



Speech by

## Fiona Simpson

MEMBER FOR MAROOCHYDORE

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### WATER AND OTHER LEGISLATION AMENDMENT BILL AND SOUTH EAST QUEENSLAND WATER (RESTRUCTURING) BILL

**Miss SIMPSON** (Maroochydore—NPA) (Deputy Leader of the Opposition) (7.54 pm): We need sustainable water and sustainable local governments. This bill delivers neither of those objectives. This is a government drunk on its own power and it is making rushed and rash decisions in a desperate bid to cover up its poor planning for growth and poor planning for climate change. An argument can be made for institutional reform which engages communities, not rips them off. But let us be clear: this bill creates not one extra drop of water. The reason south-east Queensland is running dry is not because of institutional relationships of water—

**Government members** interjected.

**Miss SIMPSON:** I hear the laughter from the other side about south-east Queensland running dry, but the reason south-east Queensland is running dry is that this Labor government ignored reports of its own government seven or eight years ago that said that new water supplies had to be constructed. The response then was similar to what we have seen from the arrogant Labor backbenchers in this parliament tonight, whereby they laugh and joke about the poor planning of Labor. They have become drunk on their own power but have not allowed real water to supply the drinking needs of this state, particularly south-east Queensland. The reason south-east Queensland is running dry is not the institutional arrangements of government; it is constitutional gutlessness on the part of a Labor government which ruled out new water supplies to replace the Wolffdene Dam when the Goss government and the architect of the water crisis, Kevin Rudd, were presiding over government in this state.

Peter Beattie won the 2006 election promising to govern as if he had a majority of one and proceeded to govern like a dictator. He allowed his majority—59 out of the 89 seats in this parliament—to act arrogantly, and his successor, Anna Bligh, is no different. There is no respect for people who are raising genuine concerns in the broader community about the way that Labor is handling not only the water supply crisis but also institutional reforms. Who would trust Labor in Queensland after the way that it abused people with its brutish approach to forced council amalgamations? Once again, where there is a case for reform, why not engage with people rather than rip them off? But Labor instead abused its power in this place and rode roughshod over the people.

There have been very genuine concerns raised by many local governments on behalf of their communities about the impact that this bill—the South East Queensland Water (Restructuring) Bill—will have, particularly with regard to the paucity of real compensation for assets that has been talked about in the public sphere. The state Labor government, firstly with Peter Beattie and then with his successor, has talked about compensation of between \$1 billion and \$2 billion. When local governments have proposed that \$6 billion is closer to the real figure, once again this Labor government—arrogant and drunk on its own power—has laughed it off but cannot supply evidence of why its figure is correct. There has been no evidence as to where this figure of \$1 billion came from with regard to compensation for local governments.

What we as a state National-Liberal coalition are calling for is some respect for the people of Queensland. When the Labor government has the numbers that it has, it should not ignore the genuine concerns of the ratepayers of Queensland because it thinks power is enough to make a decision. The government must listen to the genuine concerns of ratepayers and their representatives that if there is not fair compensation to pay for the assets and the income stream then they will have to pay by another means, and that is the issue they have raised. The state coalition is putting forward a proposition that there should be a guarantee in this bill for an independent arbitrator to agree upon a figure between the state and local governments in terms of the takeover of these assets.

I still have concerns about the way in which the institutional arrangements have been formed. If anything, there is the potential for greater complexity, not less complexity, in the way in which these arrangements have been put together. But these issues could have been worked out if the government had talked to the people who have a better idea of managing water assets than the government has ever had. The councils are asking, on behalf of their ratepayers, for fair compensation—ratepayers who have paid for these assets and who, without these assets, face a very real risk of having to pay for services through other means.

We know that governments use the electricity supply as a means of revenue. It is accepted that it is a reasonable way of raising revenue that serves the greater public interest of the community. Councils also have used revenue streams from their water assets, as was expected of them, in order to be sustainable. So councils have raised the issue that there needs to be sustainable compensation or else people will cop another case of a shifting of cost to local government by an action of the state government.

I want to move to the issue of the draconian level 6 water restrictions under the Bligh Labor government, which are coming in at the end of this month and which could cost, according to the government's own report, up to 20,000 jobs and \$5 billion. The Bligh Labor government's own report shows that the impact of a forced 25 per cent reduction in water usage for businesses in south-east Queensland will have a horrendous effect on the economy and jobs. This report is a damning indictment of Labor's failure to plan for growth and to plan for climate change. Yet only nine months ago Anna Bligh denied the existence of level 6 water restrictions. Like those government backbenchers who are in the chamber tonight, the members opposite laughed off the introduction of level 6 water restrictions. They abused us and called us names. Yet what do we see happening this month? Level 6 water restrictions. Queenslanders are paying the price for Labor's mismanagement. This government-commissioned ACIL Tasman May 2007 report indicates that up to \$5,064 billion could be stripped from the south-east Queensland economy under a 25 per cent reduction in commercial water usage. Businesses account for approximately 30 per cent of south-east Queensland's water usage compared to the 70 per cent used by residents.

Labor ignored the need to build water infrastructure while our state boomed. Then it denied the existence of level 6 restrictions. Now, as we have seen, the government is trying to deny the importance of its own report card about the impact of these level 6 water restrictions upon businesses and jobs. Today, businesses have already paid \$91 million to implement water-saving initiatives to save 14.7 megalitres per day. The harsh restrictions on businesses now seem unavoidable because of the delay of the Labor government in building timely water infrastructure.

I raised this issue earlier this morning and Premier Anna Bligh laughed it off, but she misled the parliament and Queenslanders in her response to this damning report about the impacts of looming water restrictions. The Premier had no shame when she claimed that the figures were taken out of context. In parliament she deliberately did not table page 1 of the report, which was ironically titled 'Context', and which clearly talks about water restrictions and cuts to usage in the short term. The 'Context' section of this report does not talk about life in 2011 when the Traveston Dam is proposed to come on line; it talks in today's terms about today's impacts. In fact, I think there is only one reference to Traveston Dam in the report after about page 80.

Premier Bligh continued to deny Labor's responsibility for the consequence of its failure to plan and build timely water infrastructure. This report clearly focuses on the short-term impact that our businesses are going to feel and the people they employ because this government has failed them. The report shows that 550 businesses found that the impact of water shortages on commercial users in south-east Queensland is considerable in the short term. It also raised concerns about future possibly short-term water reductions, as they leave insufficient time for businesses to plan water-conserving machinery. Labor's failure to plan and build timely water infrastructure is the reason that these draconian water restrictions on business have now become necessary. I refer interested members to that report, which can be found on the web site for Queensland Water Infrastructure.

I want to talk a little bit more about the water grid. We agree that pumps and pipes are needed to connect bulk supply. However, ironically, when it comes to the construction of the Traveston Dam it is strange that there are no costings for the transport of water from Traveston Dam to Brisbane. This Labor government, which made much about the fact that we need pumps and pipes to connect bulk water supply,

did not include the cost of transporting water from that bulk supply, even though it is over 100 kilometres from Brisbane. Then the government has this fantasy that the pipeline, particularly stage 2 of the northern interconnector pipeline—NPI 2—is somehow a separate project and not connected with the costings of Traveston Dam.

The reality is that NPI 2—the northern interconnector pipeline No. 2, which is north of Landers Shute, is needed only if there is a bulk supply on the Mary River. It would be redundant infrastructure unless there was the Traveston Dam, or a major water supply on the Mary River. Yet that pipeline is not included in the cost of Traveston Dam or in the EIS when the proposal is compared with the alternatives. The Traveston Dam environmental impact statement is just one big PR con. When this government says that the Traveston Dam is going to cost \$1.7 billion, we can add \$400 million to that figure immediately because of the cost of the NPI 2, which is the pipeline that is necessary in order to connect that bulk supply to the water grid.

This Labor government knows how to lie to Queenslanders. It has had practice, it has form and it will not take responsibility for its water infrastructure failures. Now, when it comes to trying to defend a travesty against the environment and against the economic needs of that region, and of Queensland generally, it will not own up to the fact that the real cost of Traveston Dam is not \$1.7 billion; it is at least \$2.1 billion and upwards when we consider transport costs of water and when we consider pipelines that are redundant without the Traveston Dam.

I believe that it is appropriate to share water across the regions, but the water supply balance must not penalise those areas that had undertaken good planning. It should not mean that areas that have undertaken good planning are forced into imposing water restrictions and being in a dire crisis to the point at which they may be even worse off than some areas that are currently facing a water crisis. The draft service report referred to taking up to 84 per cent of the Sunshine Coast's major water supply for the next three to four years. I will repeat that because, once again, Labor has laughed it off. But if it truly wants to respect Queenslanders and to have sustainable water supplies and sustainable communities, it had better start respecting these communities, because it is about Queenslanders not being turned against each other owing to the government's bad management.

It is proposed that up to 84 per cent of the Sunshine Coast's major water supply be used to supply Brisbane. I support emergency supplies but I have a major concern about that level of draw down and its sustainability. There are no reverse flow pumps proposed in the northern pipeline interconnector stage 1. Currently, the government is talking about pumps being available only one way when Traveston Dam comes on line and when NPI 2 is put in place. There must be a water balance which provides security and does not threaten security.

I have mentioned the complexity of the institutional arrangements and in that regard some of the challenges that we face. Under these institutional arrangements, in the future if we have surplus water and we do not have a need to pump water in certain parts of the grid, how will the water management of those sections of the grid make money? That issue has been raised with me by stakeholder groups. The level of bureaucracy and the fact that there is greater provision for more bureaucracy owing to the way in which these institutional arrangements have been put in place has also been raised with me. I think that is a very genuine concern. I would like the government to provide us with some answers as to the level of bureaucracy across all levels of these new institutional arrangements that we will see, because I think the warning bells are ringing. Anything that this government reforms does not end up with fewer bureaucrats and people in the system; it always ends up with more. We have only to look at the Shared Service Initiative, which was supposed to deliver all sorts of incredible benefits and savings to the taxpayer but which is now blowing out in cost. It is costing taxpayers more.

I turn to the issue of the Traveston environmental impact statement and the fact that that statement contains no true analysis or attempt to deal with alternatives to the Traveston Dam, and there are genuine alternatives to the Traveston Dam. This EIS is a PR statement. It is not a rigorous analysis. It does not present a fair case in regard to the alternatives because, at the end the day, the government only intended to back up its case rather than undertake a truly independent analysis of this project. While some of the consultants involved in the EIS are credible and do present the science, some of the analysis has been written up by faceless bureaucrats. That material is rather extraordinary. In defence of what the government said was the best thing since sliced bread in terms of an economic analysis of new water infrastructure, the Marsden Jacobs report states—

... a series of workshops and meetings were conducted with economists and senior managers from QWC, Queensland Treasury Corporation, Queensland Treasury, and QWI Pty Ltd to facilitate the process of reviewing and updating data.

It further states—

Moreover, the degree of accuracy and confidence in the outputs of this economic evaluation study has been greatly enhanced as a result of this process. It is important to highlight that TCD—

the Traveston Crossing Dam—

—is the only major water supply infrastructure development in Australia where such a rigorous process has been applied to facilitate transparent and rigorous comparison of the economic cost of a wide range of water supply options. Thus, there is a very high degree of confidence in the results of the economic modelling undertaken by Marsden Jacobs for this study.

What a lot of rot! Is that the sort of economic analysis that is being undertaken of the major water supply structures in Queensland? We do not want self-ingratiating rot such as that to pass off as a truly independent analysis. We want a true approach to our water supplies that involves people looking at the best-cost options on the triple bottom line of environmental, social and economic issues. That has not happened with the Traveston Dam. Some of the alternatives to the Traveston Dam were glossed over in the Traveston environmental impact statement. Other alternatives have been in the public forum for some time and continue to raise the ire of those truly independent consultants and people in the industry who say that the best options have not been considered by government.

In summary, this cognate debate deals with another piece of water supply legislation, the South East Queensland Water (Restructuring) Bill. Our main concern with this bill is the fact that it removes the right of local governments to fair compensation. Essentially, the opposition is concerned that we have sustainable water and sustainable local governments. That involves engaging with people rather than using the power of this parliament to push through legislation and rip away the rights of not just local governments but also the ratepayers who paid for those assets.