




Speech By
Rob Molhoek

MEMBER FOR SOUTHPORT

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**PUBLIC WORKS AND UTILITIES COMMITTEE: REPORT, MOTION TO TAKE
NOTE**

 **Mr MOLHOEK** (Southport—LNP) (12.17 pm): I rise to also speak to report No. 40 from the Public Works and Utilities Committee in reference to the Auditor-General's report to parliament No. 7 for 2016-17 on water in 2015-16 and the results of financial audits. This report highlights the fact that the figures reported by the various water entities were accurate. However, it does not accurately portray what an absolute mess Labor has made of our water assets and our borrowings across the state of Queensland.

As the member for Kallangur rightly pointed out, as a councillor with the Gold Coast City Council I was a supporter of the desalination plant at the height of the drought. The first proposal council had was to build a small desalination plant for emergency water backup at a cost of about \$300 million. Then suddenly there was a looming election and the state government was in a panic because they had no answers to solve the water problems of South-East Queensland. A letter arrived from Peter Beattie's office, telling the Gold Coast City Council that they will take over the control of the desalination plant and reimburse the Gold Coast council for the money that had been spent on land acquisitions in preparation. It went from a \$300 million project to about a \$1.6 billion project.

What do we have now? We have a desalination plant that is over capacity, has been over speced and has been built at a level that was absolutely unsustainable and unnecessary. That is what Labor does. We heard from the member for Yeerongpilly, Mark Bailey, a little earlier. He accused the LNP of a lack of policy development. The policy that they have developed with regard to energy is building solar panel farms all over Queensland when we are one of the largest miners of coal and one of the cleanest generators of coal-fired power in the Southern Hemisphere, if not the world.

Mr KING: I rise to a point of order, Madam Deputy Speaker. I seek your guidance, Madam Deputy Speaker. We are talking about water assets not solar panels.

Madam DEPUTY SPEAKER (Ms Farmer): I did not hear what the member was saying, but I would ask you to remain relevant.

Mr MOLHOEK: The accusation was that the LNP has no credibility in terms of policy development. I just wanted to point out that importing more solar panels from China is not necessarily going to create jobs in Queensland. That is classic 'Laboronomics'.

One of the questions that the committee asked the Audit Office was whether they could supply a schedule that provided some detail around the extent of borrowings, the amount of money that was being spent on maintenance and what the current policy direction was of the government. Again, as we saw with the energy audit report and the figures provided in an answer to a question on notice then, the figures for maintenance came through reading 'Not disclosed. Not disclosed. Not disclosed. Not disclosed.'

My question to the government is: what are they trying to hide? I know what they are trying to hide. They are trying to hide the fact that they have raided the water entities of money to prop up their budget. What we heard from the Audit Office was that debt amongst the water entities is now at \$13.6 billion. The debt has not gone down. We would have thought that it might have gone down, but it has actually gone up again. The Audit Office said that this represents nine per cent of total state debt. They expressed concerns around some of the government policy. They went on to state—

... there was one significant or high-risk matter identified and this related to inadequate control processes at Seqwater relating to asset valuation.

...

Our report also highlighted the returns to government from this sector and sustainability challenges faced by the water entity in Queensland. These include profits and retained earnings for 2015-16 supported the dividends and participation returns ...

There was \$169 million taken out of the water entities. There was another \$130 million taken as a special dividend and then another \$130 million taken as a share capital return. This is chipping away at the reserves of those water entities at a time when they should have been looking to pay off debt and at a time when they should have been looking to service the debt rather than pulling more money into the state coffers to prop up their appalling budget. There is so much more I could say on this issue.