



Speech by

**Hon. D. HAMILL**

**MEMBER FOR IPSWICH**

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Hansard 21 June 2000

**MINISTERIAL STATEMENT**  
**COAG Water Reforms**

**Hon. D. J. HAMILL** (Ipswich—ALP) (Treasurer) (9.49 a.m.), by leave: The National Competition Policy water reform agenda requires the State Government to implement a number of reforms previously agreed to by the Council of Australian Governments—COAG. Since 1996, the Queensland Government has proceeded on the clear understanding that water reform would be voluntary for all local governments with a program of incentives attached, and that only the "big 18" local governments would be compulsorily required to consider adoption of water reforms.

The NCC has never challenged this—not until now. Despite the fact that this has been the Queensland Government's policy under both coalition and Labor Governments—a policy of which the NCC was well aware—they have now adopted the view that all local governments, regardless of size, should implement COAG water reforms. I want to make it clear to all members of this Parliament that the Queensland Government remains fully committed, as it has been throughout the NCP/COAG reform process, to require the "big 18" local governments to consider adoption of the COAG water reforms.

Unlike the NCC, we do not renege from our commitments. For all councils, reform will be voluntary and will be encouraged by the local government NCP financial incentive package, with the support of considerable training and technical assistance. The Queensland Government is firmly of the view that adoption of the COAG water reforms should be a decision of individual local governments taking account of the circumstances of their own communities and only—and I stress this— where implementation of the reforms has a clear public benefit.

The NCC is now threatening to financially penalise the Queensland Government unless significant progress has been demonstrated for all local governments. I would like to remind members that if the State suffers a financial penalty, the amount to local governments will consequently be reduced. Local governments deserve an explanation from the NCC as to why they did not outline their current concerns way back in 1996 when the Queensland policy was adopted and before local governments had started down the path outlined by the Queensland Government and the LGAQ.

The Queensland Government and the LGAQ are demanding that the NCC reconsider its plan to financially penalise the Queensland Government and, by extension, local governments because it has moved the goalposts. What is more, the NCC's attempts to now change these long established arrangements must jeopardise local government's commitment to the NCP process in Queensland and further damage the credibility of the council within the Queensland local government sector.

By 1 July this year, 85% of water connections in Queensland's local government areas with water connections greater than 1,000 will have implemented full cost pricing or full cost recovery. By 1 July 2002, it is estimated that local governments which cover 98% of all Queensland water connections will have considered implementation of these reforms. Surely this demonstrates a significant commitment by local government to these reforms.

On the issue of two-part tariffs, 29 local governments have already implemented this system. Another will begin progressive implementation from 1 July this year and a further 30 councils are to consider two-part tariff reforms during 2000-01. Local governments are achieving this reform through

the Queensland Government's voluntary, cooperative model rather than the dictatorial, penalty-based approach of Graeme Samuel and the NCC. To withhold NCP payments on the basis that this is not a significant enough commitment by local governments would be grossly unfair and a breach of faith.

Correspondence has been entered into with the NCC on this issue with little success to date. I table that correspondence for the consideration of all members of the House. I would urge all members on both sides of the Chamber who are concerned that the NCC has again gone too far to make direct representations on this issue. Members opposite would be well advised to stand up for rural and regional Queensland by lobbying their Federal coalition colleagues, who appear to be silent accomplices in the NCC's attack on Queensland's local governments.

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