

State Development and Public Works Organisation (State Development Areas) (Cairns South) Amendment Regulation 2020

Explanatory notes for SL 2020 No. 15

made under the

State Development and Public Works Organisation Act 1971

General Outline

Short title

The short title of the regulation is the *State Development and Public Works Organisation (State Development Areas) (Cairns South) Amendment Regulation 2020*.

Authorising law

Sections 77(1) (a) and (3), 82(1) and 173(1) of the *State Development and Public Works Organisation Act 1971* (SDPWO Act).

Policy objectives and the reasons for them

A state development area (SDA) is a clearly defined area of land, which may be established to promote economic development in Queensland.

SDAs are intended to:

- promote economic development in Queensland;
- provide guidance and development certainty to industry; and
- control development in a way that considers existing and surrounding development and environmental, cultural, and social values.

Achievement of policy objectives

The Cairns South SDA was declared on 16 November 2018 and is located at Wrights Creek, to the south of the Cairns central business district between Edmonton and Gordonvale. The SDA comprises of 856 hectares and addresses the medium-long term identified shortfall in land for regionally significant industrial development in the Far North Queensland region.

At the time of the declaration of the Cairns South SDA, the state government announced investigations into a potential variation to the SDA to support the diversification of the Mulgrave Mill and sugar industry more broadly.

The proposed variation to the boundary of the Cairns South SDA will result in an additional ~305 hectares of land in the Cairns South SDA and result in two non-contiguous areas.

The proposed variation area includes land associated with MSF Sugar's Mulgrave Mill in Gordonvale and its diversification plans, additional land for industrial development opportunities that value-add to the sugar refining process, and rural land to be retained for cane supply to the Mulgrave Mill and to prevent urban encroachment.

The Cairns South SDA, as amended to include the proposed variation area, provides an opportunity for the Cairns region to diversify its economy, with modelling indicating that the economic and employment contributions from the existing and the proposed varied SDA are significant.

The Cairns South SDA, including the proposed variation area, will encourage the facilitation of the government's priority sectors. The Cairns South SDA will, through its development scheme, streamline development assessment and coordinate infrastructure and planning.

Consistency with policy objectives of authorising law

The State Development *and Public Works Organisation (State Development Areas) (Cairns South) Amendment Regulation 2020* (amendment regulation) is consistent with the objectives of the SDPWO Act and amends the *State Development and Public Works Organisation (State Development Areas) Regulation 2019*.

The amendment regulation is also consistent with Part 6 of the SDPWO Act, which specifically provides that a regulation may vary a SDA, by including therein any part of the State, if the Governor in Council is satisfied that the public interest or general welfare of persons resident in any part of the State requires it.

Inconsistency with policy objectives of other legislation

The amendment regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

The variation to the boundary of the Cairns South SDA will facilitate the following:

- diversification opportunities at the Mulgrave Mill, including potential development of a cogeneration power plant;
- industrial and bio-industrial development opportunities adjacent to the Mulgrave Mill that value-add to the sugar refining process; and
- protection of a significant portion of rural land to maintain cane supply to the Mulgrave Mill and minimise the impact of urban encroachment.

Funds are being sourced from Department of State Development, Manufacturing, Infrastructure and Planning's (the department) existing budget for the costs associated with the proposed variation and administration of the Cairns South SDA. However, as with other SDAs, costs associated with development assessment of SDA applications are proposed to be recovered from the developers of projects within the Cairns South SDA.

Consistency with fundamental legislative principles

The proposed variation of the Cairns South SDA, by the making of the amendment regulation, is consistent with the principles of good legislation including the fundamental legislative principles. Sufficient regard has been given to the rights and liberties of individuals and the institution of Parliament.

Consultation

The Coordinator-General consulted with key stakeholders during the investigations into the proposed variation area. Key stakeholders consulted with include Cairns Regional Council, MSF Sugar, Canegrowers Cairns region, relevant State government agencies, Queensland Rail Limited, industry and business organisations.

From 10 September to 11 October 2019, the Coordinator-General undertook public consultation on the potential variation to the boundary of the Cairns South SDA (and a draft development scheme). Feedback was invited to help the Coordinator-General decide whether a variation to the boundary of the Cairns South SDA should be pursued.

Key stakeholders, all landowners within and adjoining the existing boundary of the Cairns South SDA, as well as landholders within and immediately adjoining the proposed variation area, were advised by letter and provided with an information package. An advertisement was placed in local newspapers regarding the formal consultation stage and the Coordinator-General's website was updated to include information about the proposal. The community was invited to provide formal submissions about the proposed variation to the boundary of the Cairns South SDA or contact a dedicated phone number for further information. A range of

stakeholder presentations and meetings were also held before, during, and following the formal consultation period.

A total of 33 submissions were received in response to the public consultation period from a range of stakeholders. The stakeholders were broadly categorised into four submitter types:

- landholders in the SDA/potential SDA variation area;
- adjoining landholders to the SDA/potential SDA variation area;
- business and industry groups; and
- government agencies.

A total of 27 percent of submissions either supported or were neutral to the potential variation area. The remainder of the submissions indicated they did not support the potential variation area. The highest number of submitters not supportive of the proposed variation to the boundary of the Cairns South SDA were landholders within the potential SDA variation area, with 100 percent of these submissions not supportive.

The key issues identified through the submissions relate to:

- infrastructure planning considerations;
- environmental, cultural and community impacts;
- public consultation process;
- inconsistencies with established planning frameworks;
- strategic direction of the draft Cairns South SDA development scheme;
- development assessment framework;
- amendments to the SDA boundary and development scheme;
- economic impacts;
- evidence base and need for an SDA;
- impacts to the sugar cane industry;
- amenity impacts; and
- traffic impacts.

All submissions received have been thoroughly considered, with responses and management actions proposed to address relevant issues raised and mitigate, manage and/or avoid potential impacts identified. This includes removal of some properties from the proposed variation area (and amendments to the draft development scheme to provide additional clarity about the continuation of residential activities and changes to precinct boundaries to better reflect existing land uses).

The Office of Best Practice Regulation (OBPR) in the Queensland Productivity Commission (the commission) was consulted under the *Queensland Government Guide to Better Regulation* (the guidelines) and determined no further assessment was required under the guidelines.

However, the commission recommended that:

- the concerns of stakeholders and the department's response be provided to the Governor in Council to assist in their consideration of the variation; and
- in interests of transparency a consultation report, noting stakeholder concerns and the department's response to issues raised, be released at time of variation.

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