




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

Record of Proceedings, 3 April 2014

MINISTERIAL STATEMENT

Labor Government, Water Infrastructure Costs

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.41 am): As Labor's \$80 billion black cloud of debt rains down on Queensland and dampens our efforts to fund future infrastructure, we should look at some of the reckless spending that left this state with a debt problem. There is no finer example of the ill-considered, poorly planned spending that Labor engaged in than the South East Queensland Water Grid. Let us remember that back in 2005-06, before Peter Beattie told us we would have to desalinate or die, the government borrowed only around a third of the funds needed to fund the state's capital projects. But by the time Queenslanders had said 'Enough' at the 2012 election, Labor was borrowing almost 100 per cent of its capital funding.

The water grid and its associated projects helped Labor plunge the state into years of deficit budgets, starting with a relatively small deficit in 2006-07 but quickly growing into billions in subsequent years. What were they funding with their extravagant borrowing? Just for a start they needed \$9 billion to pour into the water grid. Two elements of the project—the Tugun desalination plant costing \$1.2 billion and the \$2.6 billion Western Corridor Recycled Water Scheme—were and are spectacular failures. The desalination plant started rusting and cracking from the day it opened and the cost blow-outs on the western corridor were spectacular. The Deputy Premier has already highlighted some of those—the 'do and charge' mentality, the stories of gravel being laid on one side of the road and a new shipment being put on the other side of the road simply to get the job done.

Mr Johnson: Payment by invoice.

Mr NICHOLLS: Payment by invoice—exactly, member for Gregory. They were legendary. In fact I think most of the Toyotas that are now being driven on the roads between the Lockyer Valley and Chinchilla were paid for by the western corridor grid because everyone who could was going down to Black Toyota to get themselves a white truck, if I recall correctly.

Labor simply does not understand value for money. There was no careful, methodical financial planning when those opposite were in government—just a rush to dive into more debt so they could throw money around and look like they were dealing with the problem. It is all too clear that the money was soaked up—just like the water leaking from the desalination plant—and all Queenslanders have to show for it today is a massive debt bill and huge costs just to keep these white elephants afloat.

The Tugun desalination plant and the recycled water plant have left Queenslanders with an extra interest bill of \$150 million a year—and that is just for those two projects. We know that, in all, Labor's cash splash has left Queenslanders with an interest bill approaching \$4 billion a year. That is money that cannot be put into the roads, the rail, the hospitals and the schools that our growing state needs. This government is determined to ensure that we can fund the infrastructure and services for the future. That is why it is essential that we act now to reduce the debt and free up the funds we will need to build a secure and prosperous Queensland—a great state with great opportunity.