



Speech by

Tim Nicholls

MEMBER FOR CLAYFIELD

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

Mr NICHOLLS (Clayfield—Lib) (2.35 pm): One cannot think about water and not think of some lines—

Water, water, everywhere,
And all the boards did shrink;
Water, water, everywhere,
Nor any drop to drink.

Coleridge's words in *The Rime of the Ancient Mariner* ring true today. And the question Queenslanders have to ask is: who is the 'grey beard loon' that shot the albatross that led to this parlous state of affairs? The answer is the Queensland Labor Party. Goss, Rudd, Beattie, Bligh—it does not matter who the individual was. Collectively the Labor Party has led Queensland down the path to the dire straits of drought in which the people of south-east Queensland find themselves today.

We now have the situation in south-east Queensland where our citizens are being told that they cannot use more than 140 litres per person per day. They cannot water their gardens, they cannot wash their cars, and they cannot clean their houses. In short, they suffer and struggle with water supply conditions similar to Third World countries. There can be no greater condemnation of this Labor government than the fact that in a First World state, in a First World country, during economic boom times, this Labor government has so neglected its responsibilities that we now have a water shortage of such appalling proportions. No amount of excuses—no amount of blaming climate, blaming nature—can relieve the Labor government of its guilt for this failure.

When we look at the legislation it is clear that the state has responsibility for water supply. Section 35(a) of the Water Act says—

The Minister must plan for the allocation and sustainable management of water to meet Queensland's future water requirements, including, for example, for the protection of natural ecosystems and security of supply to water users;

Nothing could be clearer—'the minister must', not 'may', not 'cogitate', not 'mull over', but 'must plan for the allocation and sustainable management of water'. So if we are short of water there is only one person to blame and that is the Labor minister and there is only one government to blame and that is the Labor government. But what do we have in Queensland under Labor? An acceptance of responsibility, an admission of failure, an act of contrition? Any of those? No. What we have is an all-out war on the assets of councils in south-east Queensland and personal denigration of anyone who stands in the way.

We have heard the Premier call one of south-east Queensland's most respected leaders deceitful and a liar. Why? Because he dares disagree with her. And other government members in this place follow suit. It looks like some form of tactic—a political tactic, backing up their Labor mates in town hall—because the lord mayor and others stand up to this Labor government's standover union tactics, their 100 per cent proud union bullying tactics.

But what do some people say about politicians who seek refuge in name calling? What does the Premier—perhaps we should say the precious Premier—say about people who call people names? She

said in Monday's *Courier-Mail*, 'Name calling is the last refuge of those with nothing else to offer the people of Queensland.' There we have it—condemned out of her own mouth. Finally we hear a small kernel of truth from the Labor government. It has nothing else to offer the people of Queensland. What it does do, having nothing else to offer, is pass the buck. As if the councils are at fault for there being no water in the dams. As if councils are responsible for the complete failure to build dams or to provide any other sources of water when that responsibility clearly rests with the state government under section 35 of the Water Act—its own act.

What else does this government do, having nothing else to offer Queenslanders? It connives in the great south-east Queensland water swindle. It covers the swindle with a so-called plan for improving efficiency—a system of arrangements that of themselves will not deliver one extra drop of water. Even this government is not so brazen as to make that claim. How much will all of this cost? No final details of the full cost of the implementation of the great south-east Queensland water asset swindle have ever been provided.

What exactly has gone wrong with the old system? Has anyone not had water come out of their tap? Has anyone not known who to call if there was a problem? Of course not. Everyone knows who is responsible for the water in their area. Everyone knows that if they are in Brisbane they call the Brisbane City Council. They know who to call if there is a problem. They know who to call if there is a break. They know who to call if there is a problem with the colour of the water. There is no mystery to it. There is no supply problem.

Nevertheless, the government—with its bent for managerialism and bureaucracy—forges ahead with its policy. It might work, but 'might' seems a pretty thin reason for taking the risks inherent in this water restructure. The biggest concern for the councils of south-east Queensland about the takeover is getting fair and proper compensation for the value of their assets. The Premier claims they might be worth about \$2 billion. The mayors of south-east Queensland—ably led by the defender of ratepayer rights, the Lord Mayor of Brisbane, Campbell Newman, and supported by other mayors—

Government members interjected.

Mr NICHOLLS: Ably led by that defender of ratepayer rights—

Mr Bombolas: City Hall is a couple of blocks away, mate.

Mr NICHOLLS: Ably led by that defender of ratepayer rights—

Government members interjected.

Mr NICHOLLS: I am sure they are not hearing this, so let me say it once again: ably led by that defender of ratepayer rights, the Lord Mayor of Brisbane, Campbell Newman. Where is Greg Rowell on this? That is what I want to know. Where is Greg Rowell? Where are the Labor councillors on this? Their silence is deafening.

Ms PALASZCZUK: Mr Deputy Speaker, I rise to a point of order. The member is being repetitious. I ask him to come back to the bill.

Mr DEPUTY SPEAKER: Order! There is no point of order.

Mr NICHOLLS: Where is Greg Rowell? Where are the Labor councillors on this? Where are they? One might ask: where was the member for Inala's predecessor on this issue? I will come to that directly.

So the mayors of south-east Queensland—ably led by Campbell Newman and supported by other mayors like Ron Clarke from the Gold Coast and that local government legend John Brent—say they are worth far more. When it comes to financial credibility, I have to say that I, for one, will take the mayors' word as far more realistic than this government's, because we know the government does not have the money to pay for it yet. There is no funding for such an acquisition of the water assets in the budget forward estimates, so of course the government wants the cheapest price possible. In going low—which is never a problem for this government—the government will try to make councils take the unpalatable step of increasing rates to cover the services and obligations that ratepayers expect. We hear numbers bandied around for that increase—like \$250 or \$300—but the government wants the councils to be responsible for that increase in rates. Rather than face up to its responsibilities and admit that its water planning failures have led to this state of affairs, the government wants to shift the blame to councils. It does not want to be responsible.

For decades, councils have invested in water assets for their communities. From dams in Brisbane such as Gold Creek Dam, Enoggera Reservoir and Lake Manchester, and wastewater treatment plants such as Luggage Point, Oxley and Wacol, to treatment plants such as Mount Crosby and East Bank, ratepayers in Brisbane have invested in their assets. The same situation applies to other councils in the south-east. Sure, there have been some government subsidies along the way but nothing near the amount invested by the councils. The returns from those assets, paid for by the ratepayers, have been used as they ought to be—to meet council's costs of providing services and, increasingly, to meet the costs—

Mr Purcell: What about fixing the leaks in the pipes?

Mr NICHOLLS: I take the interjection from the well-heeled driver over there, the member for Bulimba, because when it comes to fixing the leaks in the pipes I can tell him chapter and verse how much the Brisbane City Council spent. We spent \$9 million in 2005-06 because for 10 years Labor in the Brisbane City Council spent less than a million dollars a year to fix the pipes in Brisbane. That is how much was spent. The member for Bulimba wants to take a bit more time—

Mr Purcell: What did you do with the other \$90 million?

Mr NICHOLLS: The member for Bulimba does not know how to stop digging himself a deeper hole. What did we do with the other \$90 million? We spent it laying new pipes and fixing pipes that Labor for the previous 10 years had failed to lay. Under the Soorley and Quinn administrations, each year they would walk in and say, 'We're going to spend \$80 million on new pipes. We're going to fix up the water system,' and how much did they spend? They spent about \$30 million each year. In 2005-06, there was a \$110 million investment by Brisbane City Council in water supply infrastructure. So if the member for Bulimba wants to keep interjecting about the amount we spent in Brisbane, I will take those interjections every day of the week because I know we had to fix the mistakes that Labor left behind after 10 years of neglect. Any aspect he wants to raise, I can take on.

I had the grace to just say that there were subsidies along the way, and I think the former Premier said in this place that there was about \$267 million worth of subsidies to water infrastructure, and some of that came to the Brisbane City Council. There is no doubt about that and I am happy to acknowledge that, but far more was spent by councils over many decades to build their water assets than ever came in through those grants.

The returns from those investments, those assets paid for by the ratepayers, have been used as they ought to have been, and they were supervised by the national competition policy. The returns on those assets were around six or seven per cent and were increasingly used to meet the responsibilities devolved by the state to the councils—like pool-fencing inspections, where the power devolved from the state to the councils but there was no money to go out and do it, and like local laws inspections and EPA requirements. The state has no problem devolving responsibilities, but it has big problems writing out the cheques to fund them. The negative impacts of the water restructure were outlined in the PricewaterhouseCoopers report delivered earlier this year. Quite clearly, the ability of some councils to continue delivering services and programs is imperilled by the state's great water assets swindle.

There are other risks in implementing the proposals put forward in this legislation. The member for Moggill and shadow Treasurer read into the record the risks identified by the PricewaterhouseCoopers report in his quite lengthy and detailed examination of this issue yesterday. He also identified many other concerns about this bill and the transfer of the water assets, including the employment prospects, the drought issues and the technological issues, with the fact that 17 different organisations with their different technological requirements would be brought under the one roof. Those issues have already been covered by a number of speakers.

These are important issues. I have some experience in these matters, as the member for Bulimba has found out to his cost this afternoon. I observed closely the amount the Brisbane City Council invested in water supply and wastewater treatment. I observed the \$23 million—

Mr Purcell: How much you spent on the water.

Mr NICHOLLS: If I were the member for Bulimba, I would be keeping quiet at the moment.

Mr Hopper: We'd be gone if that were us.

Mr Reeves: That is a reflection on the chair. That is disgraceful.

Mr DEPUTY SPEAKER: Order! Member for Mansfield, please.

Mr Reeves: I am defending you, sir.

Mr DEPUTY SPEAKER: Please go on, member for Clayfield.

Mr NICHOLLS: I have some experience in these issues. I observed the \$23 million we spent on the reverse osmosis plant at Luggage Point. I observed the \$10 million we had to spend on Gold Creek Dam repairs, repairs neglected by Labor under Jim Soorley and Tim Quinn. I observed the money we put into flood mitigation. I observed the \$130 million spent on the Brisbane Water Enviro Alliance upgrade of wastewater treatment plants that was contributed to by the state and gratefully received. I observed the millions we spent on grants for water tanks—grants the ALP council had removed entirely from the Brisbane City Council budget in 2004. There was not one brass razoo from them. They are the great climate change believers over there, the great party of looking after the environment, but there was not one cent for water tanks in their budget in 2004 when we picked it up. So of course Michael Caltabiano, the lord mayor and I inserted that straight back into the budget to fix those issues.

I observe the money we spent on the bulk water project at a time when the state government closed its eyes and did nothing to prepare for the water supply crisis. I was there when we put \$9 million into the water leakage programs that Labor had short-changed year in and year out. I was there when we put the first \$20 million into the Brisbane aquifer program.

I was there in 2005 when the former Premier rang the lord mayor to claim that there was no water supply problem. We were not anywhere near an Armageddon scenario requiring the exercise of emergency powers under the Water Act and we would not need to drink recycled water. I was there when he took the call in 2005. It was the Alfred E Neuman response: 'What, me worry?' It is astounding arrogance for this government to claim that councils in south-east Queensland have not done anything to protect our water supply, that councils cannot manage water affairs and that councils should pay for the privilege of having their hard fought-for assets ripped off them for less than the price that properly and fairly compensates them. It was councils who first raised the alarm about the failure of the state Labor government to prepare for the current drought. This follows earlier warnings going back to the 1990s by the coalition about the need for a new water supply.

The Leader of the Opposition and the member for Southern Downs have both relayed the facts surrounding the Labor government's failure to address water supply needs for a growing state. No greater failure has been established than Labor's short-sighted, politically motivated decision to scrap the Wolffdene Dam. The Public Works Committee report into the proposed dam in 1989 reads—

It is acknowledged that the government had a responsibility to forward plan to ensure adequate water resources for future generations and industrial usage. Establishing the need for additional water storage in the referred area was addressed by examining information available on forecasts of population growth in the area, estimated per capita consumption of water—

Government members interjected.

Mr NICHOLLS: If they just listened, they might learn something. I know that the education revolution is coming but it involves some degree of application of intellectual power. On the evidence to date, that is not coming any time soon. If they would just listen, they would learn something. They would understand how it is meant to happen. The report states—

Establishing the need for additional water storage in the referred area was addressed by examining information available on forecasts of population growth in the area, estimated per capita consumption of water, estimated industrial usage requirements for water and by identifying the localities in which population and industrial expansion was most likely to occur. Existing storage capacities were examined and rainfall records consulted.

The Brisbane and Area Water Board's operational area includes the Brisbane City Council, Logan City Council, Redcliffe City Council and Ipswich City Council and the shires of Pine Rivers, Kilcoy, Esk, Laidley, Moreton, Gatton and other parts of Albert and Beaudesert shires. It further states—

As a result of these inquiries the committee decided it had been established that there was a need for additional water storage for the Brisbane and Area Water Board region of operation and for nearby local authority areas.

Labor representatives on that committee, in a breathtaking display of arrogance, disputed all the scientific evidence and buried their heads in the sand in order to organise a preference swap with the Greens. What did they say? What was their prediction? Here it is—

No new dam is needed at this point in time and no dam will be needed in the Brisbane and Area Water Board as far as present population trends can be reliably projected.

Thank goodness for that intelligent decision. What genius! What insight! What a crock! So what happened? We are now in a crisis and councils and ratepayers are going to be ripped off because of Labor's short-sightedness and previous political wheeling and dealing—their grubby political deals. We have heard with sickening monotony members from the other side of this place claim that councils should not play politics with water. What hypocrisy as they are the biggest players when it comes to politics and water. Premier Beattie played politics with the Murray Darling plan put forward earlier this year. Those opposite played politics with wild rivers legislation and they have shamefully played politics with the Wolffdene Dam. Politics, Labor and water policy failure go hand in hand.

The Treasurer has the opportunity today to do the right thing. The water asset restructure may work; it may not. But if it is going to go ahead, as it seems the government is insistent that it should, it is fair to appoint an independent arbiter to come up with a compensation amount that is agreed to using an agreed criteria. I urge the Treasurer to give consideration to the proposal put forward to at least ensure fair compensation for ratepayers who have invested in their assets over the past decades and who do not deserve to be hit with increased rates as a result of this water restructure.

In terms of the Water and Other Legislation Amendment Bill, there is much in that bill to commend it to the House. Other speakers have raised issues in relation to the restrictions on people with bores, and I think we will be debating that later.