



Speech by
Mike Horan

MEMBER FOR TOOWOOMBA SOUTH

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SOUTH-EAST QUEENSLAND (DISTRIBUTION AND RETAIL RESTRUCTURING) AND NATURAL RESOURCES PROVISIONS BILL

Mr HORAN (Toowoomba South—LNP) (10.17 pm): The bill we are debating tonight is another piece of legislation that has been introduced into this House regarding water reform, particularly in South-East Queensland. It puts in place the three entities for distribution and retail as per the suggestion of the councils of South-East Queensland, who originally had their water resources ripped away from them by the Beattie government.

The whole saga of water in South-East Queensland typifies the incompetence, the waste and the fiasco of the Beattie-Bligh government. Let us go back a bit further. It was the scrapping of the Wolffdene Dam under Wayne Goss that set the stage for many of the problems South-East Queensland faces now. This site had a higher rainfall area—the No. 1 priority for a dam is to have some rain fall there—and, secondly, this site had some depth to it so that the water would be deep and cool, and it was scrapped. As a consequence, when the Beattie government came to power and the polls showed that, as a result of the drought, the shortening supply of water and the fact that Beattie had done nothing about dams and had no vision or planning for the future, he panicked. He jumped in a helicopter one day, flew up the Mary Valley and said, 'That's where we're going to build a dam,' because he knew it would create controversy. He knew it was about No. 9 on the list for sensible solutions for water. But in the typical way he used to operate, all Mr Beattie wanted was to stage a stunt and cause some controversy.

He was not worried about the seat of Gympie or the good people of Gympie or the Mary Valley. He picked a site that he knew would create some controversy and he knew it would flood some of the best farming land in Queensland, if not Australia. It is close enough to Brisbane to supply milk, pineapples, corn, small crops and all the things that come out of that beautiful agricultural area. He knew that it would create controversy, and that is all he wanted. He wanted to be able to say, 'I am the dam builder. They don't want me to build dams, but I'm going to build dams.'

It was panic politics. It showed no planning and as a result good people have suffered. He has picked a site that is flat and level. He has picked a site that has a sandy loam type of soil structure. I had a dairy farm there. Our old house has been taken away. The people who bought the place have had to sell. When that area flooded, the water was shallow and sank through the loamy soil. It was some of the best dairy country in Queensland. So what a tragedy to see that go.

From there, we have come to this whole concept of the water grid throughout South-East Queensland and its interconnections between different areas. I think that is a sound idea. It was done late. It was done in panic, but it does make sense to transfer water from one area where there may be a dam at 80 per cent or 90 per cent capacity to another area. But you have to make sure that those people who had those facilities through the auspices of their council are looked after and are not denied water and that when they are in times of low supply then water can come from other areas.

As part of this water grid and as part of the restructuring that took place to establish these entities, one of the facets of the water grid was the western corridor recycled water pipeline. Members in here talk a lot about the \$85 billion of debt that the government is facing. We all know that about \$60 billion or more of

that came during the boom years. It was a government that went bust in the boom, as we say. If anything typifies the panic that happened and the absolute waste of hundreds or thousands of millions of dollars of hard-earned taxpayers' money, it was this western corridor recycled water pipeline.

We had the fox in charge of the chicken coop—Anna Bligh was the Treasurer and the infrastructure minister. She said that they were going to build this pipeline by December come what may. There was no power in the government. She just kept saying, 'We will build it by December.' It was the El Dorado of goldmines for anyone who wanted to get a contract on that pipeline. We have heard tonight that the cost of that pipeline as part of this water grid blew out by \$1,000 million approximately, from \$1.5 billion to \$2.5 billion. The price of gravel there compared to the price of gravel in Toowoomba, the price of taking trees out, the price of buying easements—all of it was absolute wanton waste. If anything should have been examined by the Public Works Committee of this parliament, it should have been that. That is an example of a cool \$1,000 million wasted.

The pipeline lies there virtually idle now. The shadow minister quoted the figures. I think only 17,000 megalitres of water is used, apart from the water that goes to Tarong. Tarong is also connected to Wivenhoe via a pipeline that was put in during the Borbidge government and is also connected to Boondooma Dam at Proston. Then there is the spending on the treatment plants—there have been breakouts of pipes, breakdowns of valves and various joins, spillages into creeks and all the rest of it. This is all for treated recycled sewage that no-one wants to drink anyway. So the pipeline is just sitting there lying idle, apart from that small amount of water going through it, at a total cost of \$2.5 billion—a massive overspend on the original price and that is typical. That is just one example of how we have gone into massive debt and just one example of the wastage, the overspend, the panic, the lack of proper planning and just the pure politics of putting in some of this infrastructure that is never going to be properly used to its full extent.

It is as a result of overspends like that that we have this \$87 billion debt, and people have to pay for it. Much of the discussion tonight has been about what people are going to pay for water. I can tell the House what people are going to pay in Toowoomba. I know there are different circumstances there and I will get to those. In Toowoomba we are going to be hooked into this grid. We are going to be hooked into Wivenhoe Dam to bring water from Wivenhoe to Cressbrook. The access fee of \$320 a year for each household is going to double to \$640. The price per kilolitre of water is going to jump from 80c to \$1.55, and that will probably go up more once these entities we are debating here tonight come into place because there is no finality to what the actual arrangements will be and what the price of water will be. So people in Toowoomba are going to face some massive increases.

We have heard from the shadow minister that the price of water from 2007 to 2013 is going to increase by 300 per cent under this particular arrangement we are debating and putting in place here tonight. That is a massive increase. The working-class people and people on fixed incomes, such as pensioners and self-funded retirees, cannot afford these massive increases. Petrol is up by 10c a litre. Water will go up by 300 per cent as a result of the structures that we are putting in place now. Electricity has gone up by 45 per cent over the last couple of years. Gas went up in Toowoomba by 350 per cent when they sold off the state gas arm. We have the dearest rego in Australia; we used to have the cheapest rego. Stamp duty is up. Many people will be paying 90 per cent to 100 per cent more land tax in just two years time and cannot get out of that because they are in five by five leases—and on and on it goes. The working-class people cannot afford these massive increases. The minister thinks it is a joke. They might be able to afford three or four per cent but they cannot afford these massive increases. The 10 per cent tax on petrol is putting the price of everything up because everything you buy comes by truck. It gets to the supermarket by truck. Everything comes by truck so everything goes up because of the 10c tax.

Toowoomba is being hooked into the grid by a pipeline from Wivenhoe to Cressbrook. The cost of that is \$187 million. The Toowoomba Regional Council—that is, the ratepayers of the council—will have to pay \$112 million of that total amount and the government is paying the balance of 40 per cent. Who is paying for all the pipelines throughout South-East Queensland? Why does Toowoomba have to pay \$112 million to get a drink of water when everyone else throughout South-East Queensland gets these things—

Mr Robertson: Because you voted against recycled water. That's why.

Mr HORAN: You would like to drink treated sewage, would you, and bring your kids up on it?

Mr DEPUTY SPEAKER: Order! Member for Toowoomba South. Order! Minister. Comments will come through the chair.

Mr HORAN: Not only does Toowoomba have to pay \$112 million of the \$187 million while people throughout South-East Queensland are getting these grids and connections and dams and everything else to help them, but because this government is broke it has removed the \$6 million a year in normal grants and subsidies that have been going to the Toowoomba Regional Council or the former eight councils for years and years. It was announced in this year's budget that it would be withdrawn. I think there was a time span of one or two years. But it has been taken out already because the government is broke. That

\$6 million would have paid the interest on the \$112 million that the Toowoomba council has to pay. Now that \$6 million has gone and they have this debt of \$112 million that they will have to pay but still with no guarantee of what the price of water will be when it comes out of the pipeline some time early next year. Once again, the people of Toowoomba are having to pay not only for the capital works but also for the increased price of water that they use.

It is absolutely frightening to hear the data quoted by our shadow minister about the 300 per cent increase that is predicted in the cost of water due to this convoluted system of organisations and institutions involved with the dams, with the transporting of the water, with the retailing and with all the different systems that will be there—all taking their take, and no doubt the government will make sure that it gets its take. It has to get its take, because it has \$85 billion of debt. It has a massive interest bill to pay every year. It has 50 years or more of paying off a debt like that, if in fact that debt will ever be paid off in the lifetime of members in this parliament or the children of members in this parliament or the grandchildren of members in this parliament. This state will be saddled with that massive debt forever and a day.

I also wanted to refer to the cost of the pipeline from Wivenhoe Dam to Cressbrook. I want to compare it with the cost of the Gladstone-Fitzroy pipeline project. That Central Queensland project is costing \$345 million for 115 kilometres of pipeline, three pump stations and a capacity of 30 gigalitres. The Toowoomba water pipeline from Wivenhoe to Cressbrook is costing \$187 million—over half of the Gladstone-Fitzroy pipeline—it is only 38 kilometres, which is one-third the distance, and it only has one pump station and only has a capacity of 14,200 megalitres.

I know there is a difference in the fact that the water from Wivenhoe to Cressbrook has to be lifted. There is some lift.

Mr Hinchliffe: You haven't noticed your lift and you live on a tableland.

Mr HORAN: I know it has got lift—and I am coming to that—but it only has one pump station. It is not a big lift like the lift from Cressbrook to Toowoomba, because that has three pump stations and from memory each station has two 600-horsepower motors. So there are three massive pump stations to lift it from Cressbrook up to Toowoomba which the Toowoomba council built years and years ago.

The lift from Wivenhoe to Cressbrook is nowhere near that. When you look at the volume of 14,000 megalitres and the capacity of the pipe compared to the size and diameter of the pipe that would be required for 30 gigalitres for the Fitzroy to Gladstone pipeline and the fact that it has three pump stations and it is three times the distance, you really have to query those prices. This is another example of the sorts of costs that the people of Toowoomba have got to bear and the sort of oversight that this government applies to some of its projects.

Our shadow minister has advised that we will support this bill because the councils have put forward this proposal for the retail section of the system. It was an absolute dog's breakfast that was thought up by this government. Fortunately, the councils have brought some sensibility to this convoluted and complex system and we will support this system because of the improvement they have brought to the system.

The whole issue of water in South-East Queensland has been a sorry saga of mismanagement, incompetence and crass, crazy, panic politics. We have seen incompetence from the Beattie and Bligh governments, particularly the period when Anna Bligh was the Minister for Infrastructure and Treasurer of the state. That was the time when everything in this state went wrong, when we had cost blow-outs and we started to accumulate this debt. That is the legacy of Anna Bligh in that portfolio, and it continued when she became Premier.

We have seen incompetence which is unrivalled in the history of this state. We have seen debt which is unrivalled in the history of this state. The government has left a debt for the people. The government's debt is the people's debt, and the people are going to be paying it. They will be paying it for their water, with massive increases in the cost of water the likes of which have never been seen before in this state. We have had no forward planning. Everything has been a panic. It was rushed: 'Put it in. Tender by invoice, do it and pay. Don't worry about it. Do it by Christmas. It has to get done.' The cost was \$20,000 for an easement in one spot and \$250,000 for another easement. On and on it went. It has been gross, wanton waste of the hard-earned money from the hip pockets of Queenslanders. The government has gone in and wasted the taxpayers' money like we have never ever seen before, and now we have to pay the piper. It will all have to be paid.

The water legacy of this government is one of the most shameful episodes that has been seen in this state. It is about to bring this state to its knees in terms of the debt levels and the interest that will have to be repaid by generations of young Queenslanders. They will be saddled with this debt forever and a day. The Queensland people should never, ever forget this, and they will not forget it because they will be reminded of it every time they get a water bill. It is just like they will never forget what the government has done to the price of petrol, because every time they go to a petrol station and look at the price they will think, 'Under decent, good government—like we used to have in Queensland—this fuel would have been 10c a litre cheaper.'