



Speech by

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MEMBER FOR TABLELANDS

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WATER RESOURCES

Ms LEE LONG (Tablelands—ONP) (5.58 p.m.): I move—

That this House call on the government to review its water resource planning process, the five-year price path, and the lack of any right of appeal in the Water Act 2000.

Recently I had the opportunity to attend the Queensland Irrigators Council annual conference in Mareeba. This is a peak body representing the irrigation industry and I found it rather disturbing that the Beattie government was not more adequately represented so that the honourable minister might have gained at least some capacity to forge a better understanding of and empathy with a key component of his portfolio.

It was eye opening to hear the similarities of issues facing irrigators, whether they be in my electorate of the Tablelands or from the Burdekin, Proserpine, Emerald, St George, Bundaberg and other areas. The issues remain the same. There is a widespread belief that, through stealth, government is eroding people's fundamental right at common law to appeal. Under the act, should irrigators have allocations reduced as a result of a water resource plan either now or when they are reviewed every 10 years, there is no right of appeal. Should irrigators object to the price path for irrigation charges, the glib response is that they are fair and will be reviewed in three years time by the Queensland Competition Authority. Again, there is no right of appeal. It is the same with the vegetation legislation: no right of appeal. Irrigators clearly understand the need for devolution of responsibility to the most effective level to streamline processes. However, the right of appeal at common law is a fundamental tenet of the Westminster system.

The question is being asked: is the Beattie government becoming a dictatorship? At the last election I believe an overwhelming number of regional Queenslanders voted for a man, not a party—a man who indicated he would listen and respond to the needs of regional Queensland. While the Beattie government may have placating words for the regions, those words are not translating into a meaningful government response to pivotal issues. Is it the government's intention to create a regional underclass and widen the rift between country and city?

Are irrigators calling on the government to ensure that the upgrade to Lang Park, the Gold Coast Indy, the Airtrain system or, indeed, the footbridge over the Brisbane River achieved lower bound costs or even a rate of return? No! Irrigators accept that there are infrastructure needs across the state and that these bring benefits to the wider community. Irrigation benefits the whole community, not just primary users, and its costs should be borne by the whole community, not just a select few. The net income of many irrigators is less than that of many city workers. To single out one group in the community to bear the burden of these costs is most unjust.

The Mareeba-Dimbulah irrigation area currently injects about \$120 million directly into the local economy. The multiplier effect of this is very significant. The minister's own department has indicated that somewhere in the order of \$39 million is attributed to the tourism value of Tinaroo Falls Dam alone. Approximately 280,000 people camp on the shores of Lake Tinaroo. Something like 800,000 people visit Tinaroo each year. Why should irrigators fund benefits that the wider community enjoys?

The Mareeba-Dimbulah district has recently lost a tobacco industry and a tea-tree industry worth in the order of \$55 million. The multiplier effect means that this translates to something like \$115 million that is being ripped out of this district's economy. There is little doubt that other agricultural activities are doing it tough as well. Nevertheless, the minister and his monopoly water supplier, SunWater, have

seen this as a great opportunity to increase water charges. The programs that this government is implementing on the tablelands are akin to offering someone a gold copy watch after they have just lost both arms in an industrial accident. It is just not good enough.

Irrigators would like to know if it is the minister's intention to play the ringmaster's role in causing the collapse of further rural industries. While I am not a supporter of the national competition policy, I am aware that the minister has chosen to deflect the blame onto this policy through his narrow interpretation of the broad policy framework. His interpretation generates a short-term windfall for the state's budget. The honourable minister needs to be aware that his short-term gains will present future governments with long-term pain as they struggle to undo some of his short-sighted policies. Further, his lack of policy direction is increasing uncertainty.

Is the Beattie government looking for a rate of return from water sales? If so, what is it? Clearly, the government is achieving a very significant rate of return from irrigation areas—significantly more than it could ever hope to achieve from that footbridge, unless of course it decides to put a toll on it. The agricultural sector would love to have a price path locked in for their product for the next five years. They do not. They live in the real world.

Farmers are not a government sponsored monopoly supplier like SunWater. The variable input costs for a 100-hectare cane farm will increase by approximately \$4,000 per annum. How would the honourable minister feel if this were enough to push him onto the wrong side of the viability line? And that is not allowing for compounding CPI increases over this period, which further exacerbate the figure. Farmers would be ecstatic to know that their future product sales would increase in line with the CPI. They do not. They live in the real world. I can imagine the minister sitting there thinking, 'It is just not a sustainable industry.' How can it be when the poor old Australian farmer is expected to compete on a so-called level playing field?

In the early eighties the average return for irrigated cropping within the area was approximately \$13,000 per hectare. Now it is about \$5,000 per hectare, and that is not taking into account the impact of inflation. That would serve only to further highlight the downturn. The increased revenue to the government from water sales by SunWater is coming from one place, the irrigators, who are operating on a very small profit margin.

I turn now to the national competition policy. This strategy does little more than provide a framework under which state jurisdictions have a capacity to formulate policy. However, at this point it would seem that this state is replacing a framework with a framework, leaving a policy void. Irrigators believe that the government has a clear responsibility and a moral obligation to develop a policy in relation to rate of return—a policy that does not threaten the viability of regional communities. Such a policy should give individual farming enterprises and collective industries some planning certainty with regard to rate of return. Somewhere between lower bound cost and an eight per cent rate of return does not give any degree of certainty, nor is it policy.

If it is this government's intention to hold costs at the lower bound for the life of this government, then this needs to be effectively communicated. When a policy is finally developed, its impact on industry competitiveness must be considered. It would be nice to think that if we are the Smart State, as claimed, then we could develop smart policy. However, there has been no evidence of this to date from the minister. At this stage the minister has had a run of 'ducks', and I look forward to the opportunity to acknowledge and applaud his first runs on the board.

In the meantime, many farmers in my electorate are now finding it difficult to put food on the table for their families. It is quite clear that the Beattie government has failed to deliver the necessary micro-economic reforms and policies necessary to ensure a strong and vibrant regional sector. It is letting down a very large and important section of our state. Our regional communities expect and deserve better. I can only hope that some middle ground with irrigators can be found so that it can be demonstrated that this government does indeed have a soul and that irrigators and our communities do have a future.
