



Speech by

Hon. R. SCHWARTEN

MEMBER FOR ROCKHAMPTON

Hansard 8 June 1999

MINISTERIAL STATEMENT

Water Backflow

Hon. R. E. SCHWARTEN (Rockhampton— ALP) (Minister for Public Works and Minister for Housing) (9.58 a.m.), by leave: I wish to inform the House that I have asked for all matters related to the backflow prevention program operated through the Department of Public Works be examined by the all-party parliamentary Public Works Committee. In recent weeks we have witnessed a disgraceful campaign of misinformation about the backflow program—the same program overseen by my two Liberal predecessors, including the current Liberal Leader.

All the advice I have received since becoming Minister is that the program is working effectively and is addressing backflow problems in public buildings on a priority basis.

Mr Grice interjected.

Mr SPEAKER: Order! The member for Broadwater will cease interjecting.

Mr SCHWARTEN: I point out that this is the same advice from the same officers as was provided to two former Liberal Ministers—the member for Nerang and the current Liberal Leader. Indeed, it was the previous coalition Government that received a report on the audit of more than 6,000 Government sites in June 1996. It was under the previous coalition Government that the priorities for addressing potential backflow problems were set. This Government has followed those priorities.

The Liberal Leader, a former Minister for Public Works, now claims those priorities are wrong. Yet nothing was heard from him as a Minister about any possible problems with the program and the way it was operating. Suddenly that advice and the program itself are being called into question by the Liberal Leader and the member for Maroochydore.

Those members have been running around claiming that backflow prevention programs have stopped because of the scrapping of an agreement with private firms including BHF Australia. BHF, along with another private firm, PPK, were partners with the Department of Public Works in a co-venture to market backflow services called Quality Water. Moves to establish the Quality Water co-venture began when the current Liberal Leader was Minister for Public Works. It seems he chooses to forget that fact.

An agreement was finally signed in July last year. However, in February this year a report by the Department of Public Works internal auditor raised questions about a potential conflict of interest involving one of the principals of BHF and an alleged one-third shareholding in another company, JMC Plumbing. I seek leave to table that report.

Leave granted.

Mr SCHWARTEN: For the benefit of honourable members, I quote the internal auditor's words—

"During the period BHF (Aust) Pty Ltd have been Program Co-ordinator for the Backflow prevention program, JMC Plumbing Pty Ltd have been awarded some \$300,000 worth of contracts, primarily in the Brisbane metropolitan area."

I have not made and do not make any judgment about that matter. That is now a matter for the CJC.

It is regrettable that this type of allegation has to be to be aired in this place because of the need to refute the Opposition's scaremongering. Indeed, all the advice I have received is that BHF and

PPK have performed to a high standard in the work they have undertaken for the department. However, senior departmental officers could not, and indeed should not, ignore an internal auditor's report that raises such questions. It was for that reason that the general manager of Project Services, Max Smith, advised the Director-General, Mal Grierson, in early March that he was terminating the Quality Water co-venture. I seek leave to table that letter.

Leave granted.

Mr SCHWARTEN: Despite the claims of the Opposition, this was a departmental decision and I played no role in it whatsoever. If members opposite have evidence to support a different view, they should stand up before the parliamentary Public Works Committee and say so, under oath. They have to tell the truth there—something those opposite find difficult. Unlike previous coalition Ministers, I will not overrule an internal auditor's report or the legitimate actions taken by officers as a result of such a report.

It is important to note that the end of the Quality Water marketing co-venture has not significantly affected backflow prevention programs. The program has been running since 1995 and more than \$8m has been spent on it—\$3.6m to establish it in its first year and \$1.5m each year since, including the two State Budgets brought down by the former coalition Government. Funds are now being sought through the Budget process for the 1999-2000 year.

As evidence of Opposition hypocrisy on this issue, on Friday, 28 May 1999 the Liberal Leader admitted that the risk of backflow contamination was "much like the probability of getting hit by lightning". Yet he and the member for Maroochydore have persisted in generating fear where none should exist. I look forward to the Liberal Leader and the member for Maroochydore taking up the opportunity to validate their claims if and when they appear before the parliamentary public works inquiry and give evidence—under oath.

Many of the claims made by Opposition members have been recycled from a recent A Current Affair program. Let me briefly address—

Mr Veivers interjected.

Mr SPEAKER: Order! The member for Southport will cease interjecting.

Mr SCHWARTEN: Let me briefly address some of the major claims made in that program by host Mike Munro. The program claimed this Government had—

Mr Veivers interjected.

Mr SPEAKER: Order! The member for Southport will cease interjecting. That is his final warning.

Mr SCHWARTEN: The program claimed this Government had done nothing to address potential backflow problems. This is not true. I provided the program with a list of the 92 sites fixed during the current financial year.

Mr Seeney interjected.

Mr SPEAKER: Order! The member for Callide will cease interjecting.

Mr SCHWARTEN: Like the Opposition, it chose to ignore it. It was claimed in the interview that no rectification work has occurred at Gympie Hospital. This again is not true. I provided the program with a list of the work performed at Gympie. It claimed the Government was negligent in not informing the Gympie and Redcliffe councils about the potential for backflow problems at local hospitals. Again, this is also not true. My advice is that the department, as a building owner, is under no obligation to inform those councils of such issues. Indeed, I would expect any local councillor to know that every building constructed before 1992 has a potential backflow problem.

Finally, the program claimed that a man in Sydney died as a result of backflow contaminated with arsenic—a claim repeated by the Liberal Leader and the member for Maroochydore. Do they stand by that claim? Before I deal with this, I want to say that this is a very, very serious matter. I note that no-one yet has come up with a date or name for this case. All we have is Mr Munro's reference to the incident being recorded by Sydney Water. It seems Mr Munro's word is gospel to the Opposition, but I have had the matter investigated and I can advise the House that the video evidence which apparently Mr Munro used in his program was created by Sydney Water, outlining the possible dangers of backflow. Guess what? Sydney Water cannot confirm any deaths from backflow in Australia at all. It advises—

Opposition members interjected.

Mr SCHWARTEN: This is important and those opposite do not want to hear the truth. Sydney Water advises that the video was not an account of the death of a Sydneysider at all. There was no such event, according to Sydney Water. In fact, the case raised in this video is based—

Mr Johnson interjected.

Mr SPEAKER: Order! The member for Gregory will cease interjecting.

Mr SCHWARTEN: The case raised in this video is based on an American incident. Since it has been aired in the Sydney Water video, others have wrongly claimed it occurred in Sydney.

Mr Watson interjected.

Mr SPEAKER: Order! The member for Moggill.

Mr SCHWARTEN: I repeat: Sydney Water advises that nobody has died from backflow in Australia.

Mr Watson interjected.

Mr SPEAKER: Order! The member for Moggill! That is my final warning.

Mr SCHWARTEN: I will leave it up to honourable members and the public to judge the ethics of a program which accepted and used such misleading footage and presented it as fact while ignoring other facts I presented to it. Normally I would look forward to a correction or retraction from such a program but, like the Opposition, it is more interested in cheap scare campaigns than in the truth. So there we have it: a factless Opposition exposed in the dirtiest political trick of them all—scaremongering.

I have great faith in our committee system. That is why I am the first Minister to ever ask the committee to scrutinise a departmental program. Now I look forward to the parliamentary Public Works Committee putting an end to this nonsense once and for all.
