Speech by

Hon. Jeff Seeney

MEMBER FOR CALLIDE

Hansard Wednesday, 28 November 2012

ECONOMIC DEVELOPMENT BILL

Second Reading

Hon. JW SEENEY (Callide—LNP) (Deputy Premier and Minister for State Development, Infrastructure and Planning) (7.31 pm): I move—

That the bill be now read a second time.

I want to thank the State Development, Infrastructure and Industry Committee for its consideration of the Economic Development Bill 2012 and its recommendations. The committee has made a considerable number of recommendations and the government will be supporting the majority of them. For the benefit of the House, I table the government's response to the State Development, Infrastructure and Industry Committee's recommendations.

Tabled paper: State Development, Infrastructure and Industry Committee: Report No. 15—Economic Development Bill 2012, government response [1753].

When I introduced this bill to the House I said that it was primarily a process bill. I will say again tonight that it is primarily a process bill. What it does is combine two existing bills together. However, a lot of the commentary that I have seen reported has failed to understand that there is very little that is new in this bill. It is the combination of two existing bills. Given the government's particular policy positions in regard to the ULDA especially and in regard to our commitment to driving economic development in this state, we saw an opportunity to combine those two bills together to establish an economic development driver that would both achieve the government's policy positions and allow us to transition the considerable amount of powers of the ULDA back to local government in a way that created greater efficiencies and synergies within government.

Unfortunately, I think some of the comments that have been made have bordered on conspiracy theories, especially in regard to a provision that was added to the bill to ensure that the recommendations of the Floods Commission of Inquiry were implemented. The Floods Commission of Inquiry recommendations were supported by both sides of this House before the election. The previous Labor government supported those recommendations, as did we. After the election we certainly maintained our support. The Labor members in this House have used the suggestion that those recommendations now be enacted as an opportunity to run off on a whole lot of wild and scary stories that simply have no basis at all.

Tonight let me go through in some detail what this bill is about in an attempt to put it on the record and make it very clear what this bill is about. The bill integrates and modernises key provisions of the Industrial Development Act 1963—can I pause and say that again: 1963; an act that has been around since 1963—and the Urban Land Development Authority Act 2007. That act was enacted with some controversy by the previous government. But this bill sets out to combine those two acts together to establish a single economic development act to assist government to drive economic development in Queensland.

At the bill's core, there is a re-emphasis on supporting, facilitating and fast-tracking economic development in the state by refining and improving the existing processes. The bill includes amendments

to other legislation that will also contribute to the government's economic and community development objectives. It contains legislative changes to continue the vital rebuilding work of the Queensland Reconstruction Authority and to implement particular recommendations made in the Queensland Floods Commission of Inquiry report, which I referred to a little while ago.

The bill will enable particular developments to be fast tracked to meet the government's priorities for economic development and development for community purposes. The bill is intended to commence as soon as possible. However, some operational arrangements will need to be established, and consequently provisions will commence by proclamation to ensure the smooth transition to the new arrangements. The cost of the operational arrangements under the economic development act will be met from existing allocations.

The Economic Development Bill, while procedural, offers three key and fundamental differences from the Industrial Development Act 1963 and the Urban Land Development Authority Act 2007 that it repeals. Firstly, it provides for a changed and integrated governance model. The Urban Land Development Authority, or the ULDA, was established as an autonomous, self-funded organisation independent of government. The bill, if enacted, will establish the Minister for Economic Development Queensland, or MEDQ, as a corporation sole. In contrast to the ULDA, the MEDQ will be managed from within government and will have the ability to deal commercially in land, property and infrastructure. The MEDQ will also have responsibility for planning and development activities.

The bill integrates the two current entities—the ULDA and the Minister for Industrial Development, or MIDQ—to enable approved operational efficiencies and increased opportunity for streamlining planning processes. It also supports consistency and cohesion as operations will be under the leadership of a single board that is under the direction and mandate of the responsible minister. That single board will be made up of four of the state's most senior public servants.

Secondly, it offers greater flexibility and provides scope to plan and develop within declared areas including for a wider range of activities than is currently the case. At present, development in declared areas must focus on development of affordable housing. That was the charter of the ULDA. The bill provides flexibility to develop land for a broader range of purposes including economic development.

Thirdly, it provides for increased local government engagement. I repeat: it provides for increased local government engagement. I am not sure many of the submissions made to the committee understand that. This bill deliberately and proactively provides for increased local government engagement. Unlike the two existing acts, the bill enshrines local government involvement. This includes consultation on proposed priority development areas, the power to establish local consultative committees and the opportunity for direct delegation of MEDQ functions to local government.

The bill allows flexibility for the Minister for Economic Development to delegate all or some of the planning powers in the bill to local government. The MEDQ powers that could be delegated include the powers to prepare and make development instruments, land use plans and development schemes, prepare and make amendments to development instruments, assess development applications and make decisions to approve, refuse or partly refuse these.

The bill also provides for a local government to prepare an amendment of its planning scheme to provide for a priority development area that is no longer a priority development area. The bill provides local government with the opportunity for greater input into the management of priority development areas through representation on local representative committees. It is intended that these committees represent the interests of local communities and the relevant local government is identified as a potential member of the LRC.

The part of the bill that perhaps caused the most ill-informed and misdirected comment was the part that deals with temporary emissions licences. As I said, this was in response to the Floods Commission of Inquiry recommendations. The temporary emissions licence is designed to be a quick decision on limited criteria to permit a release, for a limited period of time, of water from such areas as mine sites. I spoke about this issue in the parliament earlier and how the previous government had been so totally unable to respond to the issue. That inability to respond cost the economy of Central Queensland dearly. The previous government could not deal with this issue. What we have done since we have come to government is we have dealt with it on a number of levels.

The temporary emissions licence deals with emergency release situations. As this is to be used as an emergency tool, the decision on whether to approve the licences must be made within 24 hours. This takes account of the fact that it is dealing with an emergency situation. However, to balance the quick decision time frame, the licence is fully flexible. It can be immediately amended, cancelled or suspended without receiving and considering submissions from the operator if, for example, downstream drinking water is adversely affected by the release. This provides for the community to be protected where

decisions have to be made quickly and on limited information. This flexibility is one of the measures in place to prevent environmental harm and detrimental impacts on agricultural land.

However, more importantly, water quality—especially drinking water quality—is still an important consideration in deciding whether to approve the licence in the first place. To begin with, as part of an application for a temporary emissions licence, proponents would be required to provide information on any increased risks arising from additional discharges and the proposed monitoring and mitigation strategies to offset these risks. In addition, the decision maker would still be required to consider water quality, environmental health and public health issues in deciding whether to approve the application.

These criteria are spelt out under 'Criteria for decision' in section 357D of the bill, which states that the administering authority must have regard to 'the likelihood that the release will adversely impact the health, safety or wellbeing of another person'. The example given for that subsection of a release that adversely impacts another person is where the release could affect the quality of downstream drinking water. Where there is a high risk to human health from a proposed discharge, the application of the proposed decision criteria would make it highly unlikely that a licence would be granted. This tool is designed to be used as part of a response to an unforeseen emergent event. To fetter this discretion unduly would limit the effectiveness of the tool. However, the Department of Environment and Heritage Protection is preparing guidance material which will assist decision makers in assessing applications for a temporary emissions licence for particular types of natural disasters and releases.

There has been a lot of confusion between the temporary emissions licences designed to address emergency release situations and the efforts that the government has been making to address the longer term problem of dealing with what is sometimes called the legacy water in Central Queensland's mines. This part of the legislation was not meant to deal with the broader question of the legacy water. The legislation was not introduced retrospectively, and there is no intention to use the new temporary emissions licence to allow mines to release legacy water held from previous floods.

As a result of discussions with industry, the Department of Environment and Heritage Protection is proposing to address the issue of legacy water in a very different way. That is the process I spoke about in the parliament earlier and it is the process we discussed with the community of Central Queensland in Rockhampton a couple of weeks ago. It is the process that has been the subject of so much misrepresentation and so much scaremongering by the people on the other side of the House. As I said in the parliament earlier, it is gratifying to me that the attempts by the member for South Brisbane, the opposition leader and the member for Rockhampton to run scare campaigns in Central Queensland are simply not working. They are not working because the people of Central Queensland know first and foremost that this issue has to be addressed. Their scare campaigns are not working because the people of Central Queensland know and understand that a whole-of-river management system is at the heart of obtaining a long-term solution to this issue. Their scare campaigns are not working because we have presented to the people of Central Queensland a comprehensive proposal based on precedents that exist around the world. The nearest precedent is in the Hunter River in New South Wales, where a very similar scheme has been operating for some time to ensure that the quality of the river water is monitored and that a series of trigger points is used to determine the release strategies.

We will be moving to implement a pilot program this coming wet season with the intention of eventually establishing a water quality trading scheme in the Fitzroy Basin which will enable the economic drivers to incentivise coal mines and other proponents who want to release water into the river to do so in a way that ensures that the water quality at the most sensitive of the receptors along the river—that is, at the Rockhampton water intake—is always never worse than it is in a natural situation.

I have no doubt that during this debate tonight we are going to hear more irresponsible and ill-informed comments about this issue by members on the other side, including the member for South Brisbane and the member for Rockhampton. But this is an issue where we have to do more than just run scare campaigns. It is an issue that is critical to the economy of Queensland and particularly the economy of Central Queensland. It is critical to the job prospects of many of the people whom the member for Rockhampton represents, yet the best that he and his colleagues can do is continue to run those sorts of scare campaigns.

The other part of the bill I want to comment on is the amendments that are proposed to the State Development and Public Works Organisation Act 1971. Once again, there has been some ill-informed comment about this. One of the platforms this government was elected on was to restore the role, authority and powers of the Coordinator-General. The objectives of the amendments in this bill are to fast-track project approvals and facilitate project delivery. The amendments are all about what we said we would do. We said we would streamline the approvals process. The Coordinator-General has been implementing a 37-point fast-tracking action plan, and he has radically reformed the whole approach to assessments and decision making. The focus is on time because time is the great cost for proponents proposing these projects. The focus is on time, with the clear target of reducing approvals times by 50 per cent while still maintaining the credibility of the approvals process.

As at 20 November, the Coordinator-General was actively assessing 35 projects which have the potential to contribute to the Queensland economy $78 billion in capital investment and provide 42,000 jobs in construction and 24,000 jobs in ongoing operational roles. As of that date, 20 November, 86 statutory decisions had been made by the new Coordinator-General in his first seven months, compared to just 45 by the previous government in a full year. That is 86 statutory decisions in seven months compared with 45 in 12 months. That is the best indicator of what our government is doing. It is one of the best indicators of what we have changed since we have come to government.

However, the government recognises the need for the Coordinator-General to be supported with strong and efficient legislation that has the flexibility and the capability to empower the Coordinator-General to deliver on the government's objective and drive economic development. The amendments ensure that the Coordinator-General has clearer and more effective powers to manage his key activities, which include: the coordination of declared projects undergoing environmental impact statements, progressing the economic development and management of state development areas, assessing applications for private infrastructure facilities and managing land acquisition associated with major projects. As a result, assessments of applications for coordinated project declarations will be more comprehensive and rigorous, with proponents being made well aware of the requirements.

One of the amendments that has attracted some attention in the last couple of days and more particularly today is the amendment that seeks to change the declaration of a 'significant project' to a different terminology so it would be called a declaration of a 'coordinated project'. This has always been an area where I believe change has been necessary. The 'significant project' title implies that a project has government support or is a state priority. There have been numerous examples over a period of time where proponents have used the fact that their project has been granted significant project status by the Coordinator-General as some sort of marketing advantage. They have produced material that suggests to the market that, because the project has been declared a project of state significance, it has at least an element of state support. We are going to change that in this legislation because it is inappropriate for this declaration to be used in that way. The declaration does not imply any degree of state support. What it does is allows the Coordinator-General to undertake an assessment process. This bill before the House will change the name of that process so that the process will declare projects 'coordinated projects'. However, it is important to note—and to note with some emphasis—that that is the only change that it will make. It will change the name from a 'project of state significance' to a 'coordinated project'. It will ensure that proponents are not able to use the term and the title to misrepresent their projects as having some degree of state support or even some degree of state involvement.

I think it is an issue that is particularly pertinent for people who consider these issues from the other side of the language barrier where these terms are translated into other languages. The meaning of the term is much easier to misrepresent in another language. I would say very clearly tonight to the investment industry that what is being changed here is the name, is the title. We are doing that to ensure that that particular declaration cannot be misrepresented. I am aware that as late as today particular proponents have suggested that they are going to challenge the validity of this legislation because it is unconstitutional. I think the fact that they have sought to do that indicates very clearly that they are the people who have been misrepresenting this declaration and doing so for quite some time. The coordinated project is a much more appropriate term, reflecting what the declaration means. It starts a comprehensive environmental impact statement process managed by the Coordinator-General. It indicates that the project will undergo whole-of-government coordination of the environmental impact assessment.

The amendments make very small changes to the application and decision-making process. The amendments make the eligibility criteria for a coordinated project more comprehensive. The three key additions are the requirement to provide prefeasibility information on the project, details of the proponent's capacity to complete the environmental impact statement process and other matters that the Coordinator-General considers relevant. Existing criteria are also clarified and strengthened, for example, the need to be consistent with government policies and plans. These changes will lead to a more comprehensive assessment process which will ensure that only those projects that meet the criteria and are likely to happen are declared coordinated projects.

These amendments also assist potential applicants in clearly identifying the type of information which has to be submitted. The need to demonstrate prefeasibility is important in order to reduce the number of speculative projects being declared that do not ever get built but are simply after the title. The need to demonstrate prefeasibility is also important in order to reduce the possibility of government resources being wasted during the EIS process and the creation of unnecessary concern in the community about the impacts of projects that are not likely to proceed. Additionally, with the applicant having to demonstrate its financial and technical capability to complete the EIS process, it is less likely that projects will languish after the declaration period.

There has also been some comment about the amendments that provide an ability for the Coordinator-General to refuse or receive or process an application for a declaration. This allows the Coordinator-General to refuse or receive or process an application if insufficient information is provided in the application to make a decision. It prevents the unnecessary use of the Coordinator-General's

resources in considering an incomplete application. The new section also allows the Coordinator-General to give the proponent a reasonable opportunity to provide the information before refusing to receive or process it.

There is also a provision that I think has been misrepresented today that allows the Coordinator-General to cancel a coordinated project declaration. It is a new section that allows for the cancellation of a declaration, for example, firstly, where the proponent requests it, which sometimes happens; the Coordinator-General considers that the proponent lacks the capability to complete the environmental impact statement; there is a public interest to cancel; there is a change to the proponent; or the project substantially changes. It is absurd and ridiculous to suggest, as I have seen suggested today, that the government would seek to cancel a coordinated project declaration for any other reason. We are a government that is intent on driving economic development. It is our intention and our determination to drive economic development, to drive as many of these significant projects as we can using the coordinated project declaration. To suggest that this section of the bill is somehow part of a conspiracy theory to allow us to cancel declarations for some spurious reason is simply nonsensical. It is puerile, childish, absurd and completely without foundation.

The other part of the bill that I would also like to make some comments on is the part that changes the private infrastructure facility declaration. A private infrastructure facility approval is all about compulsory land acquisition by the Coordinator-General for a private sector proponent. That is its only purpose. It enlivens the Coordinator-General's powers to compulsorily acquire land for the benefit of a private sector party where the proponent has been unsuccessful in negotiating a commercial agreement with the landholder for the purchase of the land. A private infrastructure facility approval is considered a last resort and is intended to be used when commercial negotiations have been unsuccessful in providing the land for the infrastructure facility. Section 153 sets out a range of criteria for approval of a project as a private infrastructure facility. Amongst a number of requirements, the project must have economic or social significance and economic or social benefits to Australia, the state or the region in which the project is to be undertaken; it must satisfy an identified need and be consistent with state policies; and the project will be completed in a timely way.

An approval for an 'infrastructure facility of significance' is what this process used to be known as. Once again, the term 'infrastructure facility of significance' was all too often misrepresented in the way that a 'project of state significance' declaration was. Hence, the process is being renamed 'private infrastructure facility' to better reflect its purpose and to reduce the ability of proponents to use the approval as a marketing and negotiating tool and to imply a level of state support for the project which simply does not exist.

The new name and timing of when it may be made available post environmental impact statement approval also reduces the risk that proponents could unduly influence landholders in negotiations. That is an important part of the reason this is in the bill, because there have been times in the past when project proponents have gone to landholders with the opening statement in their negotiation being, 'We have the power to take your land. We are now here to negotiate about buying it.' The ability for private infrastructure providers to compulsorily acquire land should be used as a last resort and it should only be used when every effort has been made and every effort has been demonstrated to acquire that land by commercial negotiations.

I think I have dealt with some of the issues that have been the subject of misinformed and ill-informed debate since this bill was first introduced into the parliament. As I said, I welcome the recommendations of the committee. The government will accept the majority of the recommendations that the committee has made to the parliament. We will enact those recommendations through amendment during consideration of the bill in detail. I look forward to hearing the contributions of members in the House as we consider the bill here tonight. I commend the bill to the House.