Mr Stolz: I would be happy to take that on notice and come back to you with specific details of the number of calls that have been made to us and the themes that have come through to us in those telephone conversations. We have kept very detailed records of that information.

CHAIR: When people ring that 1800 number, they are talking to a public servant based in Brisbane or in the regions? Where is that call going through?

Mr Stolz: That call is coming into Brisbane, here to George Street, so it is coming to the state development area team. There are two ways you can approach Scott. One is through the general 1800 number. But all of the landholders were also provided with a direct individual contact line to Scott Taylor, so most of the contact to Scott now is coming in on his direct number rather than Brisbane

necessarily on the 1800 number. If a call comes in on the 1800 number, which is generally available on state development area material, and it is related to the Galilee Basin SDA then it would be directed on to Scott. So all of those calls are being effectively dealt with by Scott, and therefore it is a consistent approach in terms of how that is being managed.

Mr HART: Is he a part-time worker or a full-time worker?

Mr Stolz: No, he is a full-time worker and he is a full-time employee of the department. I think the reference that Shontae made is that he does have other responsibilities. So it is not that he is part time; however, this is his key responsibility. His workload is based upon the needs of this activity and if he needs to focus full time on that then that is clearly the overriding instruction for his role.

Mr CRANDON: That is great. I have staff in my office and their key responsibilities are in these areas here and they have other responsibilities as well. Who does those for Scott if he has to focus full time on this, or is he still responsible for it?

Mr Stolz: Scott is part of a team. We prioritise our work. If Scott needed to provide additional time to landholder liaison responsibilities, his other work would be picked up in other parts of the team.

Mr BYRNE: David, I am surprised that there are 73 landholders or stakeholders and the department does not have intimate knowledge of every one of those and contact details for them, which is what I believe you just said. This has been going for many, many years, well in advance of the SDA. Lots of alignments have been spaghetti-ed around over that area. I find it extraordinary. I will assume that you are making strident efforts to identify—

Mr Stolz: Absolutely.

Mr BYRNE:—these people at this late stage.

Mr Stolz: I am happy, again, to give you some details on the efforts we have made to get individual phone numbers for every landholder. For instance, where we have communicated with landholders via letter, we have sent that registered mail. We have kept records of letters being received.

Mr BYRNE: I am sure you have probably done your best. Let us take a point in time: the SDA is declared. Forget what has gone on up to this point. The SDA is declared. The department surely must have a written stakeholder consultation strategy or plan or a corporate comms plan, or whatever language you want to wrap it up in. Do you have such a thing for this SDA?

Mr Stolz: For this SDA we had a consultation plan that led up to the declaration of the SDA and we have a plan in terms of how we communicate with landholders following declaration.

Mr BYRNE: Can it be tabled for the scrutiny of the committee?

Mr Stolz: I do not know that it exists as one document, but, again, I am happy to take that as a question on notice and respond to you on that.

Mr BYRNE: Normally you would have a stakeholder management plan to move forward when you have, clearly, so many interested stakeholders and other groups that would want to be engaged in this process. You would think that the department would have a document that says 'stakeholder management plan' or 'strategic engagement plan'. If you can find something that tells me that there has been some thought and documentation, that would be very greatly appreciated.

Mr Stolz: I am happy to take that on notice and come back and respond to you on that.

Mr BYRNE: Again, beyond the SDA declaration, how do you define the department's responsibility in enabling or oversighting the consultation that exists between the proponents and the stakeholders?

Mr Stolz: I think one of the clear things for us is that we are not going to sit in the middle of a commercial negotiation. One of the clear expectations that the Deputy Premier has expressed publicly has been that he expects proponents to negotiate commercially with landholders. Our role is to provide clear, consistent, concise information about the state development area and about how the legislation works and about how, if in due course there were to be any other acquisitions, how processes would work.

Mr BYRNE: How do you interface the idea of a commercial negotiation with a good-faith negotiation?

Mr Stolz: I think the two are the same. I think a commercial negotiation should be a good-faith negotiation.

Mr BYRNE: In theory, you are saying that they are the same thing.

Mr Stolz: Yes.

Mr BYRNE: Do you have any expectations of the department on the proponent for good-faith negotiation or any timeline associated with that?

Mr Stolz: Absolutely, and I think the Deputy Premier has said publicly that he expects commercial negotiations—and I have always assumed that that meant good-faith negotiations—with landholders.

Mr BYRNE: Admitting your comment is that the majority of landholders are indicating a positive response to the department, that is not what I have seen here today in terms of the evidence visible to me. How do you explain that today we have evidence presented by stakeholders that clearly indicates that the negotiation has not been in good faith?

Mr Stolz: One of the comments that I would make there is that, I guess, I can comment on our interactions with landholders and I can comment on the breadth of interactions that we have had and I can say to the committee that, in general, they are positive interactions. I think we have had eight or nine presentations today and that is out of 73 landholders. Lots of presentations talk about landholders, plural. I am not going to comment on how many they represent. I can only talk to you about the interactions that we have with landholders and advise the committee that those interactions are generally positive.

CHAIR: Thank you for that. I do not want to stifle things, but we do have other things that we want to pick up in the time.

Mr BYRNE: Yes, sure.

CHAIR: I turn to the second theme that we teased out a little and obviously have heard quite a wide range of differing views on—that is, the duration of the SDA. I note the department's response that there is a provision within the act to be able to revoke an SDA. Clearly, these are commercial decisions that the proponents have to make based on market factors, accessibility of finance and a whole range of other plays. At the same time, I think we have heard some fairly good evidence that says that, whilst the uncertainty is hanging over people's heads, it can take a toll on a whole range of factors—from people's health down to investment decisions they make on their land and the value of the land if they wish to move on from that place.

Appreciating, as you have said, that they are commercial negotiations, but the government steps in in this position with an SDA and expects its proponents to be able to take this forward, what is reasonable and how long can we expect it to take? This is unlike, for example, the Gladstone SDA, which is an ongoing SDA where everyone is very comfortable with it and is looking to expand, if anything. This is a very different one. Could you make some comments as to what we have heard in that space?

Mr Stolz: I think the only way I can answer that comment is really to respond in terms of the information that proponents are providing us about their development plans and, clearly, they are short-term plans. The government has taken a view that it has enough confidence in those development plans to feel confident to declare the state development area. We have not just a number but also many interactions with both proponents, not only on a weekly basis but, in recent months, it is really coming down to a daily basis. A number of proponents are submitting material-change-of-use applications to the department. There are interactions on a whole range of fronts that collectively have assisted to build confidence that these projects are moving forward.

The stated time frames for Adani, for example, are that they wish to be in construction next year. My understanding is that it is a three-year construction period, so they are looking to have first coal during 2017. From the department's point of view, there has been a lot of scrutiny of those plans and there is confidence that these projects are moving forward; hence, I guess, the recommendation put forward to the government, which was ultimately agreed to by the Deputy Premier and taken forward to Governor in Council, to declare the state development area. I think that is the only way I can respond to your question in terms of views around the time frames.

Mr YOUNG: Prior to the state development area coming to fruition, I have been contacted by all of the people who are out there as part of that corridor to coast. One of the themes that was consistent and kept coming back to me was the fact that they would have preferred the rail corridor not to have been on the Belyando flood plain. That was consistent. Then we heard earlier that the

footprint of the SDA sat outside where they intend to have that rail corridor. It begs the question: if we have all of these people saying, 'We don't want the rail corridor on the floodplain' and then we come up with a state development area, one would have thought that the proposed line for the state development area would not have been on the flood plain.

Mr Stolz: I think that is a contended view. I think it is reasonable to say that it is a contended view about the location of the state development area. Through the EIS process, clearly the Coordinator-General and the Commonwealth government have formed a view that that infrastructure can be developed and constructed in that location and that the impacts of that development can be reasonably mitigated. I guess one of the key points about the flooding issue is that the Coordinator-General has applied very stringent requirements in terms of the EIS and performance requirements in terms of how this infrastructure is to perform.

In my earlier submission I gave you some detail on those conditions. They are comprehensive and pretty stringent in terms of the performance criteria. What that then means is that, for the proponents, those railways in that location need to be designed to meet those requirements and, effectively, their condition of approval will not continue if they cannot design a railway to meet those requirements.

Mr YOUNG: I hear what you are saying. We are building a corridor across the Yeppen flood plain, south of Rockhampton. It can be done.

Mr HART: David, today we heard from people giving evidence about their concerns that the implementation of the SDA means that the proponents will skip over the negotiation process and go straight to compulsory acquisition. Just to give them some comfort, and us, can you step us through the process that would need to be involved before we got to that compulsory acquisition process? Who makes that decision, at the end of the day?

Mr Stolz: Effectively, the phase that we are in at the moment is that the Deputy Premier has publicly expressed that he expects proponents to be negotiating with landholders. In order to move into an acquisition phase, one of the proponents will need to make an application, a justification report, to the Coordinator-General seeking acquisition of land. Part of that justification report will be very detailed information about the interactions that that proponent has had with landholders, including details of meetings, including correspondence, including details of offers that have been made. The expectation will be for a very comprehensive review of the efforts that have been made to negotiate with individual landholders. The purpose of that process is for the Coordinator-General and, ultimately, the minister to form a view around whether a proponent has undertaken sufficient effort in order to move forward into an acquisition phase. My point there is that there is a discretionary decision in order to move, based on the evidence that is given by a particular proponent.

The next step would be the issuing of notices of intention to resume, so the Coordinator-General would make that decision. That step involves writing to individual landholders and providing them with that notice. There is an objection period that follows the issuing of that notice. The taking of land, though, would then require a further justification to be made by the Coordinator-General through to the minister and then through to Governor in Council. There are a number of stages, if you like, in terms of how that would occur.

Mr YOUNG: So there is no skipping over the negotiation process?

Mr Stolz: That is correct. The other thing that is probably important here is that the Coordinator-General follows the Acquisition of Land Act. One of the fundamental principles in the act is that landholders are compensated fair market value for their land, but they are also provided with an opportunity to be compensated for business impacts and a range of other impacts as described by the act.

CHAIR: We are at time, but two members want to ask questions. So I am going to go to the member for Sandgate and then the member for Coomera.

Ms MILLARD: With regard to the proposed line, is it looking at being used only for the transportation of coal or is there scope for its use in the future to be diversified for agricultural products as well?

Mr Stolz: There is scope. I think I would need to be honest and say that a highly efficient coal railway is designed to haul coal in an efficient manner and that may limit, realistically, the ability for other commodities. But ultimately, the technical answer to your question is, yes, there is scope. I think it is partly a commercial decision. Is it economically viable? Is it cost-effective, relative to load transportation? Would you be able to get sufficient volume? Are there sufficient train paths available

in order to have an agricultural supply chain? So the technical answer is yes. I think we do not see too many highly efficient coal railways that are also carrying other commodities. I think that is the best way of saying that.

Mr CRANDON: In relation to the compulsory acquisition process that you talked about, it seems to me that the way it was described is that it goes through a process where the acquirer comes to you and provides you with all of the evidence, for want of a better word, that they have gone through a process, at which time you make a call which, in turn, causes you—the department—to provide a notice to the property owner that you are going to compulsorily acquire the land.

Mr Stolz: Yes.

Mr CRANDON: So there is no conversation with the property owner to get another side of the—

Mr Stolz: I guess that is a decision for the Coordinator-General and that is part of what he will do in testing the information that is provided. I could also just add that the department has a very high expectation that a proponent will come to the Coordinator-General with a very high level of agreement in terms of acquisition. So while there might be a technical acquisition, we have an expectation that it is very likely to be an acquisition by consent rather than a compulsory acquisition.

CHAIR: What would be the circumstances of an acquisition by consent? By that very nature, it is a commercial transaction. Why would we have an acquisition by consent?

Mr Stolz: As an example, where a proponent has been negotiating with landholders, they have reached an agreement on price, on some of the interface issues that have been talked about in terms of crossing the railway—all of those issues that are concerned—and the proponent comes to the Coordinator-General and says, 'We've got an agreement with this landholder. This is the agreement. These are the terms of that agreement.' Our first step will be to go to the landholder and say, 'The proponent is saying that we have an agreement with you. Is that correct?' Presumably, the landholder is going to agree that there is an agreement and that will then be an acquisition by consent.

CHAIR: Sorry, I am just trying to get my head around this. So we have agreed to everything. We have thrashed it all out. We are down to crossings and all the rest of it. Do we not just sign the contract? Why do we need to go to the Coordinator-General? I am trying to work out what the advantage is.

Mr Stolz: I can explain a couple of things. A Coordinator-General has an ability to acquire land on what is called about plans, which means that we estimate the area that is needed for the railway in this case. In a purely commercial sense, in a private sense, they do not have that ability. They basically have to acquire land on the basis of survey plans, which is a different and a much longer process. So the Coordinator-General will, in all cases, acquire this land and there will be a distinction between whether it is acquired by consent or acquired in a compulsory sense.

CHAIR: Again, I am just trying to get my head around it. The step that is different is that we have not had to survey the land that is going to be sold.

Mr Stolz: Correct.

CHAIR: Obviously, it needs to be identified. So it has been clearly identified but it has not been surveyed—put through and had those changes made.

Mr Stolz: When a notice of intention to resume is issued, it will include a map with a plan of where the infrastructure is to be located. In most cases, for this type of infrastructure that will then be constructed and the survey will happen after construction. So the survey plans will not exist until this infrastructure is in place.

CHAIR: Thank you. We are short on time, though.

Mr CRANDON: But coming back to, because we still have not covered off—you have just told us what happens if there is an agreement.

Mr Stolz: Yes.

Mr CRANDON: That you go back to the property owner and say, 'They've told us that there is an agreement. Is there?' 'Yes, there is an agreement.' 'Fine.' But the other process, where they have come in and said, 'We can't reach agreement with these guys. Here is what we have done,' but there is no process of you going back to them and saying, 'Hey, we've been told that you have not reached agreement. They have provided us with their side of the story. Provide us with your side of the story.'

Mr Stolz: I guess that is ultimately a call for the Coordinator-General based on the information that is presented in the application. The Coordinator-General's job is to test the information—to review it and to test it and to see whether it is reasonable and to see whether he needs to seek additional information before making such a decision. That is the role of the Coordinator-General. It is a very key and important role for him to undertake. The point that I am trying to make to you is that we absolutely test the information that we are provided with. We do not just take it on face value.

Mr BYRNE: I have a very simple final question, I suppose. The SDA, the Adani project, the indication that they wish to commence in 2015, on a conventional project Gantt chart I have tried today to work out, listening to your evidence, where that project is on a Gantt chart. Can you give any indication of exactly what stage we are at on a project delivery Gantt chart with Adani and that SDA?

Mr Stolz: If I could just restate so that I have understood the question correctly, I think you are asking me to tell you now where we think the Adani project is at?

Mr BYRNE: That is right. We have had evidence today of people concerned about types of drainage arrangements—the hydrology, the design of bridges. So that would not indicate to me that we are necessarily shovel-ready by any stretch of the imagination, given that there seem to be outstanding issues with negotiations with some stakeholders.

Mr Stolz: So I guess if we took the case of Adani—

Mr BYRNE: Which is indicative. I am not trying to have a shot at them, but it was the one that was mentioned most often today.

Mr Stolz: Yes. So if we took the case of Adani, Adani have publicly announced that they are in a joint-venture arrangement with Posco to build this railway. They have also gone out, I think, on a number of fronts into a tendering phase to seek contractors to construct the railway. I am not going to go into the specific detail of their project, but there is certainly evidence—public evidence.

Mr BYRNE: So basically you can say that the design material is pretty much done and dusted.

Mr Stolz: The detailed design, I think, will happen as part of the awarding of this tender.

Mr BYRNE: That is the design tender.

Mr Stolz: Yes. One of the Coordinator-General's requirements is that the proponent, in this case Adani, comes back to the Coordinator-General with very specific information about the performance of that railway in order to meet that condition.

Mr BYRNE: All right.

CHAIR: All right. We are over time so I thank everybody for their involvement. David, I thank you. If the answers to the questions that you have taken on notice today could be provided by the close of business this Friday, that would be appreciated so much. Thank you very much for that.

Mr Stolz: Okay.

CHAIR: I thank everyone for their attendance at today's hearings. As always, the committee has gathered valuable evidence that will assist it in its inquiry into the State Development and Public Works Organisation (State Development Areas) Amendment Regulation (No. 1) 2014. I declare the hearing closed.

Committee adjourned at 12.39 pm

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30 OCT 2014

STATE DEVELOPMENT INFRASTRUCTURE
AND INDUSTRY COMMITTEE

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30 October 2014

Mr David Gibson, MP

Chairman, State Development, Infrastructure & Industry Committee

Member for Gympie

PO Box 1277

GYMPIE QLD 4570

Dear David

Whilst in the public hearing (15th October 2014) for the inquiry into the State Development and Public Works Organisations (State Development Areas) Amendment Regulation (No 1) 2014 and I refer to page 33 of the report. Can I correct my statement to say: I have been contacted by most of the people who are part of the Corridor to Coast Committee.

Hoping this meets with your favourable approval.

Kind regards



MR BRUCE YOUNG, MP

MEMBER FOR KEPPEL

CC: Ms Erin Pasley/Research Director