



Speech by


**Christine Smith**

**MEMBER FOR BURLEIGH**

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

 **Mrs SMITH** (Burleigh—ALP) (4.05 pm): In 2004 when Queensland was entering the worst drought in over a century, local governments had control of planning, building and maintaining water infrastructure. It seems to have been forgotten that at that time the Gold Coast was running short of water and there was no way to supplement our supply from other water storage facilities. In 2006 when the Gold Coast had an abundance of water, Brisbane's supplies were dropping daily and there was no water grid to move water around the region. While local governments had been making revenue from water for years they had failed to reinvest that revenue in infrastructure. Not one major dam or new water storage facility had been constructed by local government in more than 20 years.

It became clear that we needed a plan to secure water for those who live in South-East Queensland. The government's plan was to make sure that the community would never again have to worry about running out of water. This meant building infrastructure, including the Tugun desalination plant, and a network of pipes between Brisbane, the Gold Coast and the Sunshine Coast, that can move water across the region daily. At a cost of \$7 billion this massive investment secures the future of the region and the lifestyle of the citizens. The member for Mermaid Beach referred to a lump of money paid to the Gold Coast City Council. That lump of money was in excess of half a billion dollars. Half a billion dollars was paid to the Gold Coast City Council. It was enough to retire the council's debt which I would say now is even higher than ever. It is no secret that the Tugun desalination plant is on hot standby. While in 2004 we were dangerously short of water, these past two summers have seen extreme weather events and an inundation of water. There is no doubt that weather patterns can change and when the dry returns the desalination plant and the water grid will prove their worth. We did use the desalination plant during the flood to provide Brisbane with clean water.

The South-East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Bill allows council to re-establish a water business within direct council operations. During consultation one of the issues raised was the inclusion of councillors on the board of their distributor-retailer. Councils favour councillor representation as they can bring a high level of local knowledge to the attention of other board members, but it is not a mandatory provision.

Councillors will be subject to the same duties as other independent board members. The minimum number of members of a board will be five and the board must also have at least three independent members. Councillors will not be permitted to be chairperson of the board of their distributor-retailer. This will allow a councillor to bring their council experience and community issues direct to the board. Councils would have more immediate access to and involvement in the distributor-retailer's strategic decision making and a better understanding of its day-to-day operational issues. However, if the participation agreement does not provide otherwise, the default position is that a councillor member can only be appointed and serve on the board for a four-year term.

Gold Coast residents were shocked when they received their water bills from the newly established Allconnex. While 25 per cent of the bill was for bulk water charged by the state government, 75 per cent

was charged by Allconnex, a company 62 per cent owned by the Gold Coast City Council. While the state government is responsible for bulk water charges, the Gold Coast City Council is responsible for wastewater, service charges and water use charges and those are itemised on the bills. I urge residents to add up the separate components and see that the return to the Gold Coast City Council is very lucrative.

Following a strong campaign from Gold Coast residents who demanded that Allconnex be disbanded and control of water be returned to the council, we now see this South-East Queensland water bill being introduced. This legislation will formalise the decision to disband Allconnex and allow councils to take back their water businesses. I commend the bill to the House.