



Speech by

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MEMBER FOR MARYBOROUGH

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WATER STORAGE, IRVINEBANK; ELECTRICITY INDUSTRY

Dr KINGSTON (Maryborough—ONP) (6.44 p.m.): I wish to question the current methods of prioritising energy projects. I hope I can assume that currently those projects that will efficiently create the greatest benefit to the most Queenslanders with the longest benefit streams are regarded as deserving higher priorities.

I suggest that during this time, when most Queenslanders are experiencing a decline in their socioeconomic status, project assessments need to include socioeconomic impact studies. A positive socioeconomic flow-on to the maximum number of Queenslanders will to some extent offset the outflow of profits from foreign owned ventures. In particular, as an exercise I address the relative benefits of the Chevron and SUDAW projects. Both projects have significant foreign equity. Indeed, most of the companies involved in Chevron can be traced back to one banking dynasty in the USA.

On 5 August, the Premier stated that the Chevron pipeline was the most important job creator in Queensland. I take it he meant Chevron and the Comalco project at Gladstone, which needs cheap power. Thus in relation to Chevron and SUDAW and the associated Nathan dam, I ask the Minister for a comparison of the benefits of both projects, including: firstly, a 20-year cost-benefit analysis; secondly, the life of each project; thirdly, the number of long-term jobs and incomes; fourthly, the sensitivity of the Comalco project to energy cost; fifthly, the salvage value of the infrastructure; sixthly, a risk assessment; and, seventhly, consideration of the carbon credits or debits. Perhaps these studies have been done. Certainly, such comparative studies are demanded by international funding agencies when they are considering projects in other developing countries.

The May 1998 report titled *Moving Energy Forward* released by Tom Gilmore defined the Government's changing roles. It identifies that although market signals are now the key drivers of the energy sector the Government retains an important role in providing a planning framework. Within this framework the key objective is to ensure that all Queenslanders enjoy maximum benefits and that these benefits are shared equitably. Dissemination of information is identified as being important to ensure consultation and an integrated decision-making process.

With the advent of Executive Government and the increasingly gladiatorial style of our Westminster system, it is becoming increasingly difficult for backbenchers to play a meaningful role in decisions so important to the future of our State. If one were to compare these two projects—Chevron and SUDAW—from a relatively uninformed and cynical position, I suggest that the answers to the earlier questions may be along the following lines.

Question 1: benefit-cost flows—SUDAW wins, with longer benefit streams in both agriculture and power. Question 2: life of each project—again, SUDAW, because of irrigation. Question 3: jobs—again, SUDAW, in terms of man years of employment because of the irrigation component. Question 4: sensitivity to energy cost of the Comalco project—I cannot even guess. But let me ask: why is the ore from the Century Zinc mine to be sent to an old plant in Europe for refining and not to Gladstone? Question 6: risk assessment—Chevron, as the history of Bougainville and Ok Tedi do not argue well for security of investment and supply. Question 7: carbon credits—a cynic could argue that we are converting a currently unusable oilfield in PNG into a viable field by assuming responsibility for the associated carbon debits.

With the adoption of more transparent and more participative government, many of the suspicions and concerns of the rural electorate will be allayed and we will become a more cohesive egalitarian society. I now ask: how has the Premier come to his decision that Chevron is the most important job creator in Queensland? Can he also assure us and Comalco that heavy reliance on Chevron is free of risk? I look forward to receiving some meaningful answers.

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