

~~of our children is paramount and, therefore, the bill excludes the possession of any type of knife on school grounds.~~

~~The definition of a bladed weapon has also been expanded to include an additional array of knives such as ballistic knives, push knives, butterfly knives and knives concealed in other items such as walking sticks and other apparel or accessories. Whilst some of those knives may arguably have been captured in the existing definition, the amendments will remove any doubt. Queensland does not tolerate the unlawful possession of knives.~~

~~The bill also contains an amendment to tighten regulations on the possession of high capacity detachable magazines. High capacity detachable magazines with a greater than 10 shot capacity for pump and lever action centre fire rifles and magazines with a greater than 15 shot capacity for repeating action centre fire rifles will be generally prohibited in Queensland. This amendment will reduce the overall fire power available on the market and ensure Queensland is consistent with the national standards. This amendment will not affect licensed shooters who currently possess high capacity detachable magazines for category D or R weapons or who are licensed to possess high capacity detachable magazines.~~

~~Briefly, other proposed amendments include the introduction of a definition of an approved safety training course and what the Commissioner of Police may consider in approving such a course for the purposes of obtaining a firearms licence; an exemption for off duty members of the Queensland Police Service and special constables required to possess service issued weapons and exhibits; a clarification that shooting range officers cannot be minors; allowing range officers from other states and territories to officiate on Queensland ranges; the introduction of additional genuine reasons for the possession of a weapon to include medieval re enactments, paint pellet sports and for the collection, preservation and study of weapons; an exemption from a provision of the act to be revoked if the exemption is breached; the adoption of the Australian Federal Police Firearm Deactivation Standards; amendments to the Weapons Categories Regulation 1997 (Categories Regulation) to better define body armour; and the amendment of Schedule 2 of the Weapons Regulation 1996 (Weapons Regulation) to reflect changes to government service entities and prescribed functions.~~

~~Queensland has a rigorous weapons licensing system which balances the need for community safety with the legitimate interests of weapon users and owners. The government will continue to engage with the community to ensure future amendments maintain that balance. The proposed amendments in this bill ensure that our laws remain modern and responsive. I commend the Bill to the House.~~

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~~Debate, on motion of Mr Dempsey, adjourned.~~

FAIRER WATER PRICES FOR SEQ AMENDMENT BILL

First Reading

 **Hon. S ROBERTSON** (Stretton—ALP) (Minister for Energy and Water Utilities) (11.39 am): I present a bill for an act to amend the Queensland Competition Authority Act 1997, the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009, the South-East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Act 2010 and the Water Act 2000 for particular purposes. I present the explanatory notes, and I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Tabled paper: Fairer Water Prices for SEQ Amendment Bill 2011.

Tabled paper: Fairer Water Prices for SEQ Amendment Bill 2011, explanatory notes.

Second Reading

 **Hon. S ROBERTSON** (Stretton—ALP) (Minister for Energy and Water Utilities) (11.40 am): I move—

That the bill be now read a second time.

The Fairer Water Prices for SEQ Amendment Bill 2011 is being introduced today in direct response to the South-East Queensland community calling for the government to take action against the high water and waste water prices being charged by councils and the council owned distributor-retailers. This bill is also a direct response to South-East Queensland councils' continuing inaction.

This bill amends the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 to impose a maximum cap of consumer price index on the distribution and retail component of a

residential or small-business water and waste water, excluding trade waste and recycled water, bill. This cap of no more than CPI commences on 1 July 2011 and is to apply for two years. The CPI value will be in line with the standard state government policy for escalation of fees and charges—that is, March to March ABS Brisbane All Groups CPI, which is now 3.6 per cent. What this means for households and small businesses is genuine reductions to what was proposed by distributor-retailers for 2011-12 financial year.

The Fairer Water Prices for SEQ Amendment Bill 2011 also makes it very clear that councils need to step up, listen to their community and take responsibility for water and waste water prices. As many of my parliamentary colleagues have been reminded, councils already had direction powers under section 49 of the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 and have repeatedly failed to use these powers to implement price paths to reduce price shocks to their community.

I remind the parliament that the Queensland government has been upfront about the bulk water charges and the 10-year bulk water price path it implemented in 2008. The Queensland government also implemented a South-East Queensland water subsidy in 2008 to provide additional financial support to pensioner householders. The bulk water price contributes to the cost of the South East Queensland Water Grid. The state does not make a profit from the water grid, which provides long-term water security to households and businesses in South-East Queensland. The state will not even reach a break-even point until around 2017-18. In 2010-11, it is currently forecast that the Queensland government will make a loss of \$480 million supplying water to council owned water businesses.

At the same time, councils continue to reap profits from their distributor-retailers. After years of underinvestment by councils in necessary infrastructure, I understand the principle of the distributor-retailers having to now meet the costs of providing this infrastructure. What I do not accept is the necessity for distributor-retailers to increase the water and waste water prices to the extent that they have when the community have been rightfully saying, 'No more.' All you have to do is read the Queensland Competition Authority price monitoring report to understand why. Many South-East Queensland councils have clearly failed to invest in their water and waste water networks over an extended period of time. Much of the infrastructure needs maintenance or upgrades to meet population growth and future customer demand.

The South East Queensland Water Grid, on the other hand, is already delivering and has proven to be of value during emergencies, such as the 2011 major flood event here in South-East Queensland. The Gold Coast desalination plant began supplying the water grid in February 2009 and has supplied almost 38 billion litres of water since that time. The Western Corridor Recycled Water Scheme has now supplied more than 40 billion litres of purified recycled water to power stations. The total volume of water transferred across the grid is 557,865 megalitres. As a result of our investment in the South East Queensland Water Grid, it is now not likely that new bulk water supplies will be needed until at least 2027.

The councils have ignored their communities. They took the money from their distributor-retailers, refused to implement a price path to reduce price shock to their residents and many councils did not give back dividends to the community in the form of rebates. It took 12 months before the Gold Coast City Council would even consider giving a paltry \$50 subsidy to its residents.

The Fairer Water Prices for SEQ Amendment Bill 2011 is the first step in stopping the blame game over water prices. Councils have been given a once only opportunity to take back their water businesses into direct council operations if they can demonstrate that they can deliver water cheaper to their ratepayers than their distributor-retailers. Councils have been requested to advise the Queensland government by 1 July of their preferred approach to the future structure of water and waste water services for their council region. Each council is also to provide the Queensland government a price mitigation plan demonstrating how prices will be managed for the long term—that is, after the CPI cap period.

Similar to the state's publishing of its bulk water price path, the Queensland government intends to require the publication of the councils' price mitigation plans. A council that decides to withdraw from their distributor-retailer must, as part of its advice to the Queensland government, provide its price mitigation plan and publish its plan by 1 September 2011. These councils need to give prompt advice to the community that their 'opt-out' decision is not just a political stunt but a clear decision that has taken account their community's needs. That is why the price mitigation plan is required early—no more games.

A council that decides to stay with their distributor-retailer will be required to submit their price mitigation plan by 1 September 2011 and publish its plan by 1 July 2012. A price mitigation plan should include (1), detailed price paths to reduce price shock to consumers; (2), council proposals around supporting vulnerable customers such as pensioners; (3), the extent of council's use of financial returns from their water businesses to provide subsidies; and, (4), council proposals to keep consumers informed about price increases.

These price mitigation plans are the responsibility of each council. The Queensland government will not approve these plans. Councils will, however, be required to publish them, enabling the plans to be open to public scrutiny so that ratepayers can hold councils accountable. The Queensland Competition Authority will continue to have a price-monitoring role but not a price-setting role. This bill removes the pricing deterministic power that was to commence from 1 July 2013.

Councils cannot have it both ways—they argue they did not have total responsibility for water and waste water prices but they in fact have it in spades. A distributor-retailer is already required to publish annual water and waste water prices. If a council withdraws from its distributor-retailer, this same accountability measure will apply to it. The CPI cap is to apply to homeowners and residential tenants. The CPI cap is to apply at least to small-business customers—those that use 100 kilolitres or less per annum. If councils wish to provide other assistance or wish to use a CPI cap on large businesses, the choice is theirs.

Councils have been placed on notice. During the two-year price cap, councils need to ensure they have infrastructure that is reliable and plans for the future. After the two-year price cap, councils will need to ensure their communities are informed about future price increases. Councils need to implement price paths to minimise the impact of price increases on their communities. By 1 March 2013, councils must publish a quantifiable price path for residential and small-business customers. The price path must cover at least five years and truly consider the impact of price increases. If councils choose to opt out of their distributor-retailers, further legislation will be needed. However, councils have been told the transition must be completed as quickly as possible with an end date of no longer than July 2012. The blame game ends here. I commend this bill to the House.

Debate, on motion of Mr Dickson, adjourned.

~~GAS SECURITY AMENDMENT BILL~~

~~Second Reading~~

~~Resumed from 6 April (see p. 1027), on motion of Mr Hinchliffe~~

~~That the bill be now read a second time.~~

~~**Mr DEMPSEY** (Bundaberg LNP) (11.48 am): While the Gas Security Amendment Bill is a relatively small bill, it will have a large impact on all Queenslanders. The Gas Security Amendment Bill is very important to an ever increasing gas industry that is still in its infancy in relation to its potential benefits for this great state of Queensland.~~

~~These amendments do bring some efficiencies in relation to administration of the sector, but much more is needed in relation to the overall administration of this valuable resource. This amendment bill will also help secure the supply of domestic gas for Queensland and Australia while still providing export opportunities so that all Queenslanders can benefit from a valuable resource which is derived from our own state.~~

~~The first objective of this bill is to establish a gas short term trading market for this great state and to increase gas usage through greater market access and improved price competition and transparency. As the government says, a gas short term trading market in Queensland with a Brisbane hub is essential to maintain a reliable supply and to assist with reducing the cost to consumers in the short term. We have seen these words used previously in the House by this state government. As such, this side of the parliament as well as all Queenslanders will be keeping a watching brief on how this is followed through as we have heard these comments used in relation to a number of other items, such as electricity and fees and charges.~~

~~This bill amends the National Gas (Queensland) Act 2008 to apply the short term trading market provisions of the national gas law to Queensland. A key initiative of the National Ministerial Council on Energy, as stated previously, this objective will facilitate a reliable, competitive and secure natural gas market by establishing in Queensland a market for short term trading of natural gas at the wholesale level.~~

~~The Brisbane demand hub is scheduled to commence operation on 1 December 2011 and will be Australia's third similar market following the establishment of hubs in Sydney and Adelaide last September. However, as stated by a number of the government advisers, this is vastly different from the Western Australian model, which essentially operates from 15 per cent of the overall gas product. Having designated hubs in place also makes it easier to identify the domestic market. It will be an asset to all those involved in relation to the ongoing fees and costings. I understand that a large amount of research has gone into establishing the matrix for the development of this model. However, with frequent changes in technology and an ever changing resource sector, particularly in relation to the volumes and types of potential gases, I can see that these amendments may be further amended as supply and demand is increased.~~