**PASTORAL LAND MANAGEMENT AND CONSERVATION (RENEWABLE ENERGY) AMENDMENT BILL 2014**

**Legislative Council, 8 May 2014, pages 101-4**

Second Reading

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation):** I move:

That this bill be now read a second time.

The bill that the government is introducing today will provide renewable energy investors with access to 40 per cent of South Australia 's land that is crown land subject to pastoral lease. This government has ensured that South Australia is at the forefront of renewable energy and climate change policy action. South Australia has already reached its target of achieving 20 per cent renewable energy production by 2014 and committed to achieving 33 per cent electricity generation for renewable sources by 2020.

In October 2013, South Australia committed to an investment target of $10 billion in low carbon generation by 2025 in recognition of the economic development potential of this industry. Since 2003, there has been $5.5 billion in investment in renewable energy, with some $2 billion or 40 per cent of this investment occurring in regional areas.

As of March 2013, per person we have 725 watts of installed wind power, compared with a national average of 163, and 205 watts of installed solar photovoltaic power per person, compared with just 98 nationally. This performance puts us in the international best space for comparison. The state has proved an attractive destination for wind farm developments.

According to the Clean Energy Council, almost $3 billion has been invested into wind farms in South Australia, with 1,203 megawatts of capacity or 559 turbines installed to date. This represents 38 per cent of Australia's total wind power generating capacity. Much of the state's solar investment has been achieved through individual household rooftop applications, and solar now makes up more than 3.8 per cent of the state's electricity capacity. The largest installation to date is the one megawatt plant on the Adelaide Showground roof.

When the Pastoral Land Management and Conservation Act was originally drafted, renewable energy development was not envisaged. This amendment bill makes it possible for a wind farm developer to apply for a licence to build and operate a wind farm on pastoral lease land. A wind farm development can coexist with pastoral activities in the same way as occurs on freehold farming land. The bill also expedites access to pastoral land for solar energy projects.

To date, all wind farm development in South Australia has occurred on freehold farming land, but we also have an excellent wind resource in some areas of our pastoral lease land. The solar resource in the north of our state is world class. This bill, if passed, will be the first of its type in Australia that specifically allows for the coexistence of wind farm development and the activities of pastoralism and resource exploration on crown land. No other legislation of this type exists in Australia, I am told.

The wind farm licence authorises a wind farm developer to build access roads and infrastructure associated with a wind farm. The licence will allow a developer to fence off areas, such as a substation, where it is considered necessary to do so. A wind farm developer will make information available on an ongoing basis regarding planned activities on the land and the location of access roads and infrastructure, and a pastoral lessee will be able to make reasonable use of access roads built by a wind farm developer. The wind farm licence conditions will be negotiated on a case-by-case basis in recognition of the varying nature of pastoral lease land and the great variation in the scope of wind farm projects.

A pastoral lessee stands to benefit financially from a wind farm licence. The South Australian government will charge a licence fee for use of pastoral lease land that is commensurate with that paid by wind farm developers to owners of freehold land. This fee will take account of the extra costs associated with development in remote areas, and 95 per cent of this fee will be distributed to a pastoral lessee and any other party with an interest in the land, such as, for example, native title holders. An initial amount will be paid during the exploration and construction phases of the project and then an annual amount once the wind farm is operating.

A wind farm licence will be granted for at least 25 years, with the option to renew for another term of 25 years. Prior to the granting of a licence, a wind farm developer will be able to gain access to pastoral land upon approval by the minister responsible for the act. The wind farm developer will need to give 14 days' notice, and access can be granted, for example, for conducting investigations or tests, the temporary installation of devices, the taking of samples, or for any other purpose as agreed by the minister.

During this period, no other wind farm developer will be given approval for access to the same portion of a pastoral lease for a period of up to 5½ years in order to protect the developer's investment in the exploration phase. During this investigation period, a developer must satisfy the minister after a period of 2½ years that they have developed a plan for a wind farm on the land and are able to fund the completion of that plan. If the minister is satisfied, a further three years for investigations will be granted.

Once a wind farm licence is granted, the developer must reach two critical milestones. Within three years, a developer needs to demonstrate that they have financing and have executed contracts for the construction of the major components of the wind farm. Within five years, the wind turbines must be erected and commissioning tests completed. It is recognised that there are times when general economic and market conditions are uncertain for wind farm development, and the minister may choose to vary the milestone times mentioned, provided genuine progress is shown by the wind farm developer.

It may also be important for an additional option to licence agreement to be negotiated with a wind farm developer on a case-by-case basis. This would allow for risk-based investment decisions to occur. Sometimes, in the development of a wind farm, there is a requirement for more than one owner. For instance, one party may own the wind farm and another the connection line easement. In this case, the bill makes allowance for more than one licence to be issued. In issuing a licence, there will be obligations on the licence holder to decommission and rehabilitate the wind farm area on completion of the operation period or on lapse of the wind farm licence.

Before a wind farm licence is granted, the responsible minister will consult with the pastoral lessee and any other persons who have an interest in the land. If an application for a wind farm licence relates to pastoral land over which a mining tenement under the Mining Act 1971, or a petroleum or geothermal tenement under the Petroleum and Geothermal Energy Act 2000, is held, a wind farm licence will not be issued until the applicant has entered into a land access agreement with the holder of the resources tenement. It is recognised that resource exploration can coexist with a wind farm development, and it may be possible also for resource production to coexist.

It is expected that a wind farm developer will provide to interested parties ongoing information pertinent to the development during each of the investigation, the construction and the operational phases of the project. In the case of solar energy development, pastoralism and commercial scale solar energy production cannot coexist. In this case it is necessary for the land to be excised from a pastoral lease.

Currently, there is provision in the act for land to be removed from a pastoral lease. A developer will need to agree commercial terms with the pastoral lessee. Land can then be surrendered upon ministerial approval. In this case, a decision will be given within a one-month period. Once the land is surrendered, it reverts to unalienated crown land and is dealt with under the Crown Land Management Act and a miscellaneous lease can be issued under this act.

In circumstances where agreement cannot be reached, there is a mechanism in the act for resumption of land. The time for resumption in the act is at least six months. The amendment will reduce this time to two months. Pastoral lessees are entitled to compensation if a portion of a leasehold is resumed. The government is reducing the resumption time in order to give some certainty to investors in processes over which it has jurisdiction. In cases where warranted, the government will offer a lease to a solar energy developer for a minimal rent in recognition of the costs associated with large-scale solar energy production.

In the case of wind developers accessing pastoral lease land through the excision of part of a pastoral leasehold, a wind farm lease will be offered at a rent commensurate with that paid by wind farm developers to owners of freehold land. This rent will take account of the extra costs associated with development in remote areas.

If the construction of a solar energy facility has not been substantially completed within five years of the date that resumption takes effect, the minister may choose to restore the excised area back to the pastoral leasehold. According to Defence SA, the Woomera protected area is not suitable for wind and solar development due to interference with defence equipment. For this reason, we will not be issuing licences or leases over this area for wind or solar developments.

No wind or solar energy development will occur on land subject to a mining lease, unless associated with the mining tenement. It should be noted that the intent of this amendment relates only to the Pastoral Land Management and Conservation Act and does not seek to alter any processes under any other act. Developers will need to be cognisant of the requirements of all other relevant acts. In regard to the issue of native title, a wind farm licence will not be granted on pastoral lease land, nor land excised from a pastoral lease, until any native title issues have been adequately addressed as per the Native Title Act.

In summary, this amendment is designed not only to attract renewable energy investment to the state but to enable people with an interest in pastoral lease land, particularly in near proximity to transmission lines, to gain financially from this form of development. It should be noted that South Australia's success in attracting investment not only stimulates growth in the clean energy industries of the future but it provides employment and economic opportunities for many in regional communities. I commend the bill to members.

Debate adjourned on motion of Hon. K.J. Maher.