

Chapter 4

Social impacts

4.1 This chapter discusses the evidence received during the inquiry relating to the social impacts of the proposed Traveston Crossing Dam and the proposed Wyaralong Dam. It is inevitable that the construction of a dam will have a direct impact on the people living within the area of the dam. Even so, the committee notes that a significant number of the submissions lodged during this inquiry raised concerns in relation to the social impact of the proposed dam at Traveston Crossing. The main concerns raised in submissions included:

- community consultation and engagement;
- support for the community;
- the acquisition of properties; and
- the impact on local business.

4.2 In evidence to the committee, Mr Ken Smith, Director General, Department of Infrastructure, Queensland, stated that:

The government recognises that, for those affected people, the decision to progress the dam has had a significant social impact as well as potentially financial impacts. As a result the government has put in place a range of measures that attempt to mitigate those potential negative impacts. Those include acquisition, voluntarily, of the affected land...attempts to put in place a detailed consultation process with affected communities and the establishment of the Community Futures Task Force, headed by former governor Major General Peter Arnison.¹

4.3 Details of the implementation of measures to engage and consult with the community are set out in chapter 12 of the Queensland Government's submission to the inquiry.² The committee notes that this is an ongoing process.

4.4 Queensland Water Infrastructure Pty Ltd (QWI) engaged an external communications consultancy, Three Plus, to implement and conduct the community engagement and consultation process. This process has included:

- briefings between Three Plus and stakeholders to explain the process and opportunities for community involvement;
- community information days;
- the publication of fact sheets on the QWI website;
- consultation with agencies;

1 *Committee Hansard*, 18 April 2007, p. 87.

2 *Submission* 166, pp 185–206.

- consultation with indigenous stakeholders; and
- establishment of the Community Futures Task Force.

Community engagement and consultation

Community Futures Task Force

4.5 The Queensland Government established the Community Futures Task Force (CFTF) on 7 July 2006.³ The CFTF is chaired by Major General Peter Arnison and comprises the Mayors of communities affected by the proposed dams and the Directors-General of twelve Queensland Government departments.⁴ The role of the CFTF is to address the immediate effects of the decision to build the dams and develop strategies and approaches in relation to health, social issues, property resumptions, business impacts and industry adjustment.⁵ Initiatives to be undertaken by the CFTF include:

- undertaking community needs assessment to identify social, economic and land use implications;
- shop front access to provide advice and support for individuals and the community;
- generating a case management approach for affected individuals, businesses and communities;
- establishing community reference groups;
- identifying opportunities for regional employment and business continuity;
- developing industry adjustment initiatives;
- identifying longer term employment opportunities;
- implementing skills and training programs;
- identifying land use planning scheme options;
- identifying social infrastructure and lifestyle needs required to rebuild communities;
- identifying access to rural water use; and

3 Premier of Queensland, The Hon Peter Beattie, *Former Governor to head new dams taskforce*, Queensland Government, Ministerial Media Statement, 7 July 2006, <http://www.cabinet.qld.gov.au/MMS/StatementDisplaySingle.aspx?id=47086> (accessed 2 July 2007).

4 *Submission 166*, p. 195.

5 Queensland Government, Community Futures Taskforce website, <http://www.communityfutures.qld.gov.au/> (accessed 26 July 2007)

- rural futures planning.⁶

4.6 The CFTF is also facilitating community access to a range of assistance programs including:

- the Community Futures Fund Grants Program, designed to help community groups continue to provide services and to alleviate concerns around decreasing membership and funding following the announcement of the dams;⁷
- the Business Adjustment Scheme administered by the Queensland Rural Adjustment Authority;⁸ and
- the Worker Assistance Program administered by the Department of State Development and Trade.⁹

4.7 The CFTF provides information to affected communities via its website, newsletters and meetings and via a help line. The work of the CFTF will continue until mid 2009.¹⁰

4.8 The work of the CFTF is independent of the assessment of social and economic issues within the Environmental Impact Statement (EIS) for each of the proposed dams. However it is the Queensland Government's intention that relevant issues and mitigation strategies identified via the CFTF work program and related stakeholder consultation will be used to inform the EIS process for each dam.¹¹

Community consultation

4.9 The committee received evidence from a number of submitters stating that to date the public consultation process in relation to both the Traveston Crossing Dam and the Wyaralong Dam had been poor.¹² While most of these submissions related to

6 Premier of Queensland, The Hon Peter Beattie, *Former Governor to head new dams taskforce*, Queensland Government, Ministerial Media Statement, 7 July 2006, <http://www.cabinet.qld.gov.au/MMS/StatementDisplaySingle.aspx?id=47086> (accessed 2 July 2007).

7 Community Futures Task Force Newsletter, Issue 9, May 2007.

8 Community Futures Task Force Newsletter, Issue 5, December 2006.

9 Community Futures Task Force Newsletter, Issue 5, December 2006.

10 The Queensland Government, *Submission* 166, p. 201.

11 Queensland Government, The Coordinator-General, Wyaralong Dam Project, Teviot Brook, Queensland, Terms of Reference for an Environmental Impact Statement, May 2007, p 62; Queensland Government, The Coordinator-General, Traveston Crossing Dam Project Stage 1, Mary River, Queensland, Draft Terms of Reference for an Environmental Impact Statement, December 2006, p. 58.

12 For example, see *Submission* 19; *Submission* 40; *Submissions* 69 and 69A; *Submission* 70; *Submission* 85; *Submission* 89; *Submission* 109; *Submission* 112; *Submission* 154; *Submission* 163; and Mr Robert Hales, *Committee Hansard*, 18 April 2007, p. 30 and p. 34.

the communities affected by the Traveston Crossing Dam, the committee notes that similar issues were raised in relation to the community consultation process for both dams.¹³ Many submitters commented on the lack of consultation with local stakeholders prior to the announcement of the Traveston Crossing Dam proposal in April 2006.¹⁴ The Mary Catchment Coordination Association (MCCA) advised the committee that there had been no mention of the proposed Traveston Crossing Dam during the consultation phase for the draft Mary Basin Water Resource Plan (WRP) which was released for public comment in November 2005. The MCCA commented:

In this draft document there was no mention of Traveston Crossing Dam, and this dam was never foreshadowed in any of the SRG [Sector Representation Groups] or CRP [Community Reference Panel] meetings held. There was mention of a small regulating weir at Coles Crossing. The draft WRP did make mention of a 'strategic reserve' but there was no figure attached to this reserve of unallocated water from the Mary basin.¹⁵

4.10 Mr Ken Campbell, a Lifeline counsellor at the Kandanga One-Stop-Shop told the committee that as there had been no previous discussion or consultation with the community about the proposal prior to the announcement in April 2006, the announcement had been 'like a bombshell falling on them'.¹⁶ Mr Robert Hales, an associate lecturer at Griffith University undertaking a PhD on public involvement in the Traveston Crossing Dam proposal, told the committee that:

...the community development projects that have been implemented by the Community Futures Task Force, which are looking to the future beyond the dam construction, have been ramped up very quickly. What have not been ramped up are the democratic processes and rights of citizens to be involved and react against this dam.¹⁷

4.11 Mr Hales provided the committee with a copy of his report, *A Discussion Paper on the QLD Government's Assessment and Management of the Social Impacts of the Proposed Dam on the Mary River*, which rated the Queensland Government's performance in a social impact assessment of the Traveston Crossing Dam against internationally recognised social impact principles.¹⁸ In Mr Hale's view:

The report card results of QLD Government's handling of social impacts were found to be substandard. ...Firstly, the Queensland Government has failed to acknowledge accepted goals of social impact assessment and management. The goal for any social impact assessment and management is

13 For example, see *Submission 116; Submission 136; Submission 148; Submission 155; Submission 155A; Submission 162; Submission 70.*

14 For example, see *Submission 121; Submission 127; Submission 134; Submission 154; Submission 156.*

15 *Submission 154*, p. 8.

16 *Committee Hansard*, 17 April 2007, p. 36.

17 *Committee Hansard*, 18 April 2007, p. 30.

18 Mr Robert Hales, *Submission 69*, Attachment B.

to ensure that not only are the living standards of the people affected maintained but the well being of the people affected should be improved through project implementation. The Queensland Governments actions have not achieved this goal ... within the timeframe of this study. Secondly, the report card demonstrates that the Queensland State Government has failed to adequately recognise the scale and depth of social impacts resulting from a proposed Mega dam on the Mary River.¹⁹

4.12 Mr Hales also told the committee that:

... the affected people in the Mary River Valley have experienced impacts in excess of what would normally be expected if robust democratic and administrative processes had been implemented. The key factor in this conclusion is the uncertainty experienced by almost all people in the impacted area.²⁰

4.13 A number of other submitters expressed concern at the availability, timeliness and consistency of information about the dam proposal following the announcement.²¹ Submitters told the committee that there was a significant delay between the initial announcement of the proposal and the convening of the first public meeting, during which time potentially affected landholders found it difficult to obtain details of the impact of the proposal.²² In particular, a number of submitters commented on the confusion and uncertainty experienced as a result of the changes to the boundaries of the proposed inundation areas.²³

Numerous maps were issued and re-issued by the government with changing boundary lines. Information about water levels and flooding contradicted the community knowledge about the river and flooding patterns. Many people could not figure out whether there [sic] properties were even in the dam footprint.²⁴

There is still confusion about stage 1 and stage 2 and the buffer zones. There was right from the start. They could not confirm exactly who was in and who was out.²⁵

4.14 As well as the uncertainty of knowing whether particular properties were within the inundation area, the committee was told of concerns at the impact on

19 *Submission 69*, pp 1–2.

20 *Submission 69*, p. 2.

21 For example, see, *Submission 63*; *Submission 70*; *Submissions 108 and 108A*; *Submission 134*; *Committee Hansard* 18 April, p. 90; *Submission 137*; *Submission 167*, Mr Alan Sheridan, *Committee Hansard*, 17 April 2007, p 26.

22 For example, see *Submission 32*; *Submission 150*.

23 For example, see *Submission 42*; *Submission 63*; *Submission 86*; *Submission 107*.

24 Kandanga Information Centre, *Submission 137*, p. 2.

25 Mr Ken Campbell, *Committee Hansard*, 17 April 2007, p. 36.

individuals and communities as a result of relocation of arterial roads.²⁶ Mr Campbell told the committee that:

There was no concept of road relocations in the months following the announcement. So where people had confirmation that they were not in the dam site but were on the border of it, they became very concerned: 'How am I going to get to the places I normally go to; how will I get from A to B; where are the roads going to be; is that going to impact on my life and on my family and on my farm and on my property?' There were all those sorts of questions in their minds. The continuation of the unknown factor and the disempowerment from all of that was building stress in their minds.²⁷

4.15 The committee also received evidence that many people affected by the dam had experienced difficulty and frustration in gaining access to more detailed information about the project and its impact on their own situation.²⁸ The committee was told there were significant delays in the provision of answers to questions taken on notice at public meetings and that many of the questions remain unanswered or were answered unsatisfactorily.²⁹ A number of submitters told the committee that their requests for clarification of the impact of the proposal and access to specific technical and scientific data and other government documents had been largely unsuccessful, or had met with significant delays. The committee noted that both the Save the Mary River Coordinating Group and the Mary River Council of Mayors sought copies of documents to assist in their assessment of the proposal. Both groups told the committee that the Queensland Government's response to requests for documents had frustrated the efforts of many people to undertake independent analysis of the proposal and assess its impact on them.³⁰

4.16 The committee received submissions expressing concern at the economic and social impact of the Traveston Crossing Dam on communities downstream of the proposed dam wall.³¹ Submitters also expressed concern that downstream residents wished to be included in the community engagement process and did not believe that they had received information which would enable them to assess the impact of the dam on them. The committee was told that:

Neither the Government, not [sic] Queensland Water Infrastructure have provided any information to downstream residents regarding future access to water allocations, future impacts on the river ecosystem or future impacts on important local industries. In addition there has been no discussion of

26 For example, see *Submission 125*; *Submission 129*; *Submission 188*.

27 Mr Ken Campbell, *Committee Hansard*, 17 April 2007, p. 36.

28 For example, see *Submission 120*; *Submission 134*; *Submission 137*; *Submission 142*; *Submission 148*.

29 For example, see Mr Victor Hill, *Submission 32*; Mr Kevin Ingersole, *Committee Hansard*, 17 April 2007 pp 26-27.

30 For example, see *Submission 117*; *Submission 120*; *Submission 150*.

31 For example, see *Submission 28*; *Submission 85*; *Submission 105*; *Submission 176*.

compensation for these impacts or offers of support forthcoming from the Queensland Government.

...

The sugar industry is one important industry that will be affected by the proposed Dam. Recently I talked with two key representatives of the sugar industry in Maryborough and they both indicated that they are concerned about the impact of the dam, but that no-one has given them information about what the impacts of the dam would be.³²

4.17 Mr Hales told the committee that the process and timelines for public consultation for the Traveston Crossing Dam project appear to be significantly different to those for other dam projects in South East Queensland. Mr Hales identified three key stages for social impact management and public consultation in the process of building large dams:

- the feasibility stage – in which documents assessing the feasibility of the project are made public by relevant government agencies;
- stage 1 – during which time project details are finalised and an accurate estimate of area needed for land acquisition can be made; and
- stage 2 – the land acquisition stage where affected residents usually voluntarily accept to relocate.³³

4.18 The following table provided by Mr Hales suggests that the timelines for the Traveston Crossing Dam project appear to be significantly shorter than those applied in other projects. Table 4.1 details the comparative consultation timelines for various dams in SEQ.

Table 4.1 – Timelines of consultation and construction for selected dams in SEQ

| Dam | Feasibility stage (pre dam announcement) | Stage 1 (decision to dam to land acquisition) | Stage 2 (Land acquisition stage) | Total Time (Announcement to completion) |
|--------------------|--|---|---|---|
| Wivenhoe | 7 years | 1.25 years | > 6 years | 14 years |
| North Pine Dam | > 4 years | 5 years ¹ | 12 years | 22 years |
| Burdekin Falls Dam | > 3 years | 4 years ¹ | 3 years | 7 years |
| Paradise Dam | 1 year approx ² | 1.5 years | 3 years | 5 years |
| Traveston Crossing | 0.3 | 11 days ⁴ | Current (44% properties resumed in 11 months) | (6 years?) |

Source: *Submission 69A*, p. 2.

32 Ms Tanzi Smith, *Submission 176*, p. 3.

33 *Submission 69A*, p. 1.

4.19 Mr Hales observed that:

The world history of public consultation and managing social impacts in the process of building dams is poor. If present processes continue the Traveston Crossing dam will also rate very poorly in terms of social impact management and public participation.³⁴

4.20 The evidence received by the committee in relation to the proposal to build the Wyaralong Dam raised very similar concerns about the handling of the announcement, the transparency of the public consultation process and the ability to gain access to information and data. In this case, the proposal to construct a dam on the Teviot Brook appears to have been mooted in 1990, however the committee was told that landholders were advised by the South East Queensland Water Board in July 1992 that land for a dam would not be required until approximately 2060.³⁵

4.21 Submitters told the committee that the announcement to proceed with the dam had come as a shock and the manner in which affected landholders were kept informed in the days leading up to the announcement appears to have compounded the stress and anxiety of those concerned.

Numerous State [sic] water planning documents identify the Glendower site as scheduled for 2015. Wyaralong landholder' concerns about timelines for the proposed dam have always been placated by the relevant government agents who have steadfastly confirmed that the Glendower site was scheduled for construction long before Wyaralong (2060). Even in the referral for Federal government consideration under the EPBC Act, the Queensland Government only indicated that a dam at Wyaralong **may** be considered in the future, "possibly in 2060".³⁶

4.22 The limited availability of information from the time of the initial announcement in 1990 through until the announcement on 4 July 2006 has clearly been a source of annoyance and frustration to affected landholders.³⁷ The committee notes that there is a strong perception that the community engagement process has lacked transparency, that the decision to proceed with the dam is based on incomplete studies and unduly optimistic data and that the consultation timelines, particularly for the EIS process, have been needlessly compressed.³⁸

4.23 As appears to have been the case with the Traveston Crossing Dam announcement, the inability of QWI to confirm the boundaries of the inundation area of the dam early in the community engagement process appears to have contributed to

34 *Submission 69A*, p. 3.

35 For example, see *Submission 116*; *Submission 162*.

36 Dr Bradd Witt, Ms Katherine Witt, Mr Andrew Taylor, *Submission 155*, p. 9.

37 For example, see *Submission 136*; *Submission 148*; *Submission 155*; *Submission 162*.

38 Dr Bradd Witt, Ms Katherine Witt, Mr Andrew Taylor, *Submission 155*.

the anxiety and stress of landholders potentially affected by the Wyaralong dam.³⁹ Submitters expressed concern that the potential dislocation of properties as a result of the relocation of roads and the impact on several historic properties, none of which are currently listed on State or National Heritage registers, does not appear to have been fully considered.⁴⁰

Support for the community

4.24 After the announcement of the proposed dam, the Queensland Department of Communities established a range of support strategies, including the engagement of Lifeline counselling services and the establishment of a One-Stop-Shop at Kandanga, in the Traveston catchment. The Lifeline Community Care counselling service has operated from the One-Stop-Shop in Kandanga since June 2006. It is staffed by a coordinator of counselling, a social support worker and an administration support person. The Kandanga service can also access specialist counselling staff via the services available in Maroochydore and Gympie. The service offers face-to-face counselling at the One-Stop-Shop and undertakes outreach work at homes and farms. The service is also providing referral information, advocacy and liaison support in relation to the government services operating from the One-Stop-Shop.⁴¹

4.25 The committee received a number of submissions which spoke of the stress and uncertainty individuals felt following the announcement.⁴² Mr Campbell told the committee that 150 people have contacted Lifeline between June 2006 and March 2007. Some of those people were seeking information and advice while others were experiencing extreme stress and depression.

There is evidence of a growing trend for clients to be accessing GPs for related disorders including anxiety and depression. Stress levels due to the dam are creating relationship issues for otherwise stable relationships.

...

There are suicidal ideations reflections, reflected by expressions of concern in relation to having suicidal thoughts. ...Lifeline are actively pursuing training programs and working with the community to try to reinforce coping skill areas for that sort of thing. ...There is also the financial crisis brought on by the loss of employment and the decline in social capital.⁴³

39 For example, see *Submission* 162.

40 Dr Bradd Witt, Ms Katherine Witt, *Submission* 155A.

41 Mr Ken Campbell, *Committee Hansard* 17 April 2007, p. 35.

42 For example, see *Submission* 15; *Submission* 18; *Submission* 32; *Submission* 34; *Submission* 77; *Submission* 83; *Submission* 86; *Submission* 95; *Submission* 96; *Submission* 133; *Submission* 135; *Submission* 177; *Submission* 187.

43 Mr Ken Campbell, *Committee Hansard*, 17 April 2007, p. 38.

4.26 A number of submitters expressed concern about the impact of the dam on community networks, support structures and schools. The committee received evidence of community structures struggling in the regions affected by the dam.⁴⁴

For long-term residents of the valley, there will be a loss of community, loss of lifestyle, loss of family tradition and history, loss of connection with the land and regret that their children will not be able to access what they have enjoyed.

...

There are others engaged in community activities. There will be a loss of enthusiasm for the operation of community organisations, sporting and recreational clubs, the loss of members and finances due to people leaving the valley, and the frustration and anger about the loss of social fabric.⁴⁵

4.27 The committee notes that prior to the establishment of the Kandanga One-Stop-Shop and the provision of counselling services, the Save the Mary River Coordinating Group had independently established the Kandanga Information Centre. The Centre is staffed by volunteers and relies on donations from visitors and the community. 'The Centre was established to help the people in the community cope with the emotional trauma of the announcement and to provide information and education to the community'.⁴⁶ Ms Sue Smith, the Manager of the Kandanga Information Centre, told the committee that while the One-Stop-Shop and the Community Futures Task Force were initially seen as positive steps toward addressing the social impact of the dam, there is a perception within the community that these initiatives were poorly planned and implemented and do not fully meet the needs of the community.⁴⁷

4.28 The committee notes that a similar range of community support mechanisms has been established for the communities affected by the Wyaralong Dam project. The committee received limited evidence in relation to the impact of these mechanisms within these communities, but notes that as in the Mary Valley, there appears to have been an unfortunate delay in establishing some of the services.

Also on Wednesday 5 July we started receiving our letters from the Premier assuring us of fair and just compensation. Included in his letter was a 1300 number for a 24-hour counselling service. One of my cousins rang the number saying she had concerns about the Wyaralong dam. "would that be Traveston or Tilley's Bridge?" was the response. The counsellor had not heard of Wyaralong.⁴⁸

44 For example, see *Submission 61*; *Submission 126*; *Submission 187*; *Submission 205*.

45 Mr Ken Campbell, *Committee Hansard*, 17 April 2007, pp 36–37.

46 Kandanga Information Centre, *Submission 137*, p. 1.

47 Kandanga Information Centre, *Submission 137*, pp 1–2.

48 Ms Prudence Firth, *Submission 162*, pp 3–4.

Land acquisition

4.29 Stage 1 of the proposed Traveston Crossing Dam will affect 332 properties, including 76 houses. Stage 2 will affect a further 265 properties, including 128 houses.⁴⁹ Following the announcement of the dam proposal, the Queensland government communicated that it would negotiate to purchase the properties of affected landowners who voluntarily wished to sell. Management of the purchase of land for the dam was initially managed by the Department of National Resources and Water (DNRW) and is now managed by QWI.⁵⁰

4.30 Mr Graeme Newton, CEO of QWI, advised the committee that when QWI took over the process information packages were sent to landholders. The package included details of the purchasing process, the purchasing policy and the proposed lease back arrangements which apply to properties affected by Stage 1 and Stage 2.

This [information package] went to every landholder. It also went to other landholders that were on the periphery who, under previous mapping, were identified as possibly being affected. We sent letters and information to them confirming that they were no longer affected. It went to every one of those. About 1,200 letters were sent out with information packs for those landholders either affected or not affected.⁵¹

4.31 However, the committee was told that not all landholders received information packages and that some landholders adjacent to the proposed inundation areas received very little information about the land acquisition process.

We tend to forget about residents on the fringe of the dam. There are a lot of them right on the very edge of this dam and they face the prospect of living for many years with social and environmental upheaval. They cannot sell to QWI because QWI will not buy properties outside the dam, even on compassionate grounds.⁵²

4.32 As at 29 March 2006, QWI had reached voluntary agreements in respect of 121 properties affected in Stage 1 and 144 properties affected in Stage 2.⁵³ As at 18 April 2007, QWI had undertaken 467 valuations and had reached agreements with 279 properties. On 4 June 2007 Mr Newton advised the committee that a further 32 agreements had been reached.⁵⁴

4.33 The Committee notes that there has not been any determination by the Queensland Government to proceed with Stage 2 of the project. The committee was

49 Queensland Government, *Submission 166*, p. 201.

50 For further information, see *Committee Hansard*, 18 April 2007, p. 93.

51 For further information, see *Committee Hansard*, 18 April 2007, p. 94.

52 Mr Ken Campbell, *Committee Hansard*, 17 April 2007, p. 37.

53 Queensland Government, *Submission 166*, p. 202.

54 *Committee Hansard*, 4 June 2007, p. 109.

advised that 'QWI's decision to stand in the market and now acquire properties which may be required for Stage 2 has been taken to provide as much certainty as possible to landholders that may be affected by Stage 2, if Stage 2 proceeds. This approach was adopted by QWI as a result of feedback from the local community'.⁵⁵

4.34 Under the agreements, QWI will meet all reasonable costs incurred by landowners in agreeing to a sale.⁵⁶ Mr Newton advised the committee:

The components of it really are land valuation. There is the cost of transaction if you like: legal costs, valuation and so forth. We cover all the professional fees. In some cases there are accounting fees and so forth. There is also the stamp duty for purchase of another property. We pay the stamp duty up-front, based on the property. There is also the disturbance figure you were talking about.⁵⁷

4.35 Mr Newton and Mr Dave Stewart, Deputy Coordinator-General, Department of Infrastructure, also advised the committee that QWI was working toward offering capital gains tax roll over on acquired properties. Mr Newton said

Basically, it provides scope for them to buy another property and roll over the capital gains deferral, if you like, that they had for their current property to the new property.⁵⁸

4.36 The committee was advised that all acquisitions of land to date have been voluntary purchases initiated by the landholder following receipt of a letter from QWI.⁵⁹ Mr Newton told the committee that the purchasing policy sets out the process by which land will be purchased and that such purchases will be undertaken under the auspices of the *Acquisition of Land Act 1967* (Qld) and that, consistent with other major infrastructure projects, a fair market value would be applied.⁶⁰ Under the land purchasing policy, land purchased by QWI may be leased back to the original owners at a concessional rent until it is required for the dam. Where only part of the property is required for the dam, but QWI agrees to purchase the entire property, the land that is not needed for the dam may be leased back to the previous owner. Under the leasing arrangements such land is subject to usage controls to protect the long-term quality of the water.⁶¹

4.37 Mr Newton explained the basis for the determination of the monetary value of leaseback:

55 Queensland Government, answer to question on notice, 30 April 2007 (received 31 May 2007).

56 Queensland Government, *Submission 166*, p. 28.

57 *Committee Hansard*, 18 April 2007, p. 95.

58 Mr Graeme Newton, *Committee Hansard*, 18 April 2007, p.97.

59 Mr Graeme Newton, *Committee Hansard*, 18 April 2007, p. 94.

60 *Committee Hansard*, 18 April 2007, p. 94.

61 Queensland Government, *Submission 166*, p. 205.

Normally a leaseback is done at a market rate. In this circumstance, if it is a stage one impacted property, the leaseback is done at \$1,000 per year or \$29 per week or, if it is a stage two impacted property, it is 25 per cent of market price value until 2035.⁶²

4.38 As at 18 April 2007, all properties purchased are subject to lease back arrangements. The majority of properties are available for lease back until 2011, but some may be required prior to this. Those properties not required until 2035 are also available for leaseback.

4.39 The Queensland Government indicated that there would be no compulsory acquisition of properties until the EIS process has been completed.⁶³ In the event that QWI and landholders cannot agree on a fair and reasonable purchase price, QWI would request the Coordinator General to initiate procedures for compulsory acquisition of the relevant land for a water storage and access easement under the provisions of the *State Development and Public Works Organisation Act 1971* (Qld).

4.40 In its submission to the inquiry, the Queensland Government clearly acknowledged the need to treat affected people with respect and compassion.⁶⁴ However, the committee received evidence from a number of individuals and organisations which questioned the extent to which this stated commitment has translated to the actions of those QWI staff involved in negotiating with landholders considering voluntary acquisition.⁶⁵ Mr Campbell told the committee:

Those who are selling feel the pressure to be so great that they have to sell. They are not voluntarily selling —there is a big difference.

These people are up against a negotiating team that has negotiated, if that is correct, some 300 or 400 different settlements and yet they are trying to negotiate for the first time. They are so disadvantaged it does not even need mentioning, I suppose. There is a lack of compassion from government and QWI and from the negotiators in particular, who are so tuned in to the professional process of getting a property for the minimum price that when it comes down to compassion and understanding for the people they are negotiating with there is no room for negotiation—it is a hard-ball game.

...

There is a sense of being bullied and dictated to by QWI. QWI might say that is not the case, but I can assure you that, as I mentioned, just the very fact of a person walking into a room and trying to deal with an authoritative force like that is intimidating and, to them, it represents bullying. Then, of course, the ongoing language substantiates that, on the basis that you realise

62 *Committee Hansard*, 18 April 2007, p. 94.

63 Mr Graeme Newton, *Committee Hansard*, 18 April 2007, p. 94.

64 *Submission* 166, p. 186.

65 For example, *Submission* 33; *Submission* 35; *Submission* 58; *Submission* 83; *Submission* 95; *Submission* 113; *Submission* 117; *Submission* 169.

that if you do not go along with this then you know your property will eventually be resumed.⁶⁶

4.41 Mr Newton refuted claims of unprofessional and intimidating behaviour by QWI staff.

I stand by my staff and their professionalism. I guess the follow up that we have is that I have regular dialogue, and so do my two senior managers who are involved in the land purchasing, with the solicitors acting for landholders—these solicitors have no vested interest in telling us what we want to hear—to get feedback about my staff who are operating on the ground. They will give opinions on how different negotiations have gone, but, on the whole, they have all come back and said that the staff have acted professionally. We acknowledge that it is a very difficult circumstance in which they are operating and they are continually reminded of that situation. I stand by the staff and their professional behaviour.⁶⁷

4.42 Some submitters expressed concern at the difference between QWI land valuations and private land valuations.⁶⁸ Mr Newton advised that committee that:

In relation to the valuations that we have undertaken and the assessment that I did earlier, we have found that the variation between the landholder's valuation and our valuation was approximately 13 per cent, on average. Some were more than ours and some were less than ours. The average settlement price reached was in the order of an eight per cent difference between the landholder's original valuation and ours.⁶⁹

4.43 The committee notes that there appears to have been some confusion regarding the acquisition of affected properties within the inundation area of the Wyaralong Dam. The committee was told that some of the land acquired to date may not be required for the dam.

The Government through the Queensland Water Infrastructure Co. Pty Ltd has constantly 'suggested' to landowners that they consider selling their properties but at no stage have they provided the certainty that the project has reached any real finality in its planning stages. Had we sold the part of our property required for the dam last year we would now have no prospect for the future at all as in the interim period, the buffer zone area has been reduced and land which we would not have been able to retain then is now not going to be affected at all.

Despite frequent claims to the contrary, only a small percentage of the land required for the proposed Wyaralong Dam has actually been acquired by the Government to date and it was recently acknowledged that much of that

66 *Committee Hansard*, 17 April 2007, p. 37.

67 *Committee Hansard*, 18 April 2007, p. 97

68 For example, see *Submission 9*, *Submission 58*; *Submission 59*.

69 *Committee Hansard*, 18 April 2007, p. 96.

land would now no longer be required for the dam and that there is the possibility of it being offered back to the original owners or for sale.⁷⁰

4.44 The committee also notes that there appears to be a perception among some affected landholders in the Wyaralong inundation area that they are not eligible for compensation in the same way as landholders affected by the Traveston Crossing Dam. The committee was told that:

The decision to build a dam at Wyaralong therefore came as a shock, even though it was claimed that we "have known about it for 15 years". Subsequently, Wyaralong landholders were not eligible for a \$50M 'special circumstances' compensation package that was available only to landholders affected by the Traveston Crossing and Tilley's Bridge dams.⁷¹

Kandanga

4.45 The committee noted that the proposed inundation area of the Traveston Crossing Dam would significantly affect the amenity of the township of Kandanga. On its site visit the committee was shown that the inundation area for Stage 2 of the project would effectively split the town in two. The committee also noted that only those residents directly affected by the inundation would be able to voluntarily relinquish their property under the land acquisition policy.

4.46 Mr Newton, QWI, advised the committee that under Stage 1, the water in the dam at full supply level would be confined within the bed and banks of the creek. He noted that there would be some increase in flooding in the town. Mr Newton said that the offer to purchase properties in the township related to the Stage 2 boundary of the dam and had been made 'to try and give that capacity for certainty and planning in the future'.⁷²

4.47 In addition to the offer of land acquisition, the Office of Urban Management, together with the CFTF, has engaged with the community to consider future planning of the area.⁷³ Mr Ken Smith told the committee that:

I think the environmental and social impact will need to look at the impacts of the dam on communities such as Kandanga. Obviously the purpose of that report is to look at whether there should be some mitigating circumstances or responses...⁷⁴

4.48 The committee noted the stress and uncertainty expressed by Kandanga residents with regard to key community facilities and, in particular, the Kandanga

70 Mr John Taylor and Mrs Christine Taylor, *Submission* 116, p. 7.

71 Dr Bradd Witt, *Submission* 155, p. 9; see also Ms Prudence Firth, *Submission* 162.

72 *Committee Hansard*, 18 April 2007, p. 87.

73 Mr Graeme Newton, QWI, *Committee Hansard*, 18 April 2007, p. 88.

74 *Committee Hansard*, 18 April 2007, p. 88.

cemetery. The committee notes that the CFTF is examining options for the future of the cemetery in consultation with people who have loved ones buried in the cemetery.⁷⁵

4.49 The Queensland Government considered the impact on the Kandanga community and advised the committee that:

Keeping the township of Kandanga connected as a whole is a priority of the Queensland Government through the work of the Community Futures Task Force. Consultation with the community has indicated that keeping the township together and retaining as much of the current amenity and character of the township as possible, is the wish of the people of Kandanga.

Rather than offer an exit package to all members of the township, the State Government is working with the community to plan for a future which maximises retention of existing aspects of Kandanga including the current population level, businesses, community facilities, and other infrastructure.

The Queensland Government is undertaking an extensive public consultation process to inform land use planning and infrastructure studies for all Mary Valley communities affected by the proposed Traveston Crossing Dam. On 29 May 2007, the people of Kandanga were presented with draft concept plans outlining options for the zoning of new residential, commercial and community areas on vacant lands clear of the proposed inundation areas and adjacent to areas of the township that will not be affected by inundation. Community feedback on these plans will inform development of further options for public comment.⁷⁶

4.50 The Queensland Government provided the committee with details of plans to replace or improve existing community infrastructures in Kandanga including:

- the replacement of the septic system;
- provision of a new water system including a new treatment plant;
- maintenance or improvement of current road and rail facilities;
- relocation of specific community and sporting facilities;
- co-funding of a new public amenities block;
- provision of accommodation for establishment of a Kandanga Information Centre; and

75 Queensland Government, 'Do you have a relative or friend buried in Kandanga cemetery?', *Weekend Australian*, June 16–17 2007; See also, Additional Information, Mr Ken Smith, Coordinator General, Director General, Department of Infrastructure, 20 June 2007.

76 Additional Information, Mr Ken Smith, Coordinator General, Director General, Department of Infrastructure, 20 June 2007.

- funding a Business Expansion and Retention Program for the Mary Valley.⁷⁷

4.51 Mr Smith advised the committee that a full time Community Development Officer based at the Government's One-Stop-Shop at Kandanga is supporting local initiatives to maintain and strengthen the connections between the people of Kandanga. The Community Development Officer is also assisting local community and sporting organisations to access the Community Futures Fund, which has been established by the CFTF to assist community groups affected by the proposed dams to remain viable.⁷⁸

Impact on business

4.52 In its submission, the Queensland Government states that, based on a report prepared by ACIL Tasman, *The Scoping Economic Futures - Traveston Crossing Region future economic and business development scenarios* (the ACIL Tasman Report), the proposed Traveston Crossing Dam project has the potential to reinvigorate the region's economy. According to that report, the Traveston Crossing Dam project presents a major opportunity for the Cooloola region to attract new investment, attract and retain a new workforce and to reinvigorate existing agricultural production.⁷⁹

4.53 The ACIL Tasman Report states:

In addition to the wider regional changes, there will be specific stimuli from the dam –

- the new workforce engaged for the dam,
- the capital injected into farms and businesses, as part of the lease-back arrangements, to compensate them for losses and disturbance,
- the recreational and tourism activities associated with the dam,
- new local water allocations, and
- changes to infrastructure, in particular improved roads and access associated with the dam.

These stimuli will create opportunities to engage some new entrants in the local economy, to restructure some traditional activities and promote some new ones.

...

77 Additional Information, Mr Ken Smith, Coordinator General, Director General, Department of Infrastructure, 20 June 2007.

78 Additional Information, Mr Ken Smith, Coordinator General, Director General, Department of Infrastructure, 20 June 2007.

79 ACIL Tasman, *Scoping Economic Futures – Traveston Crossing Region, Future economic and business development scenarios, A Report for the Queensland Government*, Department of State Development and Trade, February 2007, p. 1.

... the Traveston Crossing region will be able to use the considerable business and entrepreneurial experience of those farmers and business people who are offered lease-back arrangements to drive better agricultural and business practices in the vicinity.⁸⁰

4.54 The ACIL Tasman Report notes that around 500 employees will be needed in the construction of the dam and suggests that based on the percentage of locally sourced workforce for the Paradise Dam project on the Burnett River, 150 jobs could be sourced locally for the construction of the dam.⁸¹ The committee also notes that the ACIL Tasman Report cautions that:

A key issue is to keep potential participants in the economy informed of the progress of the project. Uncertainty is a powerful impediment to investment, and accurate information will support the take up of economic opportunities.⁸²

4.55 The Queensland Government is facilitating access to financial assistance programs through the CFTF. Under the Business Adjustment Scheme administered by the Queensland Rural Adjustment Authority, eligible businesses can seek Business Advice Assistance to assess whether the business has the ability to restructure and be viable in the changed economy. Business Restructure Assistance is available to enable eligible businesses to develop and implement business strategies to improve the ongoing viability of their business. Where restructuring is not possible and the only realistic option is to exit the business, eligible businesses can seek Business Exit Assistance.⁸³ The CFTF, in conjunction with the Department of State Development and Trade, have held business training workshops and have briefed banks and local financial institutions on the assistance available to affected businesses.⁸⁴

4.56 The committee received submissions from a number of business owners concerned at the adverse impact of the Traveston Crossing Dam on their business.⁸⁵ Some business owners expressed concern that work associated with the dam project was not going to local businesses.⁸⁶

80 *Scoping Economic Futures – Traveston Crossing Region, Future economic and business development scenarios, A Report for the Queensland Government*, pp 1–2.

81 *Scoping Economic Futures – Traveston Crossing Region, Future economic and business development scenarios, A Report for the Queensland Government*, p. 8.

82 *Scoping Economic Futures – Traveston Crossing Region, Future economic and business development scenarios, A Report for the Queensland Government*, p. 2.

83 Community Futures Task Force Newsletter, Issue 5, December 2006.

84 Community Futures Task Force Newsletter, Issue 6, January 2007 and Issue 7, February 2007.

85 For example, see *Submission 34; Submission 35; Submission 46; Submission 47; Submission 55; Submission 56; Submission 69; Submission 74; Submission 82; Submission 84; Submission 91; Submission 152; Submission 159*.

86 For example, see *Submission 47; Submission 84*.

Immediately after the announcement my business started to suffer. My company has lost in excess of \$733,000.00 in commissions payable from land listed for sale in the proposed dam area. We have continued to lose income due to lack of confidence in the Mary Valley market. Government policy is that they do not have to deal with real estate offices and they do not compensate businesses.

...

Because of franchise agreements I am land locked and can not increase my selling area. My company does not have exclusivity in the lease back arrangements with QWI, and they have called for expressions of interest from other Real Estate agents from outside of the area to manage these properties. This has flat lined my business not allowing for projected growth.⁸⁷

4.57 Others expressed concern that there was no compensation for loss of earnings for those businesses experiencing a negative impact as a result of the proposal, but who wish to stay in business.⁸⁸ Mr Gregory Wicks, a fencing contractor, told the committee:

They did an independent value of the business and they want to buy the business at what it was valued at after the announcement of the dam. There is not compensation for loss of work or anything of that nature.⁸⁹

4.58 Mr Wick's partner, Ms Hazel Schoen, told the committee of the initial uncertainty regarding assistance and compensation experienced by business owners and the delays experienced in progressing applications for financial assistance.

When the dam was announced, it was only landowners directly affected who were going to have their land purchased by the government and be compensated by the government. No business was going to get any compensation whatsoever. It was not until we rallied and wrote letters that it was legislated in parliament in November last year that they were going to give some sort of compensation to businesses. ... so businesses were not even thought of by the government.

...

We wrote them a letter on 22 June [2006] telling them of the circumstances our business was in. We did not get an answer from them until the following month that they were looking into it. Then it was legislated in cabinet in November. It was the middle of December when we put our application in for an exit plan. That had to go to a committee, and it followed through from there. We are now at a stage where we have done a valuation on our business, the government has done a valuation of their

87 Raine and Horne Mary Valley, *Submission 47*, p. 1.

88 For example, see Mr and Mrs R Worth, *Submission 46*.

89 *Committee Hansard*, 17 April 2007, p. 7.

business, and we are that far apart it is not funny. So it is now negotiation time. They have ruined our business totally.⁹⁰

Conclusion

4.59 The committee is concerned by the evidence it received in relation to the Queensland Government's management of community engagement in relation to the announcement of the Traveston and Wyaralong Dams. In the committee's opinion a great deal of the anxiety and stress experienced by affected landholders and communities could have been alleviated if a more open and transparent engagement process had been adopted from the outset. It is particularly regrettable that members of the communities affected experienced difficulty gaining access to relevant information immediately following the announcements. The committee is also concerned to note the strong perception within the affected communities that QWI employees have not dealt with landholders professionally and compassionately.

4.60 The committee notes the Queensland Government's acknowledgement that the decision to progress the Traveston Crossing Dam in particular has caused a high degree of local anxiety. The committee also notes the Queensland Government's stated commitment to treat affected parties with respect and compassion.⁹¹ The committee also notes that once implemented, measures to mitigate the potential negative impacts of the dams have addressed identified social needs within the communities concerned. The committee notes that the process of community engagement and support is ongoing and hopes that important lessons can be learnt from the evidence submitted to this inquiry.

90 *Committee Hansard*, Tuesday 17 April 2007, pp 8–9.

91 Queensland Government, *Submission 166*, p. 185.