



Speech by  
**Hon. BRIAN  
LITTLEPROUD**

**MEMBER FOR WESTERN DOWNS**

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Hansard 4 October 2000

**ELECTRICITY AMENDMENT BILL**

**Hon. B. G. LITTLEPROUD** (Western Downs—NPA) (2.30 p.m.): I rise to speak to the Electricity Amendment Bill and be supportive of the member for Callide, the Opposition spokesman for this portfolio. Over the luncheon break, I reflected on the contribution made by the member for Woodridge. In terms of the Bill before the House, the member for Woodridge said that the idea of an ombudsman had not been disregarded totally but that it has been put aside for 12 months because another proposal has been put forward. I think that we have all agreed that complaints have been made by consumers and that there should be a model formulated to resolve those disputes.

I have to say that I think that the ombudsman has served the State well in other concerns. I do not see that it needs a regional focus any more than it has currently. After listening to the member for Callide, who spoke about an ombudsman being the model chosen in other States, I am quite comfortable with the stance taken by the Opposition. I think that all members would agree that people ring them only when there is trouble. We all receive our fair share of calls. I heard the member for Callide talk about what we consider to be exorbitant prices charged for quite minor works carried out on properties. Certainly, we need to have some sort of dispute resolution system in place.

I want to move on from that point and refer to corporatisation. When speaking previously to other pieces of legislation and as a former Minister with statutory authorities under me, I have expressed some concerns about corporatisation. One of the biggest disappointments that I have with corporatisation is that, despite all of the efficiencies it is said that departments can gain under National Competition Policy if they are run more like a business, I found that when there are real problems they do not go to the board, they go to the Minister. However, the Minister is no longer pulling the levers.

I noticed with some pride and pleasure that when this Government came to power the Minister in charge of Corrective Services got rid of the Corrective Services board and made Corrective Services a department. I think that the Minister recognised that, as corrective services is a very sensitive issue, he would rather have his hands on the levers.

I know that the legislation that set up the corporatisation model contained provision for community service obligations. However, I do not think that it is adequate. I can remember being in discussions around the Cabinet table trying to work out how we can bring some added business incentives to regional parts of Queensland. I found it rather frustrating that some of the things that a Government used to have under its control were now held by statutory bodies under corporatisation. The Government can no longer pull all the levers that would achieve the cross-subsidisation or planning that would provide the best development of the State. I just ask the Minister to listen to my point of view about corporatisation. I think that there must be times when the Minister grinds his teeth and thinks, "By crikey, there are criticisms coming to me and I am not the cause of the problem. They are coming to me for solutions, and I do not have complete control."

I have also had the experience of having to consider the way in which some of those corporatised statutory bodies have tried to move. Primarily, they are set up to provide a service to the people of Queensland. Their constituencies are the people of Queensland. When I was a Cabinet Minister, I can remember propositions were put to me because those bodies wanted to become entrepreneurs outside the boundaries of Queensland, putting at risk Queensland's assets. I thought

that we had to take a pretty strong stance in that regard to make sure that we kept a focus and did not let them become empire builders.

In a somewhat similar vein, I have been critical of Grainco. It has been privatised. Whereas once all the assets were owned by the grain growers, we now have Grainco as an entity that is supposed to be looking after the interests of the grain growers. Yet it is spending money in Victoria and New South Wales—quite a way away from the constituency of the people from whom that organisation inherited all its assets. I think that it, too, should be brought into line in some way.

I want to speak about a couple of issues that relate to electricity. Mr Deputy Speaker, I hope that, in the tradition of allowing a wide-ranging debate on a Bill before the House, you will allow me to continue. The first issue is the proposal to build a railway line from the Surat Basin deposits of coal at Glen Wilga in the Chinchilla Shire across to the Tarong Power Station. I can say that the people of the Chinchilla Shire and I have always been looking out for new chances to bring development to the shire. We have known for a long time that we have had those coal reserves and we did not want to stand in the way of development. Initially, the railway line was being designed by SUDAW. Then it was taken over by people involved in Tarong Energy. They were going to take the line right across the flood plain. I am thankful that the members of the present Government listened to the appeals of the people of the Brigalow/Jimbour flood plain, the Chinchilla Shire Council and myself because we thought that it was an unreasonable expectation that that railway could be built across such a sensitive part of the flood plain, which is part of the Murray-Darling Basin.

The Government decided that the railway line could not be built along the proposed course. The people of my area always wanted the development, but they wanted to make sure that the railway line did not have too much of an impact. The people asked that the existing rail corridor down to Dalby be used and then a rail line could be built to go across the country from there so that there was less impact on the local community.

I am aware that in all of the material put out so far by Tarong Energy—the proponents of this new railway line—it is said that that is not possible. However, Tarong Energy has never yet given us the detail of all of its engineering studies to show why it cannot be done. Instead, there has been a submission put in by the Brigalow/Jimbour flood plain people in my area asking the Minister—which in this case is the Minister for State Development, but I am hoping that the Minister for Mines and Energy will also take a keen interest in this—for the detail to be made public so that all the statistics and all other matters that are relevant to the whole project can be compared. The people do not want just to be told that something cannot work; they want to be shown why it cannot work.

I thank the Government for not accepting the first proposal, which was to build the railway line across the Jimbour flood plain in a diagonal direction. Tarong Energy now has three more propositions. The preferred option of those three proposals is the Canaga Creek route. It was suggested by me and the Chinchilla Shire that, if the railway cannot use the existing rail corridor, then the railway line should be built further north to get away from the bulk of the high-quality agricultural land that is located across the Brigalow/Jimbour flood plain. Tarong Energy is doing that.

However, when we read the proposal from Tarong Energy, we found that that route will probably have an impact on up to 20 farms within the Chinchilla Shire. We tried to balance that impact with the benefits that are going to come to the Chinchilla Shire. The bottom line is that, after the railway line is constructed, there are going to be only 20 full-time jobs actually involved in the mining of coal at Glen Wilga. That coal will then be taken by rail across to the powerhouse at Tarong.

I can understand the argument within the power industry that the best use has to be made of the resources at the powerhouse at Tarong. However, I am here to argue on behalf of the people of the Chinchilla Shire in the electorate of Western Downs, whom I represent. To us, it seems unfair to disrupt 15 to 20 farms across the shire for the sake of creating just 20 new jobs for the district. We do not think that is a fair swap. It may be fair to Tarong Energy: it has to make the best use of the resources that are there. It will give them access to better quality coal and more quantities of coal should the other supplier stop supplying coal, but I think that we have every right to appeal to the Government and say that it is not fair that our area should wear that sort of impact with such little gain.

It is our coal resource. It has the potential to create lots of jobs in our area. The railway line is generating only 15 jobs. Our jobs are being exported to the Nanango Shire and the Tarong Power Station. This proposal will come to the Cabinet table under the direction of the Minister for State Development. No doubt he will be given a copy of the submission from the Brigalow/Jimbour flood plain people, which details what we perceive to be the very limited benefits from this proposal tied to the power generation industry of Queensland.

The next issue that I wish to speak about is the Kogan Creek project. The Minister would be well aware that CEPA spent a number of years on a proposal for a power station south of Brigalow on Surat Basin coal. It was a frustrating process, as it is for any big project. We thought this new industry would be of huge benefit to our part of the State. The Government requirements were addressed and impact

statements were prepared. Issues such as water resources, markets, emission levels and so on were addressed at both State and Federal levels. But at the last minute, it was stalled and I had feared that it might be scrapped. Having gone through that tortuous approval process, the proponents of Kogan Creek were then forced to take out an equity agreement with CS Energy. I put on record that the people of the Chinchilla Shire feel strongly about their being denied a new development opportunity.

At present the State Government is asking for submissions on initiatives to create new businesses across regional Queensland. We have put forward propositions for years. There are not too many options. We need more irrigation water and we need to develop our coal. We had the chance to build a power station which could have used the cheapest coal in Australia and which could therefore have generated the cheapest electricity. Through not taking an overall view and not seeing what other opportunities there were to develop new industries in this part of Queensland, the Government's actions have led to this project being scrapped, and this is all because of the new Queensland Government energy policy.

After that decision was made, I spoke at length with the proponents of Kogan Creek, and I have no doubt that they have spoken to the Minister and other Government members. All of a sudden, 15% of the power generating capacity of Queensland was earmarked for other forms of power generation regardless of price. The proponents of Kogan Creek told me that their power would have cost \$28 per megawatt hour. I understand that it costs about \$35 per megawatt hour to generate power from a gas-fired turbine—25% more. Fifteen per cent of the market has been swept away and given to someone else regardless of price.

These blokes operate in the business world, where efficiencies count. This has upset the electricity market in Queensland. These people have said, "We have to walk away from it, because we are not sure that we can grab enough of the remaining 85% to make it a feasible proposition." That forced their hand to the extent that their major owners, the Southern Electricity Company of America, said, "We've put millions of dollars into this. You'd better get some money back." To get back some of their development costs they sold 40% of their equity to CS Energy—one of the statutory authorities of the Queensland Government which could still have been retained within the department were it not for corporatisation.

My appeal to the Minister is this: bearing in mind that his Government has a focus on an overall plan for the development of new industries right across Queensland—and there are not many initiatives in our part of Queensland whereby we can create new industries—the Minister should not amend the energy policy such that 25% or 30% of all power generated will have to come from sources other than coal, otherwise we will be left for dead. The Government did not take a regional focus when the power generation decision was made. I know there was pressure from environmental groups and so on. The idea of bringing gas from New Guinea or the Timor Sea has some environmental benefits. However, in reality the Government's focus was too narrow. It should also have taken into consideration what it could do to create new development in parts of Queensland that are too heavily reliant on agriculture at present.

In addition to that problem, at present the Minister for Environment and Natural Resources is undertaking a WAMP study for the Condamine/Balonne area, and there is every indication that the ability of some growers to irrigate will be taken away and that others in the Chinchilla Shire will be prevented from even developing the potential they have. I thank the Minister for listening. I hope he takes into account the fact that we do not have many options. We have been thinking of them for years. We came up with a good one, but the Minister's decision based on environmental grounds cut us off at the knees.

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