




Speech By
Jim Madden

MEMBER FOR IPSWICH WEST

Record of Proceedings, 16 November 2023

STATE DEVELOPMENT AND REGIONAL INDUSTRIES COMMITTEE

Report, Motion to Take Note

 **Mr MADDEN** (Ipswich West—ALP) (3.17 pm): I rise to speak to report No. 38 of the 57th Parliament by the State Development and Rural Industries Committee tabled in February 2023. The committee examined the Queensland Audit Office report No. 9 of 2020-21, dated 28 January 2021. This report summarises the audit results of six entities in Queensland's water sector: Seqwater, Sunwater, Urban Utilities, Unitywater, Gladstone Area Water Board and Mount Isa Water Board.

The Queensland Audit Office made three recommendations in its report. The first was that all entities strengthen the security of their information systems. These entities rely heavily on technology, and increasingly they have to be prepared for cyber attacks. Any unauthorised access may result in fraud or error or significant reputational damage. Their workplace culture, through their people and processes, must emphasise strong security practices to provide a foundation for the security of their information systems. The second recommendation was that the distributor-retailers, Urban Utilities and Unitywater, need to engage more closely with developers to determine whether their assets are complete, obtain engineering drawings and other information in a timely manner, closely monitor development application registers for completeness of recorded assets, and identify and address causes of delays in processing of engineering drawings. Thirdly, the Auditor-General recommended that as part of the negotiation process for enterprise agreements entities should ensure they understand how these arrangements interact with employee contracts.

The Queensland Audit Office also noted that the class action related to the 2011 South-East Queensland floods was brought against Seqwater, Sunwater and the Queensland government through the Supreme Court of New South Wales. A judgement was handed down in favour of the plaintiffs in November 2019. The court determined that the percentage of the liability be allocated to Seqwater, 50 per cent; Sunwater, 30 per cent; and the Queensland government, 20 per cent. Both Seqwater and Sunwater appealed the judgement and have insurance policies that apply to this situation. The judgement created a financial obligation for the group members that can be estimated and is likely to require payment.

The committee found that a key finding of the Queensland Audit Office report was that, over several years, the water entities had received recommendations from the Queensland Audit Office regarding the security of their information security. One of those reports dates back to June 2017, *Security of critical water infrastructure*. Yet, in 2021, the Queensland Audit Office continued to find that improvements were necessary.

The committee also found that information security is critical to the delivery of services and the protection of consumer information. The committee noted that the Auditor-General regards cybersecurity as the biggest threat to state and local government public sector entities, with the

cybersecurity risk growing through the pandemic when many businesses moved operations online. As detailed in the report, the committee recommended—

That the Department of Regional Development, Manufacturing and Water takes steps to ensure that all water entities establish their own independent audit and risk management committees, and that these committees be required to consider information management system and cyber security risks.

In closing, I thank my fellow members of the State Development and Regional Industries Committee, the committee secretariat, Hansard, the Queensland Audit Office and the former Department of Communities, Housing and Digital Economy.