



Speech by

## Fiona Simpson

MEMBER FOR MAROOCHYDORE

Hansard Tuesday, 14 February 2012

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

**Ms SIMPSON** (Maroochydore—LNP) (4.34 pm): I rise to speak on the South East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Bill 2011. This is a bill of divorce for a forced marriage no-one really wanted when you consider that there was no proper consultation with councils or consideration of their original concerns. Those concerns continued with a state government that misled people about councils' ability to influence the outcome in respect of the retail entities and the pricing that their constituents were facing. So we have seen a situation recently where the Gold Coast have sought to withdraw from their retail arrangement and the flow-on impacts that that has for those who remain.

But at the heart of this issue is the serial bungling by a Labor government, which is unable to plan and unable to deliver in a cost-effective way, that has created this mess in Queensland that has resulted in outrageously high water bills. It is directly related to the incompetence of this Labor government and this Labor Premier, who as Treasurer and infrastructure minister presided over some of the worst decisions in relation to implementing water infrastructure in this state. That flowed through into high bulk water costs and ultimately what we have seen with this government's approach to the retail of water.

The water grid is one of the greatest legacies of debt that this government could lumber Queensland with. The majority of that \$7 billion in infrastructure never had a business case—never had a business case. The government had the opportunity to do its figures. It did not bother because it thought it could palm off the costs on ordinary Queenslanders, and ordinary Queenslanders today are paying the price. They are paying through the nose with high water bills because of what this government did. We see the rusty desal plant on the Gold Coast. We see the recycled water pipeline which cost more than \$900 million than anticipated. We see a dam with no pipeline and a pipeline with no real dam at the other end. What it all adds up to is one thing: this government will not take responsibility for decisions which are directly impacting upon my constituents and upon all other constituents in South-East Queensland with high water costs when they are already hurting with the other high cost-of-living impacts caused by this government's mismanagement. The bulk water prices in Queensland are a direct result of the incompetence of Labor and this Labor Premier.

The legislation that we see before us is an attempt to create certainty in the wake of the mess of the retail situation because this Labor government simply did not listen to the local councils and to their constituents. The policy objectives that are stated in the explanatory notes are to enable the withdrawal of a council water business from its South-East Queensland distributor-retailer and re-establishment of the water business within direct council operations; to apply certain requirements of the South East Queensland Water (Distribution and Retail Restructuring) Act 2009 to these specific council water businesses; to apply additional requirements to the continuing SEQ distributor-retailers to provide greater clarity for councils' pricing and decision-making role with respect to their distributor-retailers; to provide that the Queensland Competition Authority will have a price monitoring/oversight role of the new council water businesses; and to make other minor consequential amendments.

As we have noted, this legislation establishes council specific water businesses for Gold Coast City Council, Logan City Council and Redland City Council; enables the transfer of the assets, liabilities and employees from Allconnex to these council water businesses by 1 July 2012; requires Gold Coast City Council to pay the consequential costs of Logan and Redland city councils to re-establish their water businesses, including portions of Allconnex costs; approves a workforce framework to transfer employees from Allconnex to councils; as well as ensures some council representation on the boards of their distributor-retailers.

There are still other legacy issues which will not be addressed by this legislation. As we have alluded to, if this government had listened to us in respect of the LNP plan, that would have gone a long way towards addressing the concerns of Queenslanders. We have a plan that is about reducing the cost impact Queenslanders are currently facing. We cannot undo the mess of failed infrastructure that this government has foisted on people, but our plan does address the fact that there are costs that cannot be borne by people in full through their water bills.

Our water plan is to amalgamate the four bulk water entities into one entity to reduce the cost of supplying water; to hand back control of water distribution and retailing to councils, who previously did a far better job of managing water resources than the Bligh Labor government—there is no debate about that amongst people who understand the water industry; to write off non-performing water grid assets to reduce sharp price rises; and to adopt a 40-year price path to repay the Bligh Labor government's \$7 billion water grid debt over the economic life of the assets which will also reduce the cost of water.

There are legacy issues from some of the other mistakes arising out of this government's poor planning, such as the potential for a desal plant at Marcoola that they originally had located smack-bang in the middle of the east-west runway which formed part of the airport upgrade. This government cannot do anything right. Their planning is so bad that they could not even work out that the desal plant was to be smack-bang in the middle of the proposed new runway! So they shuffled it off a little bit to the side and tried to massage around the edges and say that they had done the planning, but we know that it actually does not meet the criteria. It is another example of the poor way in which this government carries out its business.

It is time for a change in Queensland that will see a cut to people's cost of living. It is time to get rid of those who made the decisions that have caused so much pain for ordinary Queenslanders. It is time for people to take their water bills to the ballot box—to never forget the legacy of debt, high cost of living and failed infrastructure delivery. Some of these projects will go down in Queensland's history as the best examples of how not to deliver infrastructure. It is a shame, as this great state used to be able to deliver infrastructure cost-effectively. But now this state government is hell-bent on saying that it wasn't them and trying to handball the blame to somebody else. But poor old ordinary Queenslanders—mums and dads—are being hit in the hip-pocket every time they pay their water bills. I endorse the plan we have put forward. We concede that this bill is not ideal but is about certainty for those who have been left with the shambolic mess that this government seems continually able to roll out.