



Speech by

Dr Bruce Flegg

MEMBER FOR MOGGILL

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WATER ASSETS

Dr FLEGG (Moggill—Lib) (11.40 am): This morning in question time we heard a disgraceful performance from those opposite. I can understand why the Premier was so reluctant to table the reports which she spoke to because these are not valuations of any water assets. In actual fact, they specifically state on the front page that they are not valuations. That is why there is no \$6 billion figure, because there are no figures at all in any one of those reports. That was an effort to mislead this parliament and that is why the Premier was so reluctant to table them.

The deception in relation to water assets got even worse because we saw the Premier and the Treasurer quoting from PricewaterhouseCoopers saying that the bulk water assets are valued at \$2.3 billion. I have that report here. The bulk water assets are valued at \$2.3 billion and the waste water assets are valued at \$5.2 billion. That is \$7.5 billion worth of assets detailed in the PricewaterhouseCoopers report. If this was not an attempt to mislead this parliament and to rort the debate about the theft of these council assets, I do not know what is. We have a right to expect some better behaviour and some greater honesty from those opposite.

The Deputy Premier told parliament today that erratic rainfall means that it has never been more important to bring ownership under one central management. Do I have some news for the Deputy Premier! Changing the ownership does not add one drop of rain. He is not going to fix climate change or drought by changing the ownership of assets. That does not deliver one extra drop of water at all. Then we went on to see him attack local councils over leaking pipes. The Premier then got up and said that they rejected the notion of the state government taking over pipes. They should have been telling us that the reason we have no water is that this government did not build any water infrastructure and now wants to muddy the argument by attempting to blame well-run, low-debt council water assets for its failure to build water infrastructure.

That brings me to the real reason for the smash-and-grab raid on council water assets and that is that the government owned businesses run by this government are to carry \$30 billion in debt and pay \$30 million each and every week to service that debt. They are snatching every asset to gear up and every piece of cash flow that they possibly can. If honourable members look in the same PricewaterhouseCoopers report they will see that the assets they are seizing are nowhere near as indebted in council ownership as the government owned corporation assets in the ownership of this state government. Fifty per cent was the gearing ratio of assets in the state government corporations at the end of the period in the state budget. Guess who pays the interest bill for \$50 billion worth of interest in GOCs? The people who use water—the Queenslanders who use power, who use rail, who drive on government motorways and so forth. That \$30 million a week in interest is paid for by Queenslanders, and now water assets will be added to that.

The compensation to councils is not an academic debate. We are talking here about some \$7 billion worth of assets accumulated by ratepayers over time out of their rates. The income stream from those assets has been going back to ratepayers to fund council services. During the week we heard the Treasurer on the radio, which again I think is quite amazing, saying, 'Ratepayers are taxpayers, aren't they?' I have some news for the Treasurer. There are an awful lot more taxpayers than there are

ratepayers. Again, this is part of shifting expense on to the property owners and ratepayers. On the estimates that I have seen, the \$100 million lost to the Brisbane City Council alone is about 13 per cent of its rate base. That means one of two things to a local authority and to the ratepayers who funded it. That means either a massive hike in their rates to add to the other property charges that the government levies with skyrocketing land tax, stamp duty and the rest of it, or it means a cut in services. We saw this nonsense that council amalgamations were about stronger councils. However, this is about weaker councils.

Time expired.