



Speech by

**Hon. ANNA BLIGH**

**MEMBER FOR SOUTH BRISBANE**

Hansard Tuesday, 4 September 2007

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## MINISTERIAL STATEMENT

### Water Reforms

**Hon. AM BLIGH** (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Infrastructure) (10.05 am): I wish to advise the House that the government has now finalised the model for the institutional reform of water supply arrangements in south-east Queensland. In May, the Queensland Water Commission presented to the government its proposed reform model. Under that model, the state government would be accountable for ensuring bulk water supplies across the region while local governments would be responsible for supplying and selling treated water and sewerage services.

Since the release of the QWC report, key stakeholders, including the south-east council of mayors and unions representing the council employees, have made formal submissions in response. I have also held a number of meetings with stakeholders, including mayors and the relevant unions. Also, since May the recommendations of the Local Government Reform Commission have been accepted by the government and these, of course, have some implications for water supply in the region. Most notably, the reduction and reorganisation of the number of south-east Queensland councils from 17 to 10 will mean a corresponding change in the number and area of operations of the separate council water businesses. The restructuring of the south-east Queensland water arrangements will run contemporaneously with the local government amalgamation process and the state government will ensure that the two processes will be coordinated to be as least disruptive as possible.

The government has now approved the key elements of the final institutional reform model for the supply and distribution of water in south-east Queensland. The key elements mean that by 1 July next year the ownership of dams and weirs will be rationalised into a single bulk supply entity owned by the Queensland state government, not two entities as originally proposed by the Queensland Water Commission. Further consideration will be given to the ownership of wastewater treatment plants.

The first of the bulk assets will be transferred to the state by January next year as in-principle agreement has already been reached with the Brisbane City Council for the transfer of their SEQWater assets. So with the transfer of SEQWater to state ownership in January 2008, we will see the beginning of the reform of water institutions across the south-east.

The Gold Coast desalination plant and the western corridor water recycling scheme will be located within another state owned entity for manufactured water on the completion of those projects. Major water transport infrastructure will be moved to a single state owned bulk transport entity. A water grid manager will be established by the state to manage the flow of water around south-east Queensland.

By July 2010—or earlier by agreement—the retail activities of councils will be split from distribution, with all water reticulation pipes and sewerage pipes to be moved into a single regional entity wholly owned and operated by local government. This is one year later than originally proposed by the commission to take account of other significant changes occurring at the time. I thank the councils of south-east Queensland for the work that they did to draw those issues to my attention.

South-east Queensland local governments will be asked to advise the government by 30 November how many retailers they will establish, with a maximum of 10 to reflect new council boundaries; that is, councils that wish to retain their own water retail function will be able to do so. This is in contrast to the original proposal from the Water Commission to amalgamate all council water retailers into three new entities.

The government will also be developing a customer service guarantee as part of the changes proposed to the distribution and retail functions. The government has also confirmed the following principles: public ownership of water assets will be maintained, reforms are not driven with labour savings as an aim, and there will be no forced redundancies, that is, workers' entitlements and conditions will be protected. I would like to thank the councils and unions for their participation in this process to date and I look forward to further cooperation during the implementation of these changes.

The reform process will require a significant effort. Thousands of workers in these councils who are working in water businesses will have to make transitions to new entities. It will require the establishment of at least five new water business entities.

These reforms are very significant. The current system, which has 23 bulk supply and treatment entities and 17 retail bodies in the ownership of 25 entities, needs to be overhauled. It is no way to provide water security to Australia's fastest growing region. These new arrangements will provide a safe, secure and streamlined process to ensure the quality and quantity of water is secure for the long-term.

Our government is committed to drought proofing our region and to securing the supply of water for the people of south-east Queensland now and into the future. We are delivering.