



Speech by

# Mr BRUCE LAMING

## MEMBER FOR MOOLOOLAH

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Hansard 2 December 1999

### **PUBLIC WORKS COMMITTEE**

#### **Backflow Prevention Programs**

**Mr LAMING** (Mooloolah—LP) (10.21 a.m.): While respecting the terms of reference of the committee's inquiry into the backflow prevention program, the real issue is that, as my question without notice on 29 April asked, did the Minister for Public Works and Minister for Housing terminate the engagement of BHF/PPK to continue their work with Queensland Health's backflow prevention program? A number of related matters have demanded a lot of attention over the intervening months, including the Quality Water co-venture and the internal audit of the backflow prevention program. These matters serve both to throw light on and to confuse the central issue.

In short, BHF/PPK have been working with Project Services as backflow prevention program coordinators for approximately two years. They also work with Project Services on Queensland Health's backflow prevention program. Quality Water, however, was a marketing initiative and does not have any real significance on either program. It was discontinued by mutual agreement on 18 February 1999. We believe that there had been no problem with either the Public Works backflow program or Queensland Health's backflow program. In fact, BHF/PPK appeared to have been responsible for the introduction of enhanced efficiencies.

The internal audit was launched in January this year following the director-general's concerns with some of Quality Water's marketing initiatives and with tendering arrangements for the department's original backflow contracts. There was no mention at all about Queensland Health's backflow program in the objectives of the audit. The audit identified a potential conflict of interest between BHF and a potential supplier that should have been discussed with the director-general and the general manager of Project Services. There was no suggestion of impropriety in this report, but this was later suggested by the Minister.

The alleged conflict appears to have been answered satisfactorily by BHF. It also seems strange to me that nobody from the Minister down seems to have taken the trouble to contact BHF and discuss the matter. They could have resolved the issue then and there. To simply terminate their agreement with Queensland Health seems to me to be a denial of natural justice. But, even if there was a potential conflict, it would have been with the Department of Public Works' own backflow program, not Queensland Health's. So, if any action was to be taken at all, it should have been with the Public Works' program. Work was still being done, as it should have been, by BHF/PPK at the time of the Public Works Committee hearing in July—six months later, despite the claims of impropriety.

It appears, however, that BHF/PPK were terminated from a written agreement with Queensland Health's backflow program on the strength of an audit report which looked into the Public Works' backflow program and the Quality Water program, neither of which had anything to do with stage 2 of Queensland Health's backflow prevention program. Regardless of who is responsible for this chain of events, we remain unconvinced that it was fair to BHF/PPK or that it resulted in the best outcome for Queensland Health's backflow prevention program.

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