



Speech by

**Mrs D. PRATT**

**MEMBER FOR BARAMBAH**

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Hansard 19 June 2001

**STUART VALLEY RIDING SCHOOL; MANAR TOURIST PARK; COOMINYA**

**Mrs PRATT** (Nanango—Ind) (11.50 a.m.): After 18 years of teaching children around Kingaroy how to ride horses, the Stuart Valley Riding School has closed its doors. One of the main reasons for the closure was an increase in insurance costs, which were up more than 250 per cent on the previous year. The school officially closed on Monday, 4 June. Its public liability insurance for this year was \$1,800 but it has risen to \$5,000 after the insurance underwriter, SLE Worldwide, introduced a minimum rate for schools, which incorporates the riding school. SLE Worldwide's spokesman said from the Sydney office that increases in the number of litigation cases meant that insurance costs were escalating in a number of industries. It was stressed that it was the members of the public who were forcing up the premium and that the school was better off shutting down if it could not generate the \$5,000 fee. This does not stop the heartache of school instructor Sylvia Evans, who says that it is the grassroots level for a lot of people and teaches everything from the hoof up. Mrs Evans was concerned that the children would be lost from riding and has been trying to find other places for the children to go, but it is very hard because there is nowhere else.

If the school had stayed open, Mrs Evans said that she would have had to increase prices so much to cover the costs that she would probably lose a lot of her business. People just cannot afford to pay that much in country areas. However, this riding school is not the only tragic victim of insurance inflation. Manar Tourist Park is an outdoor recreational park specialising in four-wheel driving and trail bike facilities. This business has had public liability insurance with the same company for seven years. When the policy came up for renewal during May, it was discovered that the insurance company was no longer willing to cover the business. Firstly, the business was told, in writing, that the insurance company was not willing to cover them due to the number of accidents occurring on the property. The second reason, which they were given verbally, was that with the collapse of HIH they had so much work they did not need to take on high-risk policies like theirs.

In the last seven years the Manar Tourist Park has had fewer than seven minor injuries, resulting in no more than a few broken bones. Many of these happened in the last year or so, but this is only a reflection of the growth of the business in that time. Not one of these has resulted in a claim to date. From May 2000 to May 2001 their insurance policy premium was \$900 for \$10 million cover. The business was prepared to budget, and had budgeted, for up to \$3,000. The only Australian quote the business could obtain was for a premium of \$20,000 and an excess of \$10,000 for \$10 million cover. The company ended up going to an English company based overseas.

We live in an increasingly litigious society and more claims are being made on insurance companies. This has resulted in the market tightening and more premiums being required for risk carrying. Yet no authority is able to regulate the premiums set. The individual insurance companies make their own commercial decisions on premiums. With the collapse of HIH we have seen what devastation can occur when an insurance company is forced to close its doors. This is what happens to the little people when insurance companies' power is too strong. Ultimately, it is up to the public to realise that their view of litigation as being an alternative source of income will eventually deprive them of all forms of entertainment and enjoyment. In the future, tourist parks and riding schools will simply find it easier to close.

I turn to the second matter that I wish to speak on today. In this year the centenary of Federation the citizens of Kung-I-Nya have little to celebrate waterwise. Nothing has changed since 1901. I refer to the township and district of Coominya, situated some 60 kilometres from Brisbane and about two kilometres from the largest waterhole in Australia—the Wivenhoe Dam. With a storage area greater than Sydney Harbour, this dam was completed in 1985 to provide flood mitigation and a water supply for the people of south-east Queensland. Kung-I-Nya, Aboriginal for 'see water', is certainly true for the 1,000 of our fellow Queenslanders who reside in or about Coominya, but the only water they have is what falls on their roofs or is brought in by trucks.

We have two manufacturing industries in the Coominya area, an abattoir and a patty—hamburger—plant, which employ a total of approximately 300 workers. These industries must rely on a storage farm dam for their water supply. Should these plants receive a guaranteed treated water supply, they would be able to employ another shift of workers, which would mean jobs, jobs, jobs under the Beattie government.

The Coominya district, home to three of our state schools, the resting place of the historical Bellevue homestead and an area of significant diverse primary production, is being denied this basic facility—treated water, which other Queenslanders enjoy. Why should these citizens be penalised when there is such an abundance of water literally a stone's throw away? Surely in the year 2001 Coominya folk should share in clean water, firefighting capabilities, aged care housing, watered playing fields, picturesque parks and gardens, job opportunities, industry expansion and commercial development. A water supply for the town has been on the go since the early sixties.

Time expired.

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