



Speech by

**Jann Stuckey**

**MEMBER FOR CURRUMBIN**

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

**Mrs STUCKEY** (Currumbin—Lib) (4.14 pm): I rise to join the cognate debate on the Water and Other Legislation Amendment Bill and the South East Queensland Water (Restructuring) Bill 2007. My comments are directed to the latter mentioned bill, which I reaffirm from the outset that the coalition would find difficult to support.

The Council of Mayors of South-East Queensland indicated on 21 June 2007 that they generally supported the reform model at the bulk water level but rejected the overly complicated and incredibly risky reform of the distribution and retail component. Subsequently, they have agreed to hand over the water assets but only if they receive fair and equitable compensation for their ratepayers. They have every right to be suspicious of this government if its past form is any indicator. It is highly unlikely this government will follow a fair process for compensation of the water assets because all it wants to do is take, take, take, which will leave the councils in an imperilled financial state, according to the PricewaterhouseCoopers report commissioned by the government.

The purpose of this bill, according to the explanatory notes, is to facilitate the restructure of the water industry in south-east Queensland to deliver significant benefits to the community. These include improved regional coordination and management of water, more efficient delivery of water services in south-east Queensland, enhanced customer service for consumers across the region and a clearer accountability framework for water supply security. The bill also amends some provisions of the superannuation act 1990, the State Development and Public Works Organisation Act 1971 and the Transport Infrastructure Act 1994.

Currently in south-east Queensland bulk water source, transport and treatment assets are owned by 25 different entities servicing 17 retail businesses based on local government boundaries. Whilst the government claims the existing situation to be fragmented, it is the failure of successive Labor leaders in this place which has led to the neglect of water infrastructure and caused Queensland to be placed in a situation where we have water restrictions. Now this state Labor government is desperate to seize control of the water assets throughout this state and force councils into a situation where their roles are usurped under structural reform by establishing new statutory bodies to participate in water supply arrangements in south-east Queensland and by providing a structured mechanism for transferring bulk water businesses from the existing owners to the new entities.

When considering the objectives of this bill, the government has in its sight the establishment of a manufactured bulk water supply entity to own and operate the Western Corridor Recycled Water Project and the south-east Queensland Gold Coast desalination plant and the implementation of a process by which the Treasurer may vest ownership of bulk water businesses from the existing owners to the new entities. The additional power conferred on the Treasurer to have the authority to give directions to a water entity requiring the entity to do something the Treasurer considers necessary or convenient for effectively carrying out the restructuring project is an extremely broad scope and one which is subject to the widest possible interpretation. There needs to be clear and specific delineation as to what is deemed necessary in respect of these additional powers. This bill inserts a new provision in the SDPWO act which will allow the

minister to delegate the functions to sign a critical infrastructure easement or any amendment or transfer of such easements. This in itself will be unsettling for people living close to a major infrastructure project.

I refer to the comments of the Scrutiny of Legislation Committee's *Alert Digest No. 12 of 2007* in respect of clauses 4 and 12 and the concerns that this legislation appears to introduce provisions with apparent extraterritorial application. Whilst the committee has considered that these particular clauses do have sufficient regard to the institution of parliament, there is still a need for close monitoring to ensure that this legislation does not operate beyond its territorial limits. Further reference is made by the Scrutiny of Legislation Committee in respect of clause 67(1) and the fact that limited parliamentary scrutiny will be afforded in respect of the minister's capacity under this clause regarding transfer notices. In particular, concerns surround the fact that a transfer notice does not fall within the meaning of subordinate legislation in section 9 of the Statutory Instruments Act 1992 and, therefore, is not subject to disallowance by parliament under part 6 of the Statutory Instruments Act. I seek the minister's clarification as to what he intends to do to rectify this.

In respect of clause 84, this bill does not provide a right to seek review of the merits and it also attempts to deny the courts a central function in their judicial role. The minister needs to clearly explain to the House the legislative objectives justifying clause 84. I hope that he will do so in his reply.

I have serious concerns about clauses 85 and 87 and whether they do have sufficient regard for the rights of individuals, particularly where disclosures could breach an individual's information privacy rights. I ask the minister for an assurance that the rights of individuals will be respected in this matter.

What is blatant about this legislation is that there is no fairness and equity mentioned for the process of asset valuation. I understand there has been a formal request by the council of mayors which quite reasonably asks for an independent valuation. Councils have been managing water and sewerage businesses and have been delivering a safe and secure drinking water supply for over 100 years. It is one of their core businesses. Compensation for the water assets should be independently assessed to calculate the true cost of the loss of future cash flows. If there is not adequate compensation for the loss of low-risk income that the water businesses provide for the councils then the councils will be faced with the dilemma of having to cut services or increase rates and charges.

This bill holds more significance for my electorate of Currumbin than for any other electorate right now because the suburb of Tugun lies in Currumbin and is the home of the first major desalination plant in Queensland. When the Tugun desalination project was first brought to the attention of the broader public in the middle of June 2006, it appeared as an intensive study driven by the Gold Coast City Council. The Labor government, facing a water crisis through a lack of planning dating back to Mr Rudd in his key advisory role to the Goss government, was quick to realise the potential and saw an escape route from its tardiness. This idea rapidly escalated into the \$1.2 billion project we have today. Initially this project aroused considerable concern among the community, in the main due to the haste, the lack of an EIS—as was experienced by the patient people of Tugun awaiting their bypass—and an absence of community consultation.

However, recognising the need for long-term water security, residents have accepted the construction of this large project. I would like to acknowledge the GCD Alliance for their willingness to engage the community in every stage of this project. Water from the Tugun desalination plant will be carried along a water distribution pipeline which will pass through the Elanora reservoir, Clover Hill reservoir, Tarrant Drive pump station and up to the Worongary reservoir. Much work can be seen throughout my electorate as pipes for section 1 are being laid. The people of Tugun and surrounds are to be commended for their patience as this major project develops around them.

We are all paying for the financial mismanagement of the Labor government in this state which has been caused by then Treasurer and now Premier Bligh. We have suffered in the supply of power, with a spike in gas and electricity prices, and the ambulance levy is being squandered and is not going to a service in crisis.

I do not want to see Gold Coast residents disadvantaged as a result of this state government takeover of these water assets, and I would hope every member on the Gold Coast will feel the same way. As far as the Gold Coast City Council is concerned, one of the important factors is that the state government is failing to recognise the asset revaluation, which is a cost to council of \$200 million, as well as the treatment of tax equivalents at \$300 million to \$400 million. Having attended a briefing with council last week I can confirm that their asset valuations, which were independently determined, have been accepted by the Queensland Audit Office and the methodology was based on Treasury guidelines.

So why is this government not accepting these valuations as valid when it comes to compensation? The failure to do so suggests it does not want to pay a fair and equitable price. Resultingly, council rates are bound to increase as councils will not receive the same revenue from water because the state government has in effect, once again, stolen the goose that lays the golden eggs on the Gold Coast.