



Speech by

**Hon. Paul Lucas**

**MEMBER FOR LYTTON**

Hansard Tuesday, 30 October 2007

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## **MINISTERIAL STATEMENT**

### **Water Assets**

**Hon. PT LUCAS** (Lytton—ALP) (Deputy Premier and Minister for Infrastructure and Planning) (9.57 am): At present south-east Queensland has 25 different water entities with different approaches to supplying and managing water. Earlier this year the state government announced that it would undertake a major reform of water institutional arrangements in south-east Queensland. The aim is to better manage the challenges facing an industry which currently suffers from a fragmented structure and confused accountabilities.

We are spending more than \$9 billion building a world-class water grid, and these changes will mean that we will have a world-class management structure to match it. There is nothing like the current situation in any other metropolitan area in Australia or in New Zealand or in England or in the United States apart from southern California, which is in a real mess. It is not possible to justify the confusing and unstructured arrangements in a single region, particularly a region such as ours which is experiencing unprecedented growth as well as the worst drought on record.

With increasingly erratic rainfall, it has never been more important to bring the region's water assets under the one umbrella. This is not a short-term asset grab; it is about guaranteeing a supply for the future. A key element of the reform will be the state government being accountable, as in other states, for water security and ensuring water supplies across the metropolitan region. The state will take control of the key water grid assets including bulk supply and trunk transport and will establish a water grid manager. New statutory bodies will be established on a functional basis and these will be operational from 1 July 2008.

It is important to recognise that south-east Queensland councils will maintain a significant role. They will manage the retail sales and distribution of treated water and the provision of sewage services to households and businesses. The state government has asked south-east Queensland councils to separate their retail and distribution functions and to establish a new region-wide distribution entity and a number of retail entities but no more than 10. There will be only 10 councils in south-east Queensland once amalgamations are completed. The single distribution entities and the retail entities will be 100 per cent local government owned. Let us all be clear: the state government will not be taking over distribution and retail water assets and, as the Premier has stated quite clearly, we have no plans to privatise water.

Also, the councils will receive full and fair compensation for their bulk assets that will be transferred into the new state owned entities. But approximately 90 per cent of the assets that we are talking about receive up to a 40 per cent subsidy from the state government under the water and sewerage program.

It is pleasing to note that industrial relations issues are being well handled by a south-east Queensland water staff support group, which has representations from unions, the Water Commission, Treasury and councils. The government has also announced that there will be no forced redundancies from the reform exercise. We will also ensure that appropriate arrangements are put in place to ensure that transferring employees are not exposed to the Commonwealth's discredited workplace relations regime.

This reform is about leadership, pure and simple. This state government has refused to put water security in the too-hard basket. We are out there building two dams, three advanced water treatment

plants, a desalination plant and 450 kilometres of pipe to connect them. We will make sure that we have the best possible system to manage those assets and the water that they will deliver to south-east Queensland homes and businesses.