




Speech by

Hon. Jeff Seeney

MEMBER FOR CALLIDE

Hansard Friday, 14 September 2012

SURAT BASIN RAIL (INFRASTRUCTURE DEVELOPMENT AND MANAGEMENT) BILL

 **Hon. JW SEENEY** (Callide—LNP) (Deputy Premier and Minister for State Development, Infrastructure and Planning) (2.43 pm): I present a bill for an act to provide for the development and management of a railway within the Surat Basin rail corridor land in a safe, effective and efficient way and for related purposes. I table the bill and the explanatory notes. I nominate the State Development, Infrastructure and Industry Committee to consider the bill.

Tabled paper: Surat Basin Rail (Infrastructure Development and Management) Bill 2012 [[1072](#)].

Tabled paper: Surat Basin Rail (Infrastructure Development and Management) Bill 2012, explanatory notes [[1073](#)].

Today I present a bill for an act to progress the Surat Basin Rail project. This bill ensures appropriate regulatory arrangements apply to the railway and seeks to protect the state's interests under the concession agreements which will govern its construction and long-term operation.

The Surat Basin Rail project proposes to construct the 214-kilometre southern missing link line between the towns of Wandoan and Banana. Development of the \$1 billion-plus railway will open up the estimated four billion tonnes of coal reserves in the Surat Basin for large scale open-cut mining and for subsequent export through the port of Gladstone. This rail project is the first of its kind in Queensland and will set the scene for future private rail developments.

In 2006 an exclusive mandate was granted for the Surat Basin Rail project to a private consortium known as the Surat Basin Rail Joint Venture. Under the terms of the exclusive mandate, the railway must be an open-access multifreight rail system developed at no cost to the state and no risk to the state. The exclusive mandate also obliges the state to acquire the rail corridor at the joint venture's cost. After the project achieves financial close, the state will provide the joint venture with a licence for construction, followed by a lease for the long-term operation of the railway.

The state and the joint venture are currently negotiating a range of concession agreements for the project including a development agreement, an operating agreement and a lease. These agreements will clearly establish the rights and obligations of each party during the construction period and the long-term operation of the railway.

The pace of development for the Surat Basin Rail and related mine and infrastructure projects in the Surat region will ultimately be determined by private investment decisions. The Newman government is, however, committed to facilitating this development and has undertaken to progress the Surat Basin Rail project in our six-month action plan. To this end, I am pleased to introduce the new Surat Basin Rail (Infrastructure Development and Management) Bill 2012.

As the proponent is an investor rather than a railway manager, the Surat Basin Rail project does not fit easily within the existing legislative and regulatory frameworks. The creation of special legislation will enable the state to develop a customised legislative environment for the Surat Basin Rail project that will appropriately protect the interests of landholders and address a range of other issues that come with private investment in a railway corridor. The intent of the bill is to enact special legislation for the Surat

Basin Rail project which will complement existing statutory arrangements for rail infrastructure and provide protections for the state's interests and for the interests of local governments and, most importantly, affected landholders during the construction and long-term operation of the Surat Basin railway.

The bill takes relevant provisions from the Transport Infrastructure Act 1994 and, with some amendments to take account of the private investment model, applies them to the Surat Basin Rail and its corridor. This will ensure that Surat Basin Rail, while being privately owned, is regulated in a manner consistent with other statutory arrangements for rail infrastructure in Queensland.

The bill also makes necessary provisions for the Coordinator-General to secure the corridor and provide appropriate tenure to the joint venture, particularly in relation to the management of the railway's intersection with roads and watercourses, while providing increased protections for local governments and affected landholders who may own roads that must cross the railway corridor.

The bill provides the capacity for the future Surat Basin Rail lease to be exempt from section 121 and part 8, division 3 of the Property Law Act 1974 which prescribe general conditions of assignment, default and termination for all leases in Queensland. The exemption will allow the state to effectively manage these conditions under the concession agreements, which will be agreed with the joint venture to codify the rights of each party.

It is intended that by enacting the bill the government will do its part to enable the Surat Basin Rail project to move as soon as possible to secure finance and deliver the railway in coordination with other infrastructure projects in the Surat Basin coal supply chain. I commend the bill to the House.

First Reading

Hon. JW SEENEY (Callide—LNP) (Deputy Premier and Minister for State Development, Infrastructure and Planning) (2.48 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to the State Development, Infrastructure and Industry Committee

Madam DEPUTY SPEAKER (Miss Barton): Order! In accordance with standing order 131, the bill is now referred to the State Development, Infrastructure and Industry Committee.