



Speech by

Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Wednesday, 13 February 2008

MINISTERIAL STATEMENT

Water Grid

Hon. AP FRASER (Mount Coot-tha—ALP) (Treasurer) (10.10 am): The water grid took another step forward earlier this month with the transfer of SEQWater to the new Queensland Bulk Water Supply Authority. With the finalisation of the compensation arrangements, the next transfer scheduled is Aquagen due by 1 March. The remainder of the bulk water assets will transfer progressively by 1 July this year. The council's compensation package is \$1.9 billion for the 17.8 per cent of the assets the government is acquiring. Collectively, south-east Queensland councils overstate through the Queensland Treasury Corporation more than \$2 billion. The compensation arrangements provided by the state are more than generous.

I acknowledge the support that many mayors across the south-east corner have provided for the final arrangements, particularly for their acknowledgement of the state's concessions during the negotiations. In essence, we have paid more than 80 per cent of the debt south-east Queensland councils owe for 20 per cent of just one class of their assets. Additionally, in relation to the shareholding in South East Queensland Water, the councils are also getting the deal of the century with compensation amounting to around \$360 million, \$200 million of which will go to the Brisbane City Council alone. This is a fair and equitable level of compensation for this asset, particularly when you consider how the councils came to have the significant shareholdings in this asset.

Many members would be aware that eight years ago South East Queensland Water was in fact 100 per cent owned by the state. We gave councils an 80 per cent shareholding in the company and they paid not one red cent for it. Eight years later we are paying them \$360 million to compensate them for their shareholding. It is only the electioneering Lord Mayor of Brisbane who continues to bang on for a special deal for SEQWater. I would say to the Lord Mayor of Brisbane: this is a pretty special deal. Not many Queenslanders who picked up shares for nothing eight years ago would complain that they were being paid hundreds of millions of dollars in compensation eight years later. In essence, the lord mayor has won lotto and now he wants to put the balls back in the barrel and have another crack.

Today I also wish to advise the House not only of the establishment of the Queensland Bulk Water Supply Authority and the Queensland Bulk Water Transport Authority to bring each of the acquired assets together into single entities but also of the appointment of the chairs and directors of the boards. Ms Annabelle Chaplain will chair the Queensland Bulk Water Supply Authority. Ms Chaplain is the perfect fit for the position, being the current chair of SEQWater and a board member for nine years. The other Bulk Water Supply Authority members are Mary Boydell, Tom Fenwick, Lee-anne Bond, and Ian Fraser. The Queensland Bulk Water Transport Authority will be chaired by Steve Roberts. Mr Roberts is the current chair of the Southern Regional Water Pipeline Company and has over two decades of experience in the resources centre. His board will include Catherine Sinclair, Graham Thomsen and John Orange. We have experienced torrential downpours in the past month, but water remains our most precious asset. So these are important appointments for the future of effective water delivery as we confront the unknowns of climate change.