



Speech by

Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Thursday, 28 February 2008

MINISTERIAL STATEMENT

Water Grid

Hon. AP FRASER (Mount Coot-tha—ALP) (Treasurer) (9.59 am): South-east Queensland's water grid is another step closer. On Saturday the government will assume control of another tranche of bulk water assets as we dismantle and streamline the region's water management maze. The transfer of the Caloundra-Maroochy Water Supply Board, which trades as Aquagen, as planned in our original timetable is another step forward. All water assets currently owned by Aquagen along with its 18 employees will be transferred to the Queensland Bulk Water Supply Authority on 1 March.

Aquagen is the major bulk water supplier to the councils of Maroochy and Caloundra, providing treated water from its storage at Baroon Pocket Dam and water treatment plants at Landers Shoot. Lake Baroon is one of south-east Queensland's most important water assets. It is the largest water supply dam on the Sunshine Coast with a capacity of 61,000 megalitres and supplies the Landers Shoot Water Treatment Plant via a 2.5-kilometre tunnel through the Blackall Range.

This will represent the second bulk water business to be transferred from councils to the state as part of the south-east Queensland urban water reforms announced by the government in March last year. This transfer of assets and staff follows the successful transfer of shares in South East Queensland Water Corporation to the Queensland Bulk Water Supply Authority on 1 February this year.

The compensation to be paid to Aquagen for its assets will exceed \$110 million. The compensation will be paid to Aquagen to pay out its outstanding Queensland Treasury Corporation debt. The surplus will go toward paying out and down Caloundra and Maroochy shire councils' debt. Ratepayers across these shires will benefit from these compensation arrangements.

The Queensland Bulk Water Supply Authority will also take over responsibility for the construction of the new Ewen Maddock Water Treatment Plant. This transaction represents a key marker along the path of the abolition of the confusing labyrinth of water management that characterised the south-east Queensland region. It is the beginning of a new system which guarantees more efficient management and supply of our most precious resource.