



Speech by

**Liz Cunningham**

**MEMBER FOR GLADSTONE**

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

**Mrs CUNNINGHAM** (Gladstone—Ind) (3.20 pm): I rise to support the South East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Bill 2011. Previous speakers have said very clearly that this is a bill that winds back the clock, and it does. Two years ago we saw the formation of Allconnex Water and today we see it being dismantled and a return to the previous structure or at least as close an approximation as can be achieved.

Local councils across Queensland, I believe, are a very responsible group of people. They operate locally. They have a local focus and they have in the main a good connection to their community. Two years ago we saw these councils in the south-east corner treated quite disrespectfully in the way that their water business was removed from them. We were told all sorts of stories about the pricing policy of these councils and yet, from what I have been able to ascertain in the time since, those same residents have had to face significant increases in their water charges and therefore in their cost of living.

It is also difficult for consumers to pay exorbitant water costs when they have been subjected to significant inundation. It makes it even more difficult on an emotional level, let alone a psychological level, to be able to understand and accept the high charges for some projects, like the South-East Queensland water grid, that have been appalling failures.

**Mr Wendt:** Failures?

**Mrs CUNNINGHAM:** The water grid. This bill, I think, re-establishes a small amount of respect but it is, I think, respect that has been drawn out from government for these councils. The Gold Coast City Council has shown a very strong desire to take their water business back. In the last few years we have seen a lot of disrespect for local government. In fact I heard Paul Bell being interviewed on the radio just recently when the election date was changed. Paul Bell, I think unashamedly, has been a Labor supporter. I have never had a problem understanding that in his manner and in his conversation over all the years that he has been in local government. But his words on the radio were—and this was to do with the election—that this was ‘yet another broken promise to add to the wheelbarrow of broken promises from this Labor government’. I never thought I would hear Paul say that. This bill at least gives some recognition back to local government and the fine job they do in administering services for the local community.

There is an issue that I would like clarification on. In the minister’s second reading speech he says—  
Those councils are duly elected and charged with representing the interests of their communities.

And I believe local councils throughout Queensland would like that recognition to transfer to other issues. He goes on to say—

Therefore, the state government accepts the decisions of those three councils. Now it is time to get on with the job, to provide some certainty to the residents of those communities, which brings us to the introduction of this bill.

He goes on to say—

... more so the Gold Coast City Council, which is required to pay the consequential costs of Logan and Redland city councils to also withdraw from Allconnex.

I understand from all of that that the state government created Allconnex. The state government has accepted that these councils are aggrieved by the cost structure and other issues in relation to Allconnex and that they have mounted a sufficiently compelling case to withdraw from Allconnex, but in order to withdraw they have to pay the cost even though the establishment of Allconnex was not of their making. I think councils across Queensland are smarting on a regular basis with the ideas of state government—that is, not just this state Labor government but state governments—about how they can better manage local government provided local government carries the financial can.

The other issue is that I wish to alert the new entities—which will be the Gold Coast City Council, the Redland City Council and Logan City Council—that the bill requires that the QCA have a price monitoring oversight role of the new council water business. I remember when the QCA was established that the debate in this chamber was interesting. The ACCC had been formed and the QCA was to be formed to protect 'the interests of Queenslanders' in relation to competition in Queensland. The ACCC had made some decisions at that time which had raised some debate in the community. Certainly I had some concerns about the QCA being established and was told that without the QCA or a Queensland based competition authority all competition would be assessed by the ACCC and it would be assessed on a national basis rather than on what was good for the state of Queensland internally. The QCA was subsequently established to protect the interests of consumers in Queensland in relation to appropriate competition structures and constraints.

The QCA oversees the water pricing policy of the Gladstone Area Water Board and in many instances in more detail than other water entities. They have certainly had more reviews than other water entities. The QCA reviewed the water pricing policy of GAWB in my electorate and recommended that the water price be increased in some areas to the cost of reticulation, and the main area that copped it was Mount Larcom. They were looking at a 700 per cent increase in the water price and that was at the recommendation of the QCA. So there needs to be some responsibility on the part of the QCA to act to protect the interests of the consumer as well as to operate and regulate in the way that their terms of reference outline. Their primary purpose when they were established was to protect the rights of consumers where monopolies, particularly government monopolies, were exercising power. To those three councils that are re-establishing their water business I say: just watch what the QCA does in terms of the practical pricing of water to your consumers.

Once again I believe the decisions of this government have been detrimental to those three councils and to the residents in those council areas. I welcome the at least acknowledgement by the state government that these councils have produced and created an argument that has been compelling enough to deconstruct Allconnex for those council areas. I wish the councillors well. I wish the councils well, and I certainly hope that the consumers—the residents, the people who have to pay the bill at the end of the day—benefit from this change.