



Speech by

**Mr M. HORAN**

**MEMBER FOR TOOWOOMBA SOUTH**

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**VISIT TO CHINCHILLA/CONDAMINE, BORDER DISTRICTS AND BURDEKIN**

**Mr HORAN** (Toowoomba South—NPA) (Leader of the Opposition) (11.30 a.m.): I take this opportunity, on behalf of the opposition, to give our kind regards to the member for Nicklin. We wish him a speedy recovery.

During the parliamentary recess, I had the opportunity to tour a number of districts of the state with various members of the Queensland National Party parliamentary team. We met with various communities in the Chinchilla, Condamine, Goondiwindi, Mungindi, Talwood, Texas, Yelarbon, Townsville, Ayr and Home Hill districts.

It was quite tragic to see the effects of the drought on the Chinchilla/Condamine area, where many properties have been destocked for some time. A number of families reported that their young people have moved to the city, rather than remaining on the property or in the district. I thank the people of those communities for the wonderful hospitality that they offered us on our trip.

The serious issue encountered in Condamine and Chinchilla is the worsening drought. It is a problem that has also gripped much of the Darling Downs, particularly the eastern Darling Downs. Not only does this problem impact on farmers and their families, it also affects everyone in the communities. Ultimately, it affects the state in terms of lost income and jobs. As we walked the streets and talked to small business operators in some of those areas, we could really see the flow-on effects of the drought.

While only rain will bring a long-term solution, there are practical and valuable measures that government can take to help relieve the hardship and to help families in those areas survive the wait for drought-breaking rains. For that reason I welcome the federal government's acknowledgment of the drought conditions on the Darling Downs, and Federal Agriculture Minister Warren Truss's efforts to secure an exceptional circumstances declaration and assistance for those communities.

This experience has highlighted the inherent flaws in the current exceptional circumstances criteria that was agreed to by the state and federal governments. There are problems with sourcing the information to support an EC application, delays in the process and, all too often, politicking between the state and federal government to the enormous frustration of those people who are in desperate need. Everyone in those communities knows that the exceptional circumstances scheme needs fixing and they want it fixed. Farm groups like the National Farmers Federation and Agforce, and the federal Agriculture Minister, Warren Truss, want to see exceptional circumstances criteria improved. Even Labor's federal agriculture spokesman Gavan O'Connor agrees that it needs fixing.

Therefore, it is tragic that state agriculture ministers failed to agree on funding and an improved exceptional circumstances or EC scheme at the ARMCANZ meeting in August. It is despicable that Primary Industries Minister Henry Palaszczuk sought to torpedo any chance of an agreement even before getting to the meeting. The minister should hang his head in shame for abandoning Queensland farmers when they needed him most. The people in those areas are resilient, but they cannot soldier on forever and they desperately need some help. The Beattie government contributes next to nothing to the EC scheme and its own drought relief scheme offers nothing to grain growers. Mr Palaszczuk should look at the hardship being experienced in the drought areas, he should look at the money that his government has wasted on the Brisbane footbridge, and then he should have a long, hard think about his government's priorities.

During our visit to the Chinchilla area, we took the opportunity to inspect the site of an exciting project that has great potential for the energy sector of the state. Over the relatively small area of a

local farm, the Brisbane-based company Linc Energy is undertaking a pilot project to prove up the process of underground coal gasification, or UCG. Put simply, UCG is the process by which coal is converted into a combustible gas that can be used as a fuel or a chemical feed stock. UCG has been used in commercial-sized projects in the former Soviet Union for more than 40 years and significant research programs have been undertaken in the United States and Europe.

Linc Energy was formed in 1996 to bring together the best expertise and research results available with the object of producing UCG as a cheap fuel for power generation. In June 1999, Linc Energy entered into a joint venture agreement with CS Energy to undertake a pilot burn on one of Linc Energy's coal leases in the Chinchilla district. The operation has been carried out on a mining development licence under the Mines Act with appropriate environmental approvals. Not only have all their test objectives been achieved, but the company has been producing UCG gas continuously for more than 20 months. That makes the operation by far the longest test burn in the history of the Western World. In the first 12 months of the operation, approximately 7,000 tonnes of coal were gasified, producing 20 million cubic metres of gas. I understand that Linc Energy is now planning the design and construction phase of a demonstration power plant based upon the Chinchilla operation and will soon be going to market to raise funds for this stage of the project.

Clearly if this technology can be developed for power generation in Queensland, it can deliver a new environmentally sound and very economical operation for power generation in the state other than existing coal fired and other forms of gas fired plants, or in addition to those. In addition, it also produces some three by-products, including phenols and hydrocarbons.

I bring this to the attention of the government and business sectors because I believe that the project shows great initiative and promise, yet it has received little public attention to date. If Linc Energy's confidence in the technology is proven, it could have a very positive impact on Queensland. That would assist the Chinchilla district, which is also putting a lot of hope on other coalmining operations in the area, particularly those at Wilkie Creek.

The major issues confronting the communities of the border districts and the Burdekin are water and the current government's mismanagement of that resource. In the border districts, in communities from Dirranbandi in the west through to the Granite Belt, there is an all-pervading and oppressive feeling of uncertainty about future water availability and security. This uncertainty is generated by the Beattie government's bungled handling and underresourcing of the important water resource planning process.

I can report that the recent Land Court case that the Department of Natural Resources was forced to surrender to avoid completely discrediting its WAMP process has only confirmed what those communities have been saying for three years. They have been saying that this government has not based the WAMP on accurate science and that this government has not had any regard for the social and economic impacts of any decisions that are made.

I can also report that those communities cannot understand why the government has still not released the socioeconomic report for its draft WAMP and why they have been forced to mount their own defence of the jobs and income that they generate for Queensland. The Premier is continually talking about jobs and trying to take credit for jobs generated in Queensland. If the Premier is serious and genuine about safeguarding existing jobs and small business operations in Queensland, as well as generating new jobs, he should guarantee the security of the water allocations that entire communities depend upon. He should put an end to the uncertainty that, like a cancer, is eating away at the prosperity of those areas.

In the Burdekin, the deep concerns over the administration of the water portfolio relate to the Beattie government's water pricing policies and the implementation of those policies by SunWater. In defiance of the principles of the 1995 COAG agreement and with complete disregard for the impact on the community, the Beattie government is seeking to use the Burdekin irrigation industries to help pay for its declining community service obligation contributions elsewhere in the state. While COAG requires that agricultural water schemes should return the costs of operation, the costs of maintenance and the costs of refurbishment—the so-called lower bound cost—Burdekin irrigators are being charged a return on the capital infrastructure and, no doubt, are contributing to other financial needs of SunWater and the Beattie government. Where the actual cost of supplying Burdekin River Irrigation Area irrigators is \$28 per megalitre, the Beattie government, through SunWater, is trying to charge \$36 per megalitre.

As a last ditch and desperate effort to bring the government to the negotiating table, the irrigators have been withholding that \$8 portion of their payment that is in excess of the agreed COAG requirements. These are decent, law-abiding, peaceful families who simply want to make ends meet, pay the required and accurate amount for water, but who will not be used so as to pay this extra amount, which they should not be called upon to pay at all.

These irrigators, their communities and the others like them in places such as the Atherton Tableland, Proserpine and Emerald cannot afford to be a soft touch for the government to lean on to

bolster its budget. There is no capacity to pay the government's exorbitant demands, particularly the way the sugar industry is during this season and was in the previous season. Once again, we ask the Premier: what price does he put on jobs in this state and on the ongoing security of small businesses that rely on important irrigation projects and the sugar industry? What price does he put on communities that are actually producing food, export income and opportunities for so many Queenslanders?

I call on the Premier to honour the spirit of the COAG agreement, to sit down at the negotiating table with these decent communities and to stop fobbing them backwards and forwards to SunWater. I call on the Premier to restore water prices to a fair and justified level.

In each of these regions there are wonderful opportunities as well as challenges that communities are pursuing. I would also like to mention the exclusion of the Mungindi Hospital from the town's levee bank. Local member Howard Hobbs is working on that. I mention the need for affordable and government housing in rural centres to attract professionals and government staff to these areas. I congratulate the Goondiwindi State High School on enhancing its facilities and highlight the need for support in that area.

Time expired.

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