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Darling Downs: Coalmining

SPEECH

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Speaker Joyce, Sen Barnaby

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Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (10.00 pm)—I rise tonight to speak about an area in the Darling Downs called Felton. The Darling Downs is one of the jewels in the crown of Australia. Its famous fertile black soil and reliable climate have fed this nation for generations. Under this land lie large coal deposits, and this has resulted in the Darling Downs becoming the front line in the conflict between farming and mining.

Coal is abundant in Queensland, from the Darling Downs west past Wandoan and north to the central highlands. Queensland Premier Anna Bligh said recently that there was enough coal in Queensland to last 300 years. One of the companies at the forefront of this conflict is Ambre Energy, an unlisted public company based in Brisbane with an office in Salt Lake City, Utah, United States. The so-called Felton clean coal project—hereafter referred to as the Felton coal project—is a staged development proposal being advocated by Ambre Energy Ltd for a site at Felton.

Ambre Energy have applied to the Queensland government for a mining lease and are currently conducting an environmental impact study, which they expect to complete early in 2010. The Felton coal project is proposed to commence with an initial ‘demonstration’ project on 355 hectares, which includes an open-cut coal mine and the building of a pilot petrochemical plant to produce dimethyl ether—DME—a diesel substitute fuel. The stage 1 proposal involves extraction of 800,000 tonnes of coal per annum, with expansion under stage 2 to 3.8 million tonnes per annum.

If the project proceeds to full scale as planned, it would cover an area of some 2,800 hectares, and extract 12.8 million tonnes of coal per annum, making it about as large as any currently operating Queensland coal mine. The planned size of the mine is a major concern for Felton residents as we can infer environmental and infrastructure impacts of a proportional magnitude. For a rural area, Felton is densely settled so many people would find themselves adversely affected by the mining related externalities at and around the site. Research carried out by the community group Friends of Felton indicates some 700 people live within 10 kilometres of the proposed mine site.

The thriving town of Pittsworth, population 2,500, lies on the western edge of this 10-kilometre radius, and Cambooya, population 700, lies some 12 kilometre to the north-east. The affected area currently supports a fully sustainable agricultural system comprising fertile soils, an uncontaminated and reliable water supply, specialised capital, technical know-how, cultural history and strong social networks. The Ambre Energy proposition is to sacrifice this system, with its capacity to provide food and biomass in perpetuity, for a high-emissions coalmine that will last for around 50 years and compromise any return to productive agriculture post-mining.

The Felton valley consists of black-soil alluvial plains rising to low slopes of Walloon sandstone and to higher, steeper basalt ridges. Broad-acre cropping—summer and winter—horticulture, egg production, dairying and beef cattle are the main primary industries. It is a closely settled area with relatively small, yet productive, acreages. Friends of Felton Incorporated conducted a survey of properties within a 10-kilometre radius of the proposed mine site. In summary, 185 households had 700 occupants and 55 per cent of these relied on farm income as their primary income source. The properties are highly dependent on underground water for household, stock and irrigation water. In 2007-08, agricultural production was 23,755 tonnes of summer crops, 7,450 tonnes of winter crops, 3,350 tonnes of hay, 3,700 tonnes of silage, four million lettuce heads, 320 tonnes of onions, 150 tonnes of organic mixed vegetables, 4.3 million litres of milk, 18,280 tonnes of beef, 1,540 tonnes of pork, 0.2 tonnes of wool, 10 tonnes of honey, and 1,300 horses in horse breeding enterprises.

Further significant horticultural production is carried out to the north-east of Felton. Indeed, eight enterprises situated between Felton and Toowoomba produce 750,000 lettuces, 65,000 cauliflowers, 60,000 bunches of celery, and 18,000 cabbages every week—and 2,000 tonnes of onions and 500 tonnes of potatoes per annum. These eight growers have a gross value of production of over \$23 million, and employ 400 people. All of the irrigation water required for these farms is sourced from shallow underground aquifers.

The Felton-Toowoomba horticulture industry is a vital part of this nation’s food supply and produces salad crops and vegetables for distribution right along

the east coast of Australia. It is managed efficiently and sustainably and is capable of producing food for this nation indefinitely. However, coal mining development at Felton would place this entire industry in jeopardy. The prevailing south-westerly winds would blow coal dust from a Felton mine, and pollution from a Felton petrochemical plant, right across this area. Who would eat a lettuce covered in coal dust and laced with pollution? A coal mine at Felton would intersect and drain underground aquifers that run west from the Great Dividing Range around Toowoomba, and supply the horticultural industry. These aquifers are the lifeblood of this region. If they run dry then this vital food production dies with them. The loss of 400 jobs would be a body blow to the region and many more would be lost from the supply chain which delivers this food to the customer. There is no way that coalmining could deliver a net gain in jobs to the Felton area.

The egg production industry in the Felton-Pittsworth district is of national significance, with some 750,000 laying hens producing eggs for Australian households and providing hundreds of jobs. Ambre Energy state that stages 1 and 2 of the Felton coal project would use 1,000 megalitres of water per annum. Since there is very little local water the project could acquire, it would have to import it from waste water sources located up to 100 kilometres from the nominated site. Ambre Energy's initial advice statement refers to piping coal-seam methane water from the Dalby gas fields. This water is known to be salty and contaminated with other minerals. The proposed mine site is adjacent to Hodgson Creek, 15 kilometres from its confluence with the Condamine River in the headwaters of the Murray-Darling.

The proponent plans to build a 30 metre high levee bank on the western side of the Hodgson Creek to protect the mine and infrastructure from flooding and to collect run-off water for use by the Felton Coal Project. It also plans to build a large water storage dam. The building of these structures, which would be forbidden for agricultural purposes under the current moratorium, is likely to disrupt the hydrology of the local catchment leading to greatly increased flooding upstream of the project site.

Recent flooding of mine sites in Central Queensland highlights the risk of contaminated water escaping into river systems. In January 2008, a number of flooded mine sites were permitted by the Queensland government's EPA to pump polluted water into the Fitzroy River system. Water quality was very badly affected by heavy metal and salt contamination, which caused major problems for graziers and local communities. The Queensland government apologised to the City of Rockhampton for the impact on drinking water quality. More recently, in February

this year, a number of mine sites were flooded in Northwest Queensland, with subsequent pollution turning affected rivers blue for hundreds of kilometres, poisoning fish, and rendering water dangerous to livestock. Are we going to allow this to happen at Felton, in the headwaters of the Murray?

Felton farms are highly dependent on underground water for stock and domestic supplies, and for irrigation. There are some 500 water bores within a 10 kilometre radius of the proposed mine site. Recent research by CSIRO and the Queensland government Department of Natural Resources using radioactive isotope markers has shown a high degree of interconnectivity between groundwater and surface water in the Hodgson Creek catchment. The risk of contamination and drawdown are real and significant threats.

The Felton Coal Project would place at risk populations of a number of nationally and state listed endangered native species and remnants of listed ecological communities either known to be or likely to be present in the Felton Valley. These include two endangered ecosystems, three endangered species and six vulnerable species which are listed under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999. A further 22 locally-occurring species are listed under the Queensland Nature Conservation Act 1992 as rare and threatened. These include the endangered grassland earless dragon, a lizard which was thought to be extinct until recently rediscovered near Mount Tyson. There was a confirmed sighting of the grassland earless dragon at Felton this year.

The Felton Valley is currently distinguished by its unity, space, beauty, cleanliness and tranquillity. These qualities are part of the cultural heritage and the reputation of the Darling Downs. The Darling Downs was one of the early settled areas of Queensland and as such several of the Felton families are fifth or sixth generation. Rudd's Pub, from Steele Rudd fame, is located in the vicinity, adding to the heritage value of the area.

At times in the past, these values have been blithely dismissed in the name of progress. While communities have been struggling for years to express their wish that these and other natural values be preserved, our decision makers have been slow to read the signs and to consciously pursue alternatives for satisfying the material necessities of life. The emergence of China and India and the subsequent increase in commodity prices in recent years have created a mining boom in Australia the likes of which have never been seen before. Many projects that were previously unviable have now become viable. Australia, with its vast reserves, is in the box seat to

capitalise on the opportunity. However, it is important that Australia does not become the world's mining industry playground to be dug up without consideration of other factors.

Australia is also a net exporter of agricultural commodities. This production comes from an ever shrinking parcel of prime agricultural land, constantly under pressure from urbanization and, more recently, mining. The continued loss of prime agricultural land has national biosecurity importance, from the loss of long term sustainable export income from agriculture as well as the ability for Australia to feed itself.

I seek to leave to incorporate the rest of my speech.

Leave granted.

The speech read as follows—

This shrinking parcel of prime agricultural land should be protected from development, whether this occurs by urbanization or mining. Until recently, the greatest threat to prime agricultural land has been from property developers due to the land's proximity to towns and cities. The threat posed by mining has gradually increased as the industry spreads from marginal land in sparsely populated areas onto increasingly better quality land where it impacts on many more people.

Mining and agriculture combined make up the greater mass of Australia's export income and have coexisted in relative harmony until recent years. The footprint of the mining industry has mainly been in remote and undeveloped areas and posed little threat to agriculture. Now that some mineral deposits are more viable, the mining industry is seeking to develop deposits on farmland that is either considered prime or is of national or state importance or is considered unique.

With the potential impacts of climate change, the need to protect the best agricultural areas in Australia for the future is also enhanced.

Agriculture is a sustainable industry, and with correct use, will provide Australia with export income for generations to come, and not just for the lifetime of a mining project.

The use of the nation's water assets is also to be considered. The mining industry is a heavy user of water in its extraction and processing stages. Drought and overuse have left many of Australia's river and underground reserves severely depleted.

Both future land use and water use issues have national importance from a food security and production point of view, and to maintain sustainable export income in perpetuity.

Moratoriums on irrigation development, reduced irrigation allocations, tree clearing restrictions, etc. are unfortunately facts of life for farmers these days. Preferential treatment (or exclusion from existing regulations) seems to be allowed for mining developments by governments in the pursuit of mining royalties for short term incomes.

The implications of the decision on the Felton Mining Lease Application will be of national significance. It will act as a test case for the definition of farmland worthy of protection from mining development.

No Mining Lease Application has ever been rejected on the basis of its impact on prime agricultural land. Refusal of the Felton Mining Lease Application would set a precedent which would afford protection to other threatened prime agricultural areas such as the Haystack and Jimbour Plains on the Darling Downs, and Caroon on the Liverpool Plains. This will assist all levels of government with their development planning processes. It will enable businesses from all industry sectors to determine whether their proposed developments fit in with the overall planning requirements in a specific location.

As a result of more streamlined planning processes unnecessary delays, development costs and potential legal conflicts should be reduced for businesses, effected landholders, and other interested parties. This would have specific relevance to mining and agricultural industries, but also for property development.

The proposed Felton Coal Project is the furthest advanced of several coal mining projects planned for the Darling Downs and other areas of Australia.

Ambre Energy have identified significant coal deposits at Back Plains, near Clifton. Newmont Pacific Energy holds a Mineral Development Licence (MDL) over some 13,000ha at Felton. Tarong Energy holds an MDL over the Haystack Plain near Warra. New Hope Corporation have highlighted the potential of deposits near Pittsworth, Wyreema, Mount Russell, and Jimbour. Coalworks Ltd are conducting feasibility studies for a mine at Hodgson Vale. The Liverpool Plains in NSW is threatened by a number of mining companies. Development across the Darling Downs and other areas of Australia will surely follow, as other mining proposals will look clean in comparison.

Current and future generations of farmers depend on the Queensland Government's refusal of Ambre Energy's Mining Lease Application to put long term food security and environmental protection ahead of a short term "quick buck".

Prime agricultural land makes up a very small proportion of Australia's surface. The rivers, creeks, and underground aquifers that feed this land are priceless national assets. Properly managed, this land can produce food for the nation, and for export, for thousands of years. Mining this land in pursuit of royalties for cash-strapped Governments would be short-sighted in the extreme, and leave future generations of Australians to ponder the selfishness of our actions.