



# ***TRANSPORT AND RESOURCES COMMITTEE***

**Members present:**

Mr SR King MP—Chair  
Mr CE Boyce MP  
Mr LL Millar MP  
Ms JC Pugh MP  
Mr LA Walker MP  
Mr TJ Watts MP

**Staff present:**

Ms D Jeffrey—Committee Secretary  
Mr Z Dadic—Assistant Committee Secretary

## **PUBLIC BRIEFING—DEPARTMENT OF RESOURCES ANNUAL REPORT 2019-2020**

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 19 APRIL 2021**

**Brisbane**

## MONDAY, 19 APRIL 2021

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**The committee met at 11.20 am.**

**CHAIR:** Good morning. I declare this public briefing from the Department of Resources open. I would like to start by respectfully acknowledging the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people, whose lands, winds and waters we all share.

My name is Shane King, member for Kurwongbah and chair of the committee. With me here today are: Lachlan Millar MP, member for Gregory and deputy chair; Colin Boyce MP, member for Callide; Jess Pugh MP, member for Mount Ommaney; Les Walker MP, member for Mundingburra; and Trevor Watts MP, member for Toowoomba North.

The purpose of today's briefing is for the committee to receive a general briefing from the Department of Resources and consider the relevant sections of the 2019-20 annual reports of the then department of housing and public works and the then department of natural resources, mines and energy.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. As parliamentary proceedings, under the standing orders any person may be excluded from the hearing at the discretion of the chair or by order of the committee. The committee will not require evidence to be given under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. You have been previously provided with a copy of instructions to witnesses, so we will take those as read.

The proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from committee staff if required. All those present today should note that it is possible you might be filmed or photographed during the proceedings by the media and images may also appear on the parliament's website or social media pages. I ask everyone present to turn mobile phones off or to silent mode.

I remind committee members that officials are here to provide factual or technical information, and any questions seeking an opinion about policy should be directed to the minister or left to debate on the floor of the House. I also ask that any responses to questions taken on notice today are provided to the committee by 4 pm on Tuesday, 27 April 2021. I now welcome representatives from the Department of Resources.

**FERRIS, Mr Shaun, Deputy Director-General, Georesources, Department of Resources**

**KAISER, Mr Mike, Acting Director-General, Department of Resources**

**KEARNAN, Mr Wally, Deputy Director-General, Lands, Department of Resources**

**PARKER, Ms Brenda, Deputy Director-General, Business and Corporate Partnership, Department of Resources**

**PLATT, Ms Katrina, Chief Finance Officer and Executive Director, Finance and Corporate Operations, Business and Corporate Partnership, Department of Resources**

**CHAIR:** Acting Director-General, would you like to make an opening statement, after which committee members will have some questions for you?

**Mr Kaiser:** I would. On behalf of my colleagues I would also like to acknowledge the traditional owners of the lands on which we gather and pay our respects to their elders past, present and emerging. We really welcome the opportunity to come along today and answer your questions about the annual report 2019-20. Of course, I was not the director-general of the department so I brought backup today in the form of my three deputy directors-general and also our CFO.

We have had a machinery-of-government change since that annual report and, significantly, the divisions of water and energy have moved into other agencies. The other major change that has occurred since then is the creation of the independent Resources, Safety & Health Queensland, which used to be broadly the responsibilities of the old DNRME and have now moved over into that independent agency.

Over the last year COVID-19 has required the department and its people to work quite differently while finding novel solutions to the industries' challenges—the industries that we support. A key challenge for the resources industry during COVID-19 was the movement of their workforce both within the state and across state borders. A priority for the department was to partner with industry bodies, major companies and Queensland Health to design a solution that would allow for the safe movement of workers in and out of regional mining towns during the state lockdowns. The result was a critical worker exemption definition and application process that was approved by all parties in time to be included as part of the first border restrictions direction issued by the Chief Health Officer. This was all before my time in the department, but I have seen firsthand evidence of the department's proactivity in the two lockdowns that we have had in South-East Queensland since the time that I arrived here. Everywhere I go, the resources sector tells me that the department's responsiveness and proactivity during this period was critical to keeping the resources sector going.

As well as the essential industry status, the department also supported the exploration industry with rent waivers and direct financial support. The last thing we would have wanted to see is critical exploration activity slowing down during COVID because, of course, finding new mineral deposits is critical to the future of the sector. Pleasingly, exploration activity in the state actually grew 32 per cent during the 12 months to September 2020.

I also want to pay tribute to the industry. On two occasions since I became acting director-general, as I mentioned, Greater Brisbane has gone into lockdown. At those times the industry worked really hard to minimise the movement of its workforces between South-East Queensland and regional centres, in the interests of keeping those regional centres COVID-free. I want to acknowledge that and thank them very much for it. They went well beyond what was actually required of them.

While I am on the theme of gratitude, I would like to share with the committee some feedback I have received from our major stakeholders about the department's performance during that period. This will not take long, but there are some hardworking public servants who I think would really appreciate getting this kind of acknowledgement at a forum like this. From the Queensland Exploration Council and the Queensland Resources Council we received a letter which said, in part—

We are writing to express our gratitude on behalf of the sector. The temporary relief measures which were implemented in May 2020 contributed to the strong performance of the sector and protected explorers during a very challenging year. The executive team in your department provided exceptional support for the sector and played a critical role in keeping the exploration sector operational and profitable to the Queensland economy.

From BHP we received a note, which said—

We are very pleased with the engagement we have received from the department over the weekend. There was real interest in some of the processes we have in place.

From the Association of Mining and Exploration Companies I received an email, which said, in part—

I'm really pleased with the response of the department ...

and from APPEA, from the oil and gas industry, we received a note which said—

The lines of communication are well and truly open. Our members have noticed and appreciated this. From a personal perspective, I have found that your team has a great attitude and is very responsive.

Thanks for your indulgence in letting me read that into the record.

While I have a public forum, I also hope you will not mind that I take a second to thank people in the department who worked hard to keep the industries we support viable during COVID, in particular my leadership team here today along with Tony Knight, Marcus Rees, Chris Shaw, Rachel Crossland, Kahil Lloyd, Warwick Squire, Ross Eddington and Lyall Hinrichsen. Of course, they were supported by many other dedicated public servants in achieving this outcome which, as I say, the resources sector and the agricultural sector widely acknowledge as being very helpful during the COVID shutdowns.

I would like to fill the committee in on some of the other activities the department undertook during COVID to keep our economy moving. As you know, the Titles Registry is a key enabler of Queensland's property and mortgage markets. During the COVID-19 response the registry quickly stood up a range of additional and new digital services to ensure property activities could continue.

As a result, for the first time ever since the Titles Registry was first established, local governments and property owners are now able to approve survey plans without needing to physically send paper plans backwards and forwards. We also developed guidance on alternative arrangements around the statutory requirements for physically witnessing signatures and confirming the identity and entitlement of parties to title transactions for people in quarantine or in isolation.

We take seriously our role as landlords for thousands of Queenslanders over large areas of land. That is why the department worked effectively to implement the annual rent waiver for 72 tourism businesses operating on state owned land. We also waived state rents for about 6,000 farmers and businesses operating on state owned land from 1 April 2020 to 31 December 2020.

One thing that has been eye-opening for me since becoming the acting director-general of the department is the treasure trove of data the department has at its disposal. From geological data to assisting explorers through to spatial data, we are the custodians of data and information which is of enormous assistance in creating economic and social opportunity. The department played a key role in supplying and using data to get the right information to the right people at the right time throughout the COVID response. We leveraged our immense data capability in the Land and Spatial Services business group to source many different datasets to map the location of businesses at a higher risk of COVID-19 transfer. This dataset was then provided to Queensland Health to support their communication with businesses during the response.

In terms of the future, the department is conscious that a more focused portfolio presents opportunities to look over the horizon and better understand the challenges our stakeholders face in the future. The trimming down of the department to essentially the Lands Division and the Resources Division has been quite welcomed by stakeholders. Their expectations have been raised around the focus that we can provide the industries that we support.

We are also looking for ways that we can continue to improve land administration, and the government has committed to developing a Queensland resources industry development plan. That will be a key deliverable for the department during the course of this calendar year. This plan is our commitment to regulatory change for the resources sector to address the challenges we hear from many sources. Feedback received from industry—for example, the QRC's streamlining report and what we hear from the Fraser Institute's annual survey of mining companies—are important reference points for us. While the Fraser Institute's data has its limitations, it nevertheless is a useful reminder that we should never be complacent about the opportunity to improve our processes in the public interest. We take our role as a new economic department seriously and we have a big job ahead of us. We all welcome your questions.

**CHAIR:** You said that you have on tap a lot of information and data. In a previous hearing we were talking about data security. How do you manage the security of that data?

**Mr Kaiser:** That is well above my pay grade.

**CHAIR:** Okay. No worries.

**Mr Kaiser:** The point I was making is that we in the lands division preside over spatial data in the georesources division.

**CHAIR:** I just imagine that with mining companies there would be a lot of commercial-in-confidence information.

**Mr Kaiser:** I am happy for one of my deputy directors-general to field that question if there is anything to add around security.

**Mr Ferris:** I can start off and maybe Brenda can talk more broadly about data security. You are right: data security is one of our key priorities in terms of data management and data exchange. Resource companies are required to submit a whole range of data to the department. Some of that data has confidentiality periods. We are able to ensure that data is only available internally, for internal purposes, and not more broadly available to external parties to utilise. Once that confidentiality period lapses, though, we then make that data more broadly available through our GSQ open data portal, about which the minister spoke at some length in the last estimates. That is a framework that has really leveraged the data that we have available within the department that we capture from our own activities, whether that be exploration activities, precompetitive data capture or the information that the companies provide directly to us. That data is housed on a platform that acquits against all the Queensland government's data security requirements, so it ticks all of those boxes. Brenda, do you want to add anything to that in terms of data security more broadly?

**Ms Parker:** From a whole-of-department point of view, we do a lot of penetration testing. We do a lot of testing to make sure that our data is secure. Probably 12 months ago now the Queensland Audit Office was running an audit on cybersecurity and really looking at how data is actually stored.

We put up our hand, as the only government agency, for them to come in. They had a whole big team that hacked into the data and tried to do what they needed to do. We were very fortunate that they were not able to get into any of our systems or anything like that. That is just an ongoing program of work that we have to make sure that our data is secured, that we are testing it and trying to break it as much as we can.

**CHAIR:** That is very proactive.

**Ms Parker:** Absolutely. We have a big program in place around that.

**Mr MILLAR:** My question is about those who are asset rich but cash poor. Land valuations in the Diamantina shire have gone up 155 per cent; in the Bulloo shire up 127 per cent; in the Quilpie shire up 108 per cent; in Barcoo up 82 per cent; and in Central Highlands up 99.8 per cent. All these shires have faced significant drought, especially over nine to 10 years. When estimating land valuations, does the department take into consideration the cost of drought and long-term drought, given that most of these people may be asset rich but they are very much cash poor?

**Mr Kearnan:** The simple answer is no. Valuations are done on the basis of market evidence. Our valuers in the State Valuation Service will look at those sales that meet what we call the Spencer test—willing buyers, willing sellers. There will be transactions in the marketplace that are commonly referred to as grass sales and things like that, where people are desperate, looking for agistments, things that are hard to find. All sales are investigated and those types of sales are discounted and not used as the basis of valuation. We try to look at those pure, arm's-length transactions. In saying that, as you know, the market is very strong. It continues to be strong. Beef prices are terrific. There are a number of factors. The American dollar is down. Everything is just pointing to agriculture having a really buoyant time. The answer is no. We look at that market evidence and use that. As I say, we try to discount those sales that may not meet that pure test.

**Mr MILLAR:** Given that we have seen nine years of drought, why can we not use drought in the formula? A lot of these people from my area are asset rich but cash poor. What about their ability to pay these rentals? There is a 155 per cent increase in the Diamantina shire. We know that country out there is a dime a dozen in that one year it is great and for 10 years it is not too good at all. I do not think the department or the government have taken drought into consideration when it comes to the valuations they have released.

**CHAIR:** Answer as you can, but I think that is a bit of a policy question. Can you provide the member an answer? I understand that the member is very passionate about it.

**Mr Kearnan:** Again, the valuations are based on sales, market evidence. Even in drought we are seeing significant property purchases. People have the money. Interest rates are low. People are purchasing. In respect of rent, though—as you would be aware, valuation is used for three purposes: land tax, local government rating and rent. Rural rents are capped. Any increase in rural rents in the coming year will be capped at that maximum of 10 per cent over the previous year. The government has provided those capping mechanisms to protect against undue increases in valuations.

**Mr Kaiser:** That is an important point. The Valuer-General creates a valuation for a property. It is really then up to other entities how they use that. In terms of rates, those are policy matters outside of the state government and certainly outside of the department. Primary production leases have that cap of 10 per cent. It is worth reminding people again, because we are in a public forum, that there is an objection period and they can object to their valuation by 31 May.

**Mr MILLAR:** Thank you for that. My concern is that it sets a precedent.

**Mr Kaiser:** Sure.

**Ms PUGH:** In your opening statement you touched on—and I just want to be sure I am phrasing this correctly—the 30 per cent growth of the sector, even during COVID, up to 2020. Do you know how that compares to other states? You may not have that data. I am curious to know if our growth has come at the expense of other states—which I am fine with—if it is comparable or if you have any information around how the other states fared during COVID.

**Mr Kaiser:** In terms of the resources sector?

**Ms PUGH:** Yes.

**Mr Kaiser:** I do not know. I do not think we have that specific information. We can take it on notice, if you like. I would be surprised if we grew at faster rates than Western Australia, for example. I am speculating but, given iron ore and the fact that it has not been impacted by the geopolitical considerations around China's attitude at the moment to Australian resources, I would be surprised if we beat out Western Australia for that particular reason. On the other hand, I would be surprised if we did not beat states other than Western Australia. We can confirm that and get back to you.

**Mr WATTS:** My question relates to the Fraser Institute's ranking and where Queensland falls in that comparative to Western Australia and South Australia but also some American and Canadian jurisdictions. One of my concerns is that at Acland, close to my electorate, we stand to lose \$6.824 billion in revenue over the next 10 years, according to the Queensland Resources Council. It would seem there is a very similar situation at Olive Downs. Why is there a difference? Is it do with our geography to Brisbane, or are there other considerations in the process? I think this is key to sovereign risk and Queensland's ranking on the Fraser Institute and how that affects international investment into Queensland. It is a serious issue for the whole industry when these games are played.

**Mr Kaiser:** In terms of the Fraser Institute, it is really quite difficult to understand what is influencing its rankings. It is effectively a survey mechanism. They do about 250 surveys and from that they can pass comment on some 70 jurisdictions around the world. There are some perhaps questionable methodology there, but I do not say that to be defensive. I think we should take all input into consideration when it comes to deciding how we are going as a state and, importantly, how we are going as a department in terms of processing applications and minimising that sovereign risk that you talk about. The Fraser Institute is one input into that. The Queensland Resources Council has the *Streamlining report*, which is a really good document for us in terms of feedback.

We have also seen incredible growth in the sector, as I mentioned in my opening comments. In fact, the resources sector supports 71,000 jobs now and supported 68,000 jobs only 12 or so months ago. The sector is growing. We are attracting investment. There is a lot happening in the resources sector. The Fraser Institute is one data point, but all of that other evidence is a data point, too, which points to a really healthy sector. It is not to take anything for granted. We cannot be complacent about this. We have to constantly review our processes.

In terms of Acland, you would be aware that that is a policy decision in a sense not for us to answer. The government has decided to allow the legal processes to play out. It has been referred by the High Court back to the Land Court. We are waiting for the Land Court to further deliberate on that matter as a matter of government policy.

**Mr WATTS:** Just to be very clear, if I compare Olive Downs to Acland, the set of circumstances and the situation is not dissimilar in any way. You are saying quite clearly that it is a simple policy decision of government and is not to do with a regulatory decision or otherwise from the department?

**Mr Kaiser:** We have a set of processes which we follow when an application for a mining lease, exploration tenure or anything else is lodged with us. We have a process to follow. At any time government can take a policy decision to make some decision about that process. As a department, our obligation is to process those applications.

**Mr Ferris:** In terms of the Olive Downs coal project, as the director-general has said, we followed the process. It was at a point where the environmental authority had been granted, all the prerequisites in terms of the tenure decision had been met and it was a matter that a recommendation could be provided to the minister at the time, Anthony Lynham, for the minister to make a decision. That is currently going through a judicial review process in terms of the decision from the Land Court, but that in itself is not a reason for a decision not to be made in relation to the mining lease.

**Mr WATTS:** Just to be crystal clear on your words, are you saying that a decision of the Land Court is not a reason for the mining lease not to be issued for the Olive Downs mine but that that is the issue for Acland and that is a policy decision? I am just trying to make a comparison, because I understand that you cannot comment on policy. What I am trying to get to is: is this a policy decision or is there a process here that is different between those two, because it would seem to the layperson that the circumstances are very similar? One is in the Land Court and has been approved; one is in the Land Court and is unapproved.

**Mr Ferris:** In terms of a mining lease decision, the minister must consider a recommendation from the Land Court. In the case of the Olive Downs project, there was a valid recommendation from the Land Court and it had met all the other necessary prerequisites. They were financially and technically capable. They had their environmental authority. There was a recommendation from the Land Court. Then, like any other matter, whether it is Olive Downs or another project in the Bowen Basin or elsewhere in the state—it does not matter whether it is minerals or coal—if it meets those requirements then it is a matter where a recommendation can be provided to the minister for a decision.

**Mr WATTS:** Acland has met those same requirements, yes?

**Mr Ferris:** Acland does not have a valid Land Court recommendation as it stands today because the High Court remitted the Acland project back to the Land Court. That is currently in the process of directions and hearings in front of the Land Court.

**Mr BOYCE:** Mr Ferris, in the recent December budget there was some \$4 million allocated to remediation of environmental works at the Linc Energy site at Chinchilla. Could you give me an overview of what is happening with those moneys? Will that project ever be deemed to be environmentally acceptable?

**Mr Ferris:** You are correct: there was an allocation of limited life funding, if I am correct, to the former Linc Energy site at Hopeland. Our focus around the work we are undertaking at the Linc Energy site is very much around mitigating and removing public safety risks and minimising the potential for offset impacts associated with the former underground coal gasification project.

We have done quite a bit of work at that site. If I may, on behalf of the director-general, if the committee would ever like to come out and have a look at the work we have completed at the Linc Energy site, we would welcome the opportunity for the committee to come and visit. It is a little bit difficult to see the work that we have done at Linc Energy because the surface infrastructure that was presenting a health and safety and an environmental risk—being the on-site dam storage and also the infrastructure that was on site—has now all been removed. The pipes, the pipework, the gas-to-liquids facility and the dam have been removed from the site and encapsulated.

We are currently going through the process of designing and installing monitoring wells on the site and we are designing plug and abandonment of priority wells at the site. These are wells that were drilled as part of the Linc Energy project that, through our own investigation, we have identified as being priority in terms of expenditure because they present an environmental risk or a further potential for environmental risk from the underground coal gasification project. We have undertaken contaminated land investigations. We have also developed a site management plan that will seek to mitigate and manage the impacts from the site moving forward.

Quite a lot of work is occurring and continues to occur at the site. Given that we have removed the gas-to-liquids facility on the surface and we have encapsulated the dam that is on site, our ongoing focus is very much around the continued plug and abandonment of the wells that exist on the Linc Energy site.

**Mr BOYCE:** In that space, is it likely in the near future that that site will be deemed to be environmentally acceptable, particularly in view of the local landholders that adjoin that particular site?

**Mr Ferris:** That is what we are absolutely working towards—to mitigate, to the extent that we can, the potential for future environmental risks from that site. Will the site ever be removed from the Contaminated Land Register, for example? I doubt that that would be the case given the nature of the activities that have occurred and also that we have a waste encapsulation site on the property. Our work is really very much around mitigating the risks from that site into the future by focusing our activities right now and over the next couple of financial years on rolling through and plugging and abandoning those wells that we have identified as priority from primarily an environmental perspective.

**Ms PUGH:** Where are the opportunities in the resources sector in Queensland?

**Mr Kaiser:** As I mentioned in my opening comments, the reason the government is investing a lot in the exploration sector is that it is really critical for us to keep that exploration activity going. We are very dependent on that in terms of finding the new mineral deposits that will allow Queensland to supply a global economy in terms of all of the ways that economy is shifting—cobalt, vanadium and all of those things which are in increasing demand from around the world.

There are other places in the world that have these deposits. I think Queensland, and Australia generally, has the kind of mining activity which will be really welcomed in Europe, for example, where they place a premium on ethically sourcing their minerals. When your main competitors are China and the Congo, there is a bit of a marketing edge in Europe. The Europeans have told our Chief Geologist this in calls he has been on with the European industry—that the way we ethically source our minerals in terms of safety, paying fair wages and all of that means that we have a real edge. The focus is on the exploration activity in order to find those deposits in the north-west and the north-east that will continue to support a healthy resources sector and more jobs in more industries going into the future.

**Mr MILLAR:** In terms of exploration and mining leases, what safeguards are in place to protect strategic cropping land and high-value farming at the moment?

**Mr Kaiser:** We do a lot of work on coexistence. We do not look at this in a siloed way. We do not go out there to say that we want an area to be a resources area exclusively or an agricultural area exclusively. We spend a lot of time working on policies that support coexistence.

**Mr Ferris:** Our regulatory framework is one which is built on the concept of coexistence. As the director-general says, it seeks to minimise the environmental impacts from activities and the social impacts from activities.

**Mr MILLAR:** I will just pull you up there, Shaun. Your policy is coexistence. Has that been in place since 2015 or is that new?

**Mr Kaiser:** I do not think it is particularly new. I think it has been a feature of Queensland government policy for decades.

**Mr MILLAR:** Just to give you a bit of background, back in 2012 to 2015, the LNP government at that stage, through the then deputy premier, Jeff Seeney, introduced strategic cropping land as a framework for exploration. That was a layer of map that went over the top of the land. If it was deemed strategic cropping land or high-value farming, that was a trigger to say, 'This is an issue here if you want to do exploration.' Do we still have that in place in the Queensland framework?

**Mr Ferris:** In terms of strategic cropping land, that is not a matter for our department in terms of consideration. In terms of our considerations, it is around coexistence and driving a coexistence principle and philosophy through CCAs, conduct and compensation agreements—for example, compensation agreements in the mining space. For matters relating to broader landscape issues and impacts on cropping land—I might get the department wrong—

**Mr Kearnan:** It is the planning department.

**Mr Ferris:** Yes, the planning department.

**Mr MILLAR:** When you release an exploration permit, when it comes to strategic cropping land—I will give an example. The Golden Triangle between Rolleston, Springsure, Comet and Emerald is high-value agriculture. Is that protected under strategic cropping land at the moment when it comes to exploration for gas or mining?

**Mr Ferris:** It is not necessarily protected. What we do in terms of our Queensland Exploration Program is go out and ask companies for expressions of interest in terms of the areas they would like to see released for tender—tender where companies can apply. That will be exploration tenure for petroleum and gas or for coal, for example. Once we get those responses as part of the Queensland Exploration Program expression of interest process, we then go through more of a holistic whole-of-government consideration around whether it is appropriate to release land, for example, in the Golden Triangle. We seek advice internally from our own engagement and compliance unit: are there any landholder issues that they are aware of in those particular areas that might make it difficult from a social licence perspective for companies to move forward with those projects, for example?

We also seek advice from the Department of Environment and Science around whether there are any environmental issues that we should be aware of in the process of making a decision around releasing those areas for tender. We also seek advice from the Department of Agriculture and Fisheries in terms of the agricultural land issues that you are referring to: are there any matters that we need to be aware of in terms of agriculture, agricultural use, good quality agricultural land and strategic cropping land as a broader concept?

We then take that and make a decision or recommendation around what areas should be released. It is a whole-of-government consideration. At that very early phase we take an objective approach. We take a step back and seek advice from the Department of Environment and Science, for example, and DAF around those areas. We then move into the tender process. Companies, whether it be a petroleum or gas company if it is a petroleum tenure or whether it be a coal company if it is a coalmining exploration tenure, can tender on that. In their tender documentation they will provide to us a whole range of information, including their environmental credentials, their social licence credentials, which is one of the mechanisms or facets that we assess as part of the tender process.

Then through the life of tenure process you move from an exploration tenure sometimes to a holding tenure, an MDL or a PCA, a potential commercial area, for petroleum leases and then into mining leases. There are other mechanisms for further assessment around the impacts of exploration or development of those activities on a range of factors, whether they are environmental, social or agricultural.

**Mr MILLAR:** Finally—this is a yes-or-no question—once you have made an exploration permit available and they go out there, is the information on how you allowed that to happen available to the public—that is, the farmers and graziers who may be concerned that it is valuable land and it should not have an exploration licence on it?



**Mr Ferris:** Again, right at the beginning of the process, when we receive the expressions of interest, we are engaging with the landholders in those areas. Whether it is when we receive the expressions of interest or when we are going out to tender on those areas, our department is engaging with the landholders. In actual fact, it is one of our SDS measures that we report back on as part of the estimates process at the end of the financial year. We have an SDS measure in there in terms of the percentage of landholders that we engage with prior to a release of an area for tender.

**CHAIR:** In the previous parliament the committee that was the predecessor to this committee, of which the member for Callide was also a member, held an inquiry into intrastate shipping. I know that the resources sector uses shipping to get bauxite from Weipa around to Gladstone. There was a suggestion in the report that, where road and rail go down due to cyclones and other things, the 'blue highway', as they called it, is always open and could get mining equipment and other equipment up and down the state if that were to be introduced.

I am not really seeking an opinion. Is that something that has been considered? The report only landed a year or so ago. I do not know whether that was considered. A lot of the ports up and down the coast are getting the roll-on roll-off ships. It is easy—straight onto a truck at, say, Mackay and out to the mines, rather than using highways and rail if they were to go down. If it cannot be answered, that is fine. You were not there, I understand.

**Mr Kaiser:** No, I was not there. I have observed that the resources sector is incredibly resourceful when it comes to hindrances to its business activities, so it would not surprise me at all that they are coming up with solutions like that should the need arise. Is there anything more specific, Shaun?

**Mr Ferris:** I think we all realise how mature the sector is. It has been demonstrated through COVID as well. They all have business continuity plans. Whether it is a cyclone or if a rail line goes down because of an accident or if it is due to COVID, for example, the industry is very good at pivoting to ensure their supply chains are complete and not disrupted. In terms of the 'blue highway', I have not heard that term. I like that.

**CHAIR:** They loved it.

**Mr Ferris:** I am going to use that next time I meet with Transport and Main Roads.

**Ms Parker:** I thought that, too. It is good.

**Mr Ferris:** It is probably more a question for Transport and Main Roads.

**CHAIR:** I just did not know if the sector was aware that that is something that is out there and could be utilised. Anecdotally, when I worked in a mine—it was a Rio Tinto mine—and the train load-out conveyor went—and the tonnage that went out of that place was incredible—it was very quick to load those trains with machinery to keep them going. It was amazing how quickly they adapted in terms of the safety around that because of the large equipment changing areas, so you are right.

**Mr Kaiser:** They have a lot of capital investment at stake, so they are pretty entrepreneurial in finding solutions to keeping it going.

**CHAIR:** Yes. It was amazing just to see how quickly they adapted.

**Mr WALKER:** Mr Ferris, I heard you talk about maturity and some of the issues that impact on making decisions for a mining lease or looking at areas. I heard the question earlier about the impacts on agriculture. With maturity we know that there are environmental impact statements, but there must be some economic benefits locally as well as social infrastructure that benefit these communities. Is that looked at—for example, when you go into a rural sector or a rural area and there are improvements in water supply or other social infrastructure? Is that looked at in more detail?

**Mr Ferris:** It is not looked at from a statutory perspective by us in terms of the decisions that we make around mining leases, but outside of our portfolio the EISs—environmental impact statements—that are either required through the Department of Environment and Science process or through the Coordinator-General all consider those sorts of social infrastructure, community benefit and community disbenefit type matters. In terms of some of the broader benefits to the community, you have talked to some of those around water. Sometimes it is just the communities being more vibrant and thriving because they have greater population and access to different services.

I want to again go back to the coexistence comment earlier. In terms of the industry—and this is one of those investments which really is where the rubber hits the road for landholders—there are around 5,000 CCAs, conduct and compensation agreements, in place between landholders and resource companies. They are for activities that are happening out there today, tomorrow and historically on the ground in terms of exploration activities or production activities. Resource

companies in Queensland have paid around about—and I cannot give a precise figure—\$500 million in payments under those CCAs. That is real dollars. That is real dollars going back into the community and real dollars going back to landholders that have these activities occurring on their sites. The flowthrough of those dollars in terms of a positive impact and benefit to the resources communities should not be underestimated. In terms of our considerations around the tenure process, it is not a matter that we consider under our statutes.

**Mr WALKER:** Getting back to maturity, we continually hear that mining has now gone to a finer point where they make sure they have bigger social impacts on the community, be it through sport and retail, and bigger impacts on the agricultural sector in relation to fencing, water supply, the road network and the rail network, which adds value to not only the mining sector but agriculture as well which minimises the impact on their everyday costs—that is, the daily cost and their overall infrastructure spend trying to grow their market. I ask that question because I think we underestimate the broader benefits in that as we move forward the mining sector is more considerate—I think that would be a fair comment; I am just asking that question—of the bigger game being played when they put in infrastructure that benefits the farming sector getting product to market.

**CHAIR:** Absolutely. Thank you. That is a statement. I was waiting for a question.

**Mr WALKER:** Sorry.

**Mr BOYCE:** My question revolves around the Glencore coalmining lease at Wandoan in Central Queensland in my electorate. Some 10 or 12 years ago this project was started by then Xstrata. In the vicinity of 30,000 hectares of land was acquired under the mining act for a coalmine to begin. We have moved on and Glencore have bought the lease. It is a full-blown mining lease. Is there some scope, given the demise of the thermal coal industry, into the future for that land to be returned to the grazing farming industry—basically a ‘use it or lose it’ policy?

**CHAIR:** Is that a policy question?

**Mr Kaiser:** Could it be returned for agricultural use?

**Mr BOYCE:** Yes. That is what I am wondering, given the fact that Glencore, in my view, are, in the near future at least, not looking at starting any of their coalmine leases.

**Mr Kaiser:** I think there would be a lot of commercial considerations around that in terms of what they wanted to do with those leases. If they were going to cease mining activity, they would play a role in that. You would want to check pretty carefully the environmental values of the land once the mining company exits. It would depend a lot on the type of agricultural activity you wanted to pursue there. I guess in theory there is no reason it could not, but that would not necessarily be the department’s decision.

**Mr BOYCE:** The land has not changed from what it always was. People run cattle there and they carry out their farming activities and that is all under lease agreements and so forth. The whole point to that is that land was acquired under the mining act originally to start a coalmine and yet we have no coalmine, and that is to the demise and the detriment of the local community.

**Mr Kaiser:** They are restricted from certain activities there because—

**Mr BOYCE:** Everybody has left, basically.

**Mr Kaiser:** Right.

**CHAIR:** If I could just clarify, member for Callide: at the moment farming continues on that land through lease agreements back to Glencore; is that right?

**Mr BOYCE:** Absolutely. My constituents are asking if there will ever be a coalmine there or whether there is any provision to return that land to the farming graziers.

**Mr Kaiser:** I see. Have Glencore relinquished the lease? Is that what you mean?

**Mr BOYCE:** Yes.

**Mr Kaiser:** It would not be a decision for this department.

**CHAIR:** I just want to add to that, and I am not trying to put words in the member’s mouth. Are there some departmental rules around, as you said, ‘if you do not use it you lose it’? Is there a time period? I do not know. Is that what you are asking?

**Mr BOYCE:** Yes, that is basically the question. Are there any sunset clauses on these agreements that were put in place years ago or not?

**Mr Ferris:** I do not have the specific details of the Wandoan leases in terms of when they are coming up for renewal, for example, but I will lift it up a level and just talk more broadly. We do not have a ‘use it or lose it’ position here in Queensland. We actively manage all tenure. What we are

interested in is: if a company has been granted a right to explore or a right to produce from a tenure, is that company doing what it has agreed, essentially, with the state through the grant of those tenures? If a company has agreed to spend X dollars and do Y activities in an exploration tenure but it does not spend X and does not do Y, then when the tenure comes up for renewal we have some fairly robust conversations that we have with any company. It does not matter whether it is a Glencore, a Rio Tinto or a small explorer. We engage proactively with those companies where we have a view that they have not done what they said they were going to do.

With regard to the Glencore tenure or any mining tenure, when it comes up for renewal we always ask the same questions: what are your plans for development? Is that plan in the public interest? Is it in the state's interest? Will it yield royalties and jobs? We actively manage the tenure. We do not have a 'use it or lose it' position—that is, if a company has not moved a production tenure into production but there are good reasons. In the case of a range of tenure across the state, it may just not be fully commercial right now. A lot of those large projects are very big capital bets that those companies lay—multibillion dollar bets in a lot of cases. Having been on the other side of the fence, I can say that those companies take those decisions with a lot of interest and very carefully they make those decisions. There are a lot of hurdles internally that they need to jump through to release that capital for those sorts of projects. In terms of any tenure when it comes up for renewal, if it has been granted for production purposes and it has not gone into production we will be engaging with those companies in advance to understand their needs or requirements or our expectations around the development of that tenure.

**Mr BOYCE:** Those tenures then come up for renewal and it is a case-by-case scenario?

**Mr Ferris:** Absolutely. We do not have a fixed rule where it is 'use it or lose it'. We will look at all tenures on the basis of the information that is in front of us and we will make a recommendation to the minister around renewal, based on the facts and circumstances of that particular tenure or groups of tenure, as it might be.

**Ms PUGH:** My question is around gas and gas exploration. From what I have inferred from what APPEA have said—again, without putting words in their mouth—at some of the dinners that we have, the relationships that a lot of landholders have with the exploration companies are very good and they feel that here in Queensland we have a good balance. Can anybody elaborate on the key things we are doing right here in Queensland and the future scope for this industry?

**Mr Kaiser:** I visited the gas fields with the minister. I went out to Roma with him a few weeks ago. Certainly an impression that I was left with was of a community that was working very collaboratively with the gas companies and vice versa. There seemed to be really quite a harmonious relationship happening. That was my observation. We went out to individual farms and spoke to farmers who had gas wells on their property, we obviously spoke to the companies that were hosting us and we spent a lot of time in town, at various civic receptions, dinners, breakfasts and all the rest of it. The overwhelming impression I was left with was of an industry that understands its responsibilities to the community and a community that, by and large, was very welcoming of that industry's presence. Certainly some of the farmers that we spoke to spoke in terms of the real financial difference it had made to them and their farm viability to have gas as a partner on their properties.

Obviously there are always issues that arise, and we have the GasFields Commission as part of the broader portfolio family. It is an independent body, but it does a lot of work out there to help ensure that the practices of the companies are appropriate in terms of landholders. It deals with landholder attitudes to the companies and vice versa and tries to play a very constructive role in creating a positive atmosphere out there. All I can say is that in my observation that seems to be working. The scale of the operations in that part of the world is enormous. That is the other impression I am left with—that is, just the sheer scale of it is enormous. Without a doubt the industry has had its impacts, but by and large I think the community is quite welcoming of the contribution that the industry makes.

**Mr WATTS:** By way of comment—and you spoke about it earlier—just in relation to the department's help, certainly in my patch in Toowoomba there are several companies that particularly operate around the Cooper Basin, crossing state borders and everything else as COVID came on, and the department was incredibly helpful in managing those processes so that people could keep working. I know that several companies were engaged and went through a process and left very happy, so I would like to add my thanks to the department for working with those companies to achieve that.

**Mr Kaiser:** Thank you. That is great feedback.

**Mr WATTS:** My question relates to roads and the road network with regard to mining and moving mining equipment. Toowoomba is a logistics hub. We have particular pieces of equipment that have to be shipped out. We are finding increasingly less opportunity for heavy goods to cross certain parts of the road network. Certainly bridges and roads are being excluded as ways to get through because they have had too many heavy moves over the top of them.

Is the department looking at the potential risks in terms of the road network capacity to move those heavy goods when people are granted an exploration licence or a licence to produce? The range crossing helps enormously in terms of moving goods in that area, but as you go further west there seem to be fewer and fewer roads and fewer and fewer bridge crossings that are available. They are getting crossed out because particular configurations cannot cross them anymore.

**Mr Kaiser:** Do you mean because of wear and tear—maintenance issues?

**Mr WATTS:** My understanding is—and forgive me if I get this wrong—that X number of heavy vehicle movements are allowed over a particular bridge and then Transport and Main Roads will say you cannot take a particular configuration over that bridge anymore. That then ramps up use of a bridge somewhere else because everybody is trying to move across there. My concern is: if we do not maintain that network well, what long-term impact will that have on moving mining equipment, be it a drilling rig or other heavy equipment, around Queensland, and particularly in my patch of Western Queensland?

**CHAIR:** It is very interesting you say that. I would love to know whether TMR and your department are working together on that. From my experience of the sector I was previously in, I know a bit of road like that. In trying to get transformers out to the Braemar Power Station, the road out of Dalby was heavily impacted and unable to be used. They had to repair the road before they could use it.

**Mr WATTS:** For clarity, there is a bridge that you can go across at the moment. You get an exemption to cross it. At a certain number of trips they say, 'That is too many heavy goods movements over it. We cannot speak to the integrity of that bridge. You have to find another way.' Every time that happens, the other way gets more movements across it and you start to run out of bridges.

**Mr Kaiser:** Yes. I appreciate the issue you are raising. It is not one that the companies or communities have raised with us. That does not surprise me necessarily in the sense that it is probably a matter they are raising with TMR. I certainly cannot speak to it. It is not a matter that is raised with us. Shaun, did you want to comment?

**Mr Ferris:** Through our engagement with companies I think we have had one or two companies raise issues with bridges. Our role is very limited in that space. We refer that to the Department of Transport and Main Roads, which manages thousands of bridges across the state of Queensland. I think it is more a question for DTMR. I would say that when companies raise issues or questions around it we are very proactive in engaging with DTMR to flag that a concern has been raised. There was one that was raised last year, for example, that we sent through to DTMR.

In terms of the broader planning framework, the EIS process—we do not manage that—typically considers those sorts of issues in terms of impacts on broader infrastructure networks. That is cascaded through to the responsible department.

**Mr Kaiser:** Often as part of those agreements the companies themselves need to make an investment in infrastructure.

**CHAIR:** I think that was what Les was referring to before.

**Mr Kaiser:** Certainly companies have raised with us the nature of the investment that is required of them. As Shaun says, it is not something that our department concerns itself with. There are sometimes eye-wateringly large financial contributions in local infrastructure required of companies.

**CHAIR:** It is a pity they cannot use the blue highway.

**Mr WATTS:** It is not going to go real well in the Warrego. If you can build me a canal, we will use it.

**CHAIR:** You never know: we may all be flooded one day. There being no further questions, we will close this briefing. There was a question on notice from the member for Mount Ommaney about a comparison with other states.

**Mr Kaiser:** We will get that information for you.

**CHAIR:** Could we get that by 4 pm on Tuesday, 27 April, please. That concludes this briefing. Once again, thank you all for your assistance and attendance here today. A transcript of the proceedings will be on the committee's parliamentary webpage in due course. I declare this public briefing closed.

**The committee adjourned at 12.19 pm.**