

Land Purchasing Policy – Traveston Crossing Dam

1. Introduction

Queensland Water Infrastructure Pty Ltd (**QWI**) was formed as a corporation whose shares are wholly owned by the State with the objectives of investigating, obtaining all relevant approvals, constructing and operating a number of water infrastructure projects in South East Queensland including the Traveston Crossing Dam.

Following the State's announcement regarding the proposed dam, the State, via the Department of Natural Resources Mines and Water has stood in the market to acquire the properties of landowners who voluntarily wish to sell. QWI will now manage land purchases for the dam in accordance with this Policy in place of the former Department of Natural Resources, Mines and Water Policy. All land dealing enquiries should be now directed to QWI.

These favourable leaseback arrangements are a special condition for this project and associated works.

2. Outline of Purchasing Process: Contacts

The QWI representative for the land purchases is:

General Manager – Land Purchasing:	Mr Scott Smith
Freecall:	1800 225 384

Land purchases will need to be completed in a timely way so as to adhere to the timetable announced by the State for the delivery of the project. QWI wishes to undertake the purchase negotiations fairly and openly and will use the following process:

- (a) The landowner will be provided with this Policy, the plans and other information referred to in this Policy.
- (b) After a period during which the landowner should consider obtaining legal, valuation, financial planning and accounting advice and during which QWI shall obtain its valuation advice, QWI will initiate negotiations with the landowner involving the landowner's valuer and/or lawyers as requested by the landowner.
- (c) QWI will endeavour to respond promptly to issues raised by the landowner and will endeavour to meet flexible arrangements which are generally consistent with the Land Purchasing Principles stated in this Policy.
- (d) It is expected that if an agreement is to be concluded this will generally occur within approximately 4 months of the initial contact by QWI. (This period may differ depending on the simplicity or complexity of individual landowner circumstances.)

If an agreement has not been concluded after following this process, or if it becomes apparent that the landowner is not prepared to enter genuine negotiations, QWI will request the Coordinator-General to initiate procedures for the compulsory acquisition of the relevant land, or any other necessary easements under the provisions of the *State Development Public Works Organisation Act 1971*.

The process of compulsory acquisition allows the landholder the choice of an independent assessment of compensation by the Land Court.

3. Background Information

3.1 Land requirement for dam development

- (a) Satisfactory operation of a dam involves ownership of the **reservoir area** (which is the land inundated by water when the dam is at its full supply level) and also ownership and/or control of additional land above the reservoir area comprising:
 - (i) a **buffer area** (aimed at protecting water quality, bank stability, addressing safety matters, excluding activities with a high risk of adverse impacts on water quality and/or dam operations, allowing for revegetation and control of access); and / or
 - (ii) a **flood margin area** where there is a risk of damage to the land caused by any increased extent or duration of temporary flooding as a result of the dam – the significance of this risk, and the impact of extra flooding, diminishes the further upstream from the dam wall.
- (b) The dam will be operated in stages, initially filled to RL 71m (**Stage 1**) and then filled to RL 79.5m (**Stage 2**). Plans have been prepared showing the reservoir, buffer and flood margin areas (if applicable).
- (c) To provide certainty to landholders, planning for land purchasing is based on the Stage 2 development at RL 79.5m. Plans are attached for the entire dam area and the individual property for affected landholders.
- (d) The buffer area is shown as generally not more than approximately 100m beyond the reservoir area, but adjusted for specific onsite characteristics (such as slope, vegetation, location of improvements and infrastructure, potential flooding impacts and activities undertaken).
- (e) The flood margin area is generally not more than 200m from the reservoir area but is similarly adjusted for specific onsite characteristics, including consideration of the modelled flood level (with the dam at Stage 2) with a 1% Annual Exceedance Probability.
- (f) If the modelled level is less than approximately 100m from the Stage 2 reservoir area, that level will be used to determine the buffer and flood margin areas which may coincide.
- (g) The precise identification of the areas will be individually negotiated as outlined in section 5.
- (h) Other properties, not affected by the reservoir, buffer or flood margin areas may be impacted in other ways such as the loss of access and/or services resulting from inundation of roads or land providing access or services to those properties or may be required for road or infrastructure relocation. A likely post dam road network for the catchment has been prepared and a plan showing this is attached.

- (i) Some built up areas, such as the town of Kandanga and other key infrastructure, will have some development for flood mitigation purposes.

3.2 Land use controls

- (a) With increasing distance from the dam wall, the impact of additional flooding caused by the dam reduces in significance to the point where it is difficult to accurately measure the difference between the pre-dam flooding impact and the post-dam flooding impact. This point determines the upstream limit for properties of interest and has been identified where there is a difference of 500mm between the modelled levels with and without dam.
- (b) For the buffer and reservoir areas (when not inundated) Type I controls will apply to the use by a landowner. These are aimed at ensuring there is no adverse impact on water quality or dam operations. Type I controls will include some allowance for "normal activities" such as grazing but will prohibit incompatible activities. An overview of Type I controls is provided at section 7.
- (c) For the flood margin area (if applicable), Type II controls will apply. These will not be as strict as the Type I controls and will generally allow normal agricultural activities but will not allow intensive agricultural activities or any activities which may adversely impact on water quality or dam operations. An overview of Type II controls is provided at section 8.

4. Pricing Principles

The purchase price will be negotiated based on valuation advice given to QWI. In addition, payment will be made for:

- (a) reasonable valuation, legal, accounting and financial planning fees for advice regarding the sale;
- (b) an allowance for stamp duty to be incurred on the purchase of another property (equivalent to the stamp duty for the sold property);
- (c) a lump sum payment for disturbance costs and general expenses to allow the landholder to relocate.

5. Land Purchasing Principles

5.1 General Principles

- (a) The purchasing principles recognise that it is desirable that land which is not inundated should remain in productive use.
- (b) This use should be consistent with the buffer requirements and flood risk factors.
- (c) As a general principle, the reservoir area and the buffer area will be purchased. For the flood margin area, a water storage easement (which allows some productive use of that area) will be purchased. Where the flood margin area is within the buffer area there will not be any need for a water storage easement.

- (d) As individual characteristics of properties will affect the buffer and flood margin area, it is proposed that efforts be made to agree with the landowner the land needed for these areas.
- (e) Subject to adequate controls, and the landowner's acceptance of risk, contractual rights for limited use of, or access to the buffer and reservoir areas (when not inundated) will be offered to the landowner.
- (f) The appropriate controlled activities, either Type I or Type II will be contractual obligations contained in the Water Storage Easement or Sale Contract where an easement is not required and will also appear in Leases.
- (g) Given that the dam will be operated in stages it will be necessary to protect the buffer and flood margin areas for Stage 2 until that stage is completed. To ensure that improvements and/or significant infrastructure are not constructed, or incompatible land uses developed, up to the proposed flood margin area for Stage 2, the water storage easement will need to include appropriate covenants to manage these areas after Stage 1 is completed.

5.2 Land purchase and leaseback scenario (dam affected properties)

- (a) The preferred **purchase scenario** is therefore:
 - (i) purchase the reservoir and buffer areas nominated for Stage 2;
 - (ii) purchase a water storage easement (if applicable) over the flood margin area for Stage 2;
 - (iii) allow contractual rights in the water storage easement (if applicable) for use of the reservoir and/or buffer areas.
- (b) The preferred concessional **leaseback scenario** is as follows:
 - (i) until Dec 2011 – lease the entire area acquired ie, from the outer boundary of the buffer area for Stage 2 to the title boundary;
 - (ii) Dec 2011 until 2036 – lease from the outer boundary of the buffer area for Stage 2 to the outer boundary of the buffer area for Stage 1.
- (c) **Land use controls** will provide contractually for the following levels of control at the various stages of the project:
 - (i) until Dec 2011 – Type I controls within the buffer and reservoir areas for Stage 1 and the buffer area for Stage 2 and Type II controls to the flood margin area for Stage 2;
 - (ii) Dec 2011 until 2036 – Type I controls for the reservoir and buffer areas for Stage 1 and the buffer area for Stage 2 and Type II controls for the balance to the outer boundary of the flood margin area for Stage 2;
 - (iii) Post 2036 - Type I controls for the reservoir and buffer areas (Stage 2) and Type II controls for the flood margin area (Stage 2).

- (d) The leaseback proposal will be achieved by the granting the landholder a lease for the full term (which may require registration) or a series of 3 year leases to the relevant total periods outlined in (b) above.
- (e) Land purchase and concessional leaseback contracts must be executed at the same time.

5.3 Properties Otherwise Impacted

For land affected by loss of access or services, or required for infrastructure relocation, a site-specific proposal based on the proposed post-dam network will be developed. This may involve the purchase of some or all of the land and/or the provision of alternative access or services.

6. Post Contract Formalities

Most purchases will be for part of the land in an existing lot with the consequence that:

- (a) reconfiguration (subdivision) approval will be needed from the local council;
- (b) exemption under the *Land Sales Act* will be required.

QWI will be responsible for obtaining these approvals and settlement will occur after the approvals are obtained and relevant survey plans prepared for registration. The landowner will be responsible for obtaining consents from the holders of any other interest in the land such as mortgagees or lessees. The reasonable cost associated with this will be met by QWI.

If a community infrastructure designation (under the *Integrated Planning Act 1997*) is made for the reservoir, buffer and flood margin areas as acquired, and infrastructure relocation areas, a reconfiguration approval will not be needed.

7. Type I Controls (for buffer and reservoir areas)

- (a) The areas may be used for low impact activities approved by QWI, for example, grazing.
- (b) In carrying out the use, persons must take all reasonable and practical measures so as not to cause or contribute to:
 - (i) any adverse impact on water quality of water stored in the dam;
 - (ii) damage to the dam or other property of the dam owner or any other person;
 - (iii) risk to public health or the environment;
 - (iv) erosion where likely to release sediment to water stored in the Dam.
- (c) Persons who use the areas must ensure that the use of the land complies with:
 - (i) the relevant town planning scheme for the land;
 - (ii) all statutes relating to the land, including but not limited to:

- Environmental Protection Act 1994;
 - Water Act 2000;
 - Vegetation Management Act 1999,
- (iii) any authorisation, approval, licence or other authority required under any statute (it being the user's responsibility to obtain these);
- (iv) any other legal requirement relating to the land or the use of the land; and
- (v) any community infrastructure designation affecting the land.
- (d) In carrying out the use persons must not carrying on the following prohibited activities.
- (i) Fertilisers
- Applying to pasture or treating soil with any chemical or fertilizer other than one used in accordance with sound industry practice and being either:
- (A) excreta produced by domestic farm animals (other than in commercial quantities); or
- (B) chemicals or fertilisers which may lawfully be used on the land.
- (ii) Noxious weed control
- Applying any herbicide, pesticide or chemical to eradicate noxious weeds, plants or any other pest under the Plant Protection Act 1989 other than in accordance with:
- (A) sound industry practice and any legal requirements; and
- (B) licence conditions; and
- (C) any manufacturer's instructions.
- (iii) Controlling feral animals
- Setting baits with any poison or toxic substance or chemical to eradicate any feral animals or other animals
- (iv) Treating cattle
- (A) Dipping cattle
- (B) Open-pen spraying of cattle
- (v) Vegetation
- (A) Burning off vegetation other than in accordance with an authority issued by the local fire board
- (B) Ringbarking, cutting or removing any timber (other than to create necessary fire breaks)
- (vi) Buildings and improvements
- (A) Constructing buildings or other improvements (except fencing)
- (B) Making additions or alterations to buildings or other improvements

- (C) Constructing or altering fences other than fencing designed to protect cattle grazing areas, including but not limited to:
 - (1) temporary seasonal or permanent subdivisional fencing;
 - (2) fencing off water access points above the buffer; or
 - (3) boundary fencing.
- (vii) Other activities
 - (A) Quarrying, mining or excavating;
 - (B) Recreational use of trail bikes or four wheel drive vehicles off any formed road;
 - (C) Removing or dealing with stone, gravel, sand or other material;
 - (D) Any industrial activity;
 - (E) Intensive animal husbandry;
 - (F) Other use as determined by QWI to be inconsistent with the safe and efficient use of the dam.

8. Type II Controls (flood margin areas)

- (a) The areas may be used for low impact activities approved by QWI, for example, grazing.
- (b) In carrying out the use, persons must take all reasonable and practical measures so as not to cause or contribute to:
 - (i) any adverse impact on water quality of water stored in the dam;
 - (ii) damage to the dam or other property of the dam owner or any other person;
 - (iii) risk to public health or the environment;
 - (iv) erosion where likely to release sediment to water stored in the Dam.
- (c) Persons who use the areas must ensure that the use of the land complies with:
 - (i) the relevant town planning scheme for the land;
 - (ii) all statutes relating to the land, including but not limited to:
 - Environmental Protection Act 1994;
 - Water Act 2000;
 - Vegetation Management Act 1999,
 - (iii) any authorisation, approval, licence or other authority required under any statute (it being the user's responsibility to obtain these);
 - (iv) any other legal requirement relating to the land or the use of the land; and
 - (v) any community infrastructure designation affecting the land.

- (d) In carrying out the use, persons may also carry out the following associated activities:
- (i) pasture management and improvement;
 - (ii) vegetation clearing and control;
 - (iii) noxious and other weed control;
 - (iv) fertilising;
 - (v) stock management operations;
 - (vi) animal health treatment but not including dipping or open pen or race spraying of cattle; and
 - (vii) pumping or taking of water if carried out lawfully and in accordance with sound industry practice,
- provided the activities are carried out lawfully and in accordance with sound industry practice.