




Speech by

Dr Bruce Flegg

MEMBER FOR MOGGILL

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

 **Dr FLEGG** (Moggill—LNP) (2.36 pm): What we are doing here today with this bill is reversing what we did just two years ago at a huge cost to firstly create this entity and now to dissolve it. It is another example of a wasteful Labor debacle when it comes to administering the assets owned in the public sector in Queensland. Allconnex was established on 1 July 2010—just 18 months ago. If one looks at its website under ‘Publications’, one of the first documents that one sees is its five-year forward plan. Some 18 months after its creation, we are now seeing it essentially devolved back to the structure we had previously. This will occur as of 1 July 2012. Along with the shared services initiative and the Health payroll, this is another example of pathetic administration in relation to the valuable assets that Queenslanders pay for through their rates, their water bills, their state taxes, their GST and so forth. It is a debacle.

On 13 November 2007 I gave a speech in this place alerting members to the risks of the reorganisation of the structure of water delivery during the drought at that time and the potential impact that that ill-timed, ill-thought-out and underprepared decision could have on Queenslanders. I quoted at great length in that speech from a report the government had prepared by PricewaterhouseCoopers in relation to the risks Queensland faced by that reorganisation of our administrative processes for water. Those risks that I spoke about on that occasion included things such as disruption of the operation of water assets, the risks to human capital of the constant changes and pressures of these enormous reorganisation tasks that staff were confronted with, the risks to customer service and customer management and the management of customer accounts, and the particular risk that the new arrangements may not be as efficient or as effective as what existed previously. In relation to that PricewaterhouseCoopers report I said—

Page 144 details at length the risk that parts of this setup may be unacceptable to the public and further changes may be dictated by that.

It is not all that much later that we are standing here making those further changes that this government was warned about just those short few years ago. In that same speech I went on to say—

The report states—

‘The key risk from a human capital perspective is that of culture loss.’

I went on to say—

Certainly there is plenty of precedent where smaller organisations have merged into large conglomerates and have lost their customer focus. That is a detailed list of the risks that the government is taking in executing this massive reorganisation of water assets in the state.

In that same speech I expressed at some length concerns about the unfettered powers given to the minister to appoint boards to interfere in the gearing, in the dividends required and so forth from these water structures that were created. On that occasion I attacked the government for having no detail of the cost of the reorganisation and of creating these new water structures. We never did see the cost, nor did we ever see a business case that made out what the benefits and synergies would be by raiding these council assets and creating these new businesses. There were not any synergies and the government was not even prepared to try to pretend that there was any benefit to people. It was not prepared to even lay on

the table of this parliament a business case that said that Queenslanders would be better off because of that massive reorganisation.

On that occasion there was no impact statement of what effect that reorganisation would have on the cost of water. Not one speaker from the government side was even able to say whether it would make water more expensive or less expensive. What a way to run a multibillion dollar water business! There was no idea of the business implications for the cost or the delivery of water. Of course, today we are dealing with the consequences of that failed experiment.

There are some things that there is no doubt about. There is no doubt about who paid the cost for that massive restructure. It was Queenslanders—ratepayers, people who pay water bills, people who pay other state taxes. There is no doubt at all who paid. Equally, there is no doubt about who will pay again, because this is a costly exercise. It is wasting more money to fix what we wasted money on earlier—just two years ago. This legislation is just another example of the appalling level of administration of public assets and, above all, the waste that Queenslanders are constantly being forced to pay and pay again to fix.

In a speech in this House on 4 June 2009 on the Water and Another Act Amendment Bill I posed the question—

Any Queenslander who has had a look at water policy would be entitled to ask ... what have we gained?

I said that in June 2009. Sadly for Queenslanders, that question is being answered today. We gained nothing and we are going back to what we had before. I also said on 4 June 2009—

But one thing is for sure: this reorganisation was a total farce that was done for political reasons and achieved absolutely nothing for the residents of South-East Queensland.

I would never be prepared to say, 'I told you so,' but it was evident in those debates and by the fact that the government could never tell us the business advantages—the costs, the effect that those costs were going to have on water—that this was, in fact, a politically motivated farce. Now, Queenslanders are paying the price for another bungle, with more money to unravel it and to go back to where they were in the first place.