




Speech By
Shane King

MEMBER FOR KALLANGUR

Record of Proceedings, 17 March 2016

UTILITIES, SCIENCE AND INNOVATION COMMITTEE

Report, Motion to Take Note

 **Mr KING** (Kallangur—ALP) (11.48 am): I move—

That the House take note of the Utilities, Science and Innovation Committee report No. 9, *Inquiry into Auditor-General report to parliament 14: 2012-13—Maintenance of water infrastructure assets*, tabled on 3 December 2015.

One of the first orders of business of the Utilities, Science and Innovation Committee was to look into the Auditor-General's report on the maintenance of water infrastructure assets. The committee requested a private briefing from the Queensland Audit Office which was held on 20 May 2015. Following the briefing, the committee requested an update from Seqwater on progress in relation to the implementation of the recommendations made in the Auditor-General's report. This was provided to our committee on 8 July 2015. The committee noted that Seqwater has implemented the recommendations made in the Auditor-General's report.

We also undertook a site visit to Seqwater's manufactured water assets. The site visit, which included a briefing from Seqwater, was conducted on 29 June 2015. After the visit to the Gold Coast desalination plant, I have to say: rust—what rust? After all the stories I heard from those opposite and the media about this rusting piece of plant, I did not find what I expected. There was no rust. I was informed on the day we visited that some couplings and bolts which were installed during construction were the wrong grade and were repaired under the defect liability process, and that is where the rust myth was perpetuated. What we saw was a well-built, well-maintained piece of infrastructure which will more than likely be required to meet peak demand for water on the Gold Coast from 2020. In fact, the Gold Coast desalination plant now runs in a hot stand-by mode so that it can be brought back online for rapid response as it may be needed during flood events to help provide clean water.

I was pleased to note that one of our committee members, the member for Southport, was a staunch supporter of this piece of infrastructure, and I commend him on his support. In essence, we noted that the decision to develop manufactured water assets was an appropriate response to the severe drought circumstances at the time and they have provided water security. The recommendations were that Seqwater expand baseline data on operating and maintenance costs for benchmark reporting, enhance performance measures and investigate opportunities to reduce ongoing costs for the desalination plant and the recycled water plant.

The evidence presented during the committee's inquiry has provided sufficient reassurance for the committee to conclude that the issues raised by the Auditor-General in the report have been significantly ameliorated since 2013. As I have stated, the desalination plant now operates in hot stand-by mode which has generated savings of 15 per cent against 2011-12 actual costs. The recycled water plant has been decommissioned and is currently in care and maintenance mode, which has reduced operating costs by more than 60 per cent compared to 2011-12 actual costs.

Seqwater continues to review options to reduce operating and capital costs of the bulk water system as part of an overall operational efficiency focus designed to put further downward pressure on bulk water prices. Water security for South-East Queensland is assured as the desalination plant can gear up to 33 per cent capacity within 24 hours and 100 per cent within 72 hours. The recycled water plant can be recommissioned if the combined level of key water grid storage falls to 40 per cent. Seqwater has advised that as of June 2015 it has implemented all the recommendations made by the Queensland Audit Office in its 2013 report.

As I usually do, I would like to thank committee members Don Brown, Chris Whiting, Rob Molhoek, Dale Last and Jason Costigan and our hardworking secretariat, Kate, Rachelle, Lisa and Julie.

Mr Rickuss interjected.

Mr KING: I take that interjection from the member for Lockyer, who did turn up at the western corridor recycling plant where I was able to inform him there was no rust at the desalination plant. He was quite happy to hear that and will never talk about rust again as far as the desalination plant is concerned. Having thanked the committee members and the secretariat, I commend the report to the House.