



Speech by
**Mrs NITA
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MEMBER FOR BUNDABERG

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STATE DEVELOPMENT AND PUBLIC WORKS ORGANISATION AMENDMENT BILL

Mrs NITA CUNNINGHAM (Bundaberg) (3.24 p.m.): I am delighted to speak to this amendment Bill—a Bill that shows clearly the Beattie Labor Government's commitment to major development in this State and to creating jobs through projects like the Surat/Dawson project—a project that could bring enormous benefits to Queensland and could ultimately bring enormous benefits to my electorate of Bundaberg.

Having said that, it is extremely difficult to understand why the Opposition has at least 15 members speaking against such a positive move to progress development in this State. It is extremely disappointing to hear the member for Burnett leading the Opposition when the Surat/Dawson project alone has the potential to provide the industrial boost and the jobs that are so desperately needed in his electorate, in my electorate and in every community between those and the Surat/Basin.

The member for Burnett refused to support the proposed coal port at Coonarr when he was in Government because, at that time, he said he could not take sides because he was a Minister. I say to the member for Burnett that he has no excuse now. He should come out and tell his and my electorate why he will not support it now. The Opposition has no excuse for opposing this Bill. It is just another example of its negativity and part of its sole role in this Parliament, which is to oppose every positive Bill that the Beattie Labor Government brings before this House and to spread fear campaigns throughout Queensland on this and on almost every other issue. I have never heard so many conspiracy theories, so much hypocrisy or so many untruths as are coming from members opposite day after day.

Queensland, like any progressive economy, must be increasingly responsive if it is to continue to attract the investment needed to fuel its growth. The amendments to this legislation will provide private sector infrastructure proponents with the legal framework through which they can facilitate the development of infrastructure that is of economic or social significance to Queensland. How on earth could anyone oppose this?

The Surat/Dawson project is the first such infrastructure development that is likely to benefit from these changes. As honourable members would be aware, the Surat/Dawson project, initiated in 1996, aims to facilitate private sector involvement in the provision of necessary infrastructure for the development of coal, agriculture and other resources in the Surat Basin/Dawson Valley region at minimal cost and risk to the Government.

The Surat/Dawson project is an example of the bold and creative steps that must be taken to focus private sector attention on the potential of this State. The project is a key milestone in forging stronger partnerships with the private sector by encouraging them to fund, develop, construct and operate necessary infrastructure so that precious public funds can be freed up for better delivery of quality community services to all Queenslanders. Nowhere else in Australia has the integrated development of an entire region of that size been attempted in this manner, and it is time that Government took the necessary steps to help progress such major developments. Boldness has always had its critics, but without boldness much of inland Queensland would have remained unsettled.

The Surat/Dawson project will not only provide a sound base for regional growth but also a population resurgence in rural Queensland. The current proposed infrastructure projects of a major dam on the Dawson River and a new rail link from the region's coalfields to an export port require direct investment of over \$1.5 billion. This will lead to further potential investment of another \$1.5 billion in

coalmines, electricity generation and agriculture in the Surat/Dawson region. This is not just speculation. Anyone can go to the Bowen Basin and see for themselves the development that followed the coal lines built there in the sixties and seventies. Coalmines, water storages, agriculture and power generation all followed from the initial investment in rail infrastructure.

For a more recent example, go to north-west Queensland and see what is following from the new gas pipeline. New mines, new power generation and a major fertiliser plant are just some of the economic benefits. And the Mount Isa community will be better off because the sulphur dioxide emissions from Mount Isa will be diverted to a productive use and no longer vented to the atmosphere.

If we are going to reduce the level of unemployment in this State we need new industries, we need expansion of existing industries and we need water to service those industries. My electorate of Bundaberg is facing a major problem with unemployment. More than 5,000 people are unemployed and more than 30% of our young people are unable to find work. This is a terrible shame as Bundaberg is a wonderful city in which to raise a family, but now many of our families are moving away to find work. This situation is not unique to Bundaberg. It will be a familiar scenario to members who represent other regional electorates.

The Surat/Dawson project is an example. It has the capacity to generate in excess of 1,000 permanent jobs Statewide. During peak construction years, independent estimates indicate that up to 15,000 jobs could be created.

Development of the Nathan dam will provide water for industrial and agricultural development in the central Queensland region. Increased agricultural production alone is estimated at \$40m per year. The dam will also provide considerable local employment opportunities, improvements to shire roads and tourism opportunities based around the dam and the natural and heritage features in the area.

New rail and port infrastructure could lead to the opening up of several new coalmines and provide an additional \$500m annual boost to Queensland's coal export earnings. These developments would provide major economic stimuli and extensive employment opportunities throughout the region and along the Burnett coast if the port of Coonarr is developed. All of this can be achieved at no cost and no risk to the Queensland taxpayer.

Following a comprehensive evaluation of proposals received through an extensive expressions of interest process, SUDAW Development Limited was nominated as the preferred developer for the proposed Nathan dam and for investigations into a new rail link from the region's coalfields to an export port. The passing of this legislation will enable the Government to achieve a major objective of the agreement with SUDAW in relation to the Surat/Dawson project.

Since signing the development agreements in April 1998, SUDAW has significantly progressed its feasibility studies for both the dam and rail infrastructure. Progress to date on the rail feasibility study shows that both the export rail line and a spur line to the Tarong Power Station are economically viable propositions. The feasibility for the export rail line indicates that coal from the region can be transported by rail at a viable economic rate per tonne, depending upon the coal source location and tonnage transported. This has the effect of placing the environmentally high-quality Surat thermal coal on the global coal markets in a strongly competitive position against both the current and forecast global market prices for thermal coal.

Terms of reference have been established upon which SUDAW is to conduct its impact assessment studies for the rail project. These terms of reference have been established through negotiations with referral agencies and a period of public review. SUDAW, in association with the Bundaberg Port Authority, has commenced an impact assessment study of a new coal port and associated facilities at Coonarr to test the viability and suitability of such a proposal. An impact assessment study is also being progressed for a spur line to support the fuel supply diversity to the Tarong Power Station.

The export line impact assessment study is expected to commence when more certainty on the Coonarr facility has been achieved. These studies alone are a significant investment on behalf of the company, particularly at a time when policy settings on a range of issues important to the project are rapidly evolving. Clarifying land acquisition arrangements is one important step in resolving uncertainties. Preliminary market analysis for supply/demand for thermal coal has been well researched and SUDAW is now progressing a two-pronged effort on both the export market and mining developments, based on the strong commercial viability as shown in SUDAW's feasibility studies. The timing for commencement of construction is subject to a successful outcome of SUDAW's studies and subsequent negotiations with both miners and purchasers of coal. Construction could commence on the Tarong rail line within this calendar year.

With regard to the Nathan dam project, if the feasibility studies prove that the dam project is technically and commercially sound, SUDAW expects to commence construction of the dam in late 1999. The proposed dam and associated irrigation works are expected to be complete by late 2001.

and ready to be filled by the subsequent high flow season. Detailed feasibility studies for the dam, including investigations into new irrigation areas and market demand/water pricing surveys, have been undertaken. The impact assessment study is also complete. A geotechnical investigation of the dam site has also been finished.

Considerable additional work has been undertaken on the environmental aspects of the dam project since the initial impact assessment study. This work addresses, among other things, the environmental management of possible downstream effects of the Nathan dam. A successful outcome from these feasibility studies for both the dam and the rail infrastructure is a precondition for both SUDAW and the Government proceeding with these projects. In parallel with the feasibility studies, drafting of project deeds has also commenced. If the feasibility studies show that the dam and rail infrastructure projects are commercially and environmentally feasible, the project deeds will provide the formal basis under which SUDAW will design, construct, operate and maintain the proposed infrastructure. They will also form the basis for SUDAW to obtain project financing.

Being a local councillor for a decade made me aware of the problems faced by most councils in this State and the concerns of my local community. I know the importance of open communication. Integral to the success of the Surat/Dawson project has been open and continuing consultation with all stakeholders to ensure that the views of Queenslanders become part of the Government's decision-making process. The challenges to promote new development in the Surat/Dawson region are great, but so are the rewards. This Government is demonstrating the leadership Queenslanders want for their State into the new millennium.

Early in my speech, I alluded to the pioneering nature of the Surat/Dawson project, particularly as a way to encourage regional development. To bring the project this far has required commitment from SUDAW and from Government and an enormous effort on both sides to work through the myriad problems that have had to be solved along the way. The passing of this legislation will enable the Surat/Dawson project to move another step towards reality. With this project potentially of such great benefit to the people of the region and the State, it demands the support of all parties to bring it to a successful conclusion. I commend this Bill to the House.
