



Speech by

# Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Tuesday, 8 August 2006

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## MINISTERIAL STATEMENT

### Water Supply

**Hon. PD BEATTIE** (Brisbane Central—ALP) (Premier) (9.43 am): Queensland needs strong, united leadership to face the challenges from the worst drought on record. Droughts are a common occurrence in this arid land of ours, but never before has this region experienced a drought so severe or so prolonged. Coupled with climate change, the impacts on our available water supplies in the region have been devastating. Rainfall has been well below average for the past six years and is the worst 10-year period in history. It has been dry after dry, year after year which has led to major storage deficits in our dams and water storages which will take well above average rainfall to restore. Over the last two years the storage volume for Wivenhoe, North Pine and Somerset dams has shrunk from approximately 60 per cent to roughly 28 per cent. The land around the catchment areas is now so dry that any recent rains have had limited impact on dam levels—water has soaked into the parched ground rather than running off into the dams.

The situation is dire, and it has been so dry for so long that I think we have all forgotten how much rain we are supposed to get. The 2005-06 summer to winter rainy season has ended without producing significant inflows to any of our major dams in this region. On Friday, I was briefed on the latest drought information by Dr Roger Stone from the department of primary industries who provided me with the above information. Dr Stone is a world renowned expert in climate research and he indicated that there is only a 10 per cent chance over the next three months of getting the sorts of inflows into our dams that are needed. It is not impossible but highly improbable. I hope and pray that it will rain, but I and every member in this House cannot count on it.

I am distributing to members information on rainfall relative to historic records provided to me by Dr Stone together with an indication of just how severe the drought has been in the south-east corner. I think those two pages highlight Dr Stone's point, and I table them for the information of the House.

*Tabled paper:* Two charts showing Australian rainfall relative to historical records between July 1999 and June 2006.

That is why my government will continue to prudently plan for continued below average rainfalls. We have a water plan that will ensure continued reliable, quality supplies of liquid gold. We are building a water grid similar to the concept of an electricity grid, and it will allow us to share supply between the dams and other water storages through an interconnected set of pipelines and transfer mechanisms. That way if it rains in one part of the region but not in another we can move water around the region to meet demand in the areas of highest need.

We are investing more in water than any government before us in a comprehensive plan with specific time lines. Our plan includes, firstly, ensuring losses from existing water supply systems are minimised or removed; facilitating the provision of treated recycled water to industry and rural users to replace their current reliance on ordinary water from dams; encouraging existing homeowners to reduce their water consumption and their reliance on local government supplied water by the provision of grants and free services to install tanks, pool covers and water efficient devices; introducing new rules to facilitate the installation of water storage facilities and water efficiency devices in new homes or housing

developments; establishing the water grid to enable water to be moved between storage facilities; creating additional water through the construction of desalination facilities to introduce additional supplies into the water grid; increasing the capacity of existing storage systems by assessing underground water supplies, water harvesting and raising dams and their walls, if practicable; and building new dams in the catchments of the Logan River at Wyaralong and the Mary River at Traveston Crossing, which is obviously based on the largest catchments.

In addition, this week we will amend the use of greywater provisions to make it easier for people to use greywater on their gardens and lawns, and remove red tape which has hampered uptake of this water-saving measure. However, we cannot tackle this water crisis alone. South-east Queensland councils have a major role to play. Responsibility for the supply of treated water for domestic, commercial and industrial users currently rests with local governments. These supplies are delivered through local government owned water supply businesses such as Brisbane Water, by Aquagen or majority owned by local government such as SEQWater. These businesses own assets such as the dams, treatment plants and pipelines. In fact, through these businesses, councils in the region own more than \$8 billion in water assets.

By comparison, the state government owns only approximately \$190 million in water assets. However, it is estimated that more than 20 million litres a day could be saved by the councils simply fixing their leaky pipes. To put that in perspective, 20 million litres is equivalent to the water consumption of 66,000 people every single day. My government has stumped up \$32 million to help councils meet a responsibility that is clearly their own. Yet, despite announcing our funding in October, little work has been done. Since then approximately 15,000 million litres of water losses that could have been saved have poured down the drain in the Brisbane City Council area alone because they have failed to get on with the job.

It is clear that we have a developing emergency problem with water. Today I am announcing our government's intention to introduce a regulation to the Water Act 2000. Section 25A(1) of the Water Act states—

A water supply emergency is a situation in which there is a demonstrably serious risk the State's, or a part of the State's, essential water supply needs will not be met.

In response, section 25F of the Water Act provides for a regulation to be made that allows for service providers in the region to be directed to undertake certain measures to ensure the security of essential water supplies. As well as work to be undertaken by the state government through the Office of the Coordinator-General, it requires councils and their water supply businesses to undertake a coordinated set of actions to help meet the water needs of the region. It spells out specific time lines for the completion of the actions, detailed progress reporting requirements as well as any state government financial contribution to be provided. In the interests of openness and accountability, I give a commitment that all of the reports—progress or completed—will be made available to the public on the net.

The regulation covers the 18 councils in the region excluding Toowoomba, which will be covered by a special task force established specifically to address the unique water needs of that area. I did that after meeting the mayor recently. Specific measures include—

- A requirement for all councils in the region to provide detailed plans by 30 September 2006 outlining options for substituting recycled water for reticulated water for industrial and commercial customers using more than 100 megalitres a day.
- A requirement for all councils to provide a detailed plan by 30 September 2006 detailing pressure and leakage reduction strategies. The purpose of this initiative is for councils to save 40 million litres a day by September 2007 through fixing leaking pipes rising to 60 million litres a day by August 2008.
- A requirement for the Gold Coast City Council and Logan City Council to provide a report by 30 September 2006 detailing the potential provision of water to the Logan area from the Gold Coast City Council's Molendinar water treatment plant. The purpose of this initiative is to reduce Logan City Council's requirement on Wivenhoe Dam by the end of June 2007 by up to 20 million litres a day. I discussed this matter with the Gold Coast mayor last night and he is supportive of the measures that were undertaken. I thank the Gold Coast mayor for his support.
- A requirement for SEQWater and SunWater, in conjunction with the owners of Swanbank, Tarong and Tarong North, to provide a report by 8 September 2006 detailing the feasibility of minimising the power stations' take of water from Wivenhoe and Boondooma dams; a requirement for councils, through Local Government Infrastructure Services, to provide a detailed plan by 30 September 2006 on progress and retrofitting homes under the SEQ Home WaterWise Services. The purpose of this initiative is to retrofit 75,000 domestic premises by the end of April 2007 and a further 75,000 by the end of the December 2007, eventually saving up to 8.5 million litres of water a day; a requirement for SEQWater to provide a detailed plan on progress on the Business Water Efficiency Program.

The purpose of this initiative is to ultimately save 12 million litres of water a day by the end of April 2008.

- A requirement for the Redland Shire Council to provide a plan by 1 November 2006 detailing how much extra water can sustainably be taken from North Stradbroke Island and the Leslie Harrison Dam without affecting water supplies available for local communities. The purpose of this initiative is to obtain up to 22 million litres a day to supplement supplies to Logan City Council via an eastern pipeline interconnector to be constructed by the end of 2008. I want to thank the mayor of Redlands for his help and cooperation. He was supportive in the discussions that took place yesterday with my Coordinator-General. I have had discussions with the local members representing that area and they have had further discussion with councillors. I want to thank John English, the member for Redland, and Michael Choi, the member for Capalaba, in particular. Indeed, I want to thank the people of Redlands. I want to make it clear—and we made this clear to the mayor yesterday—that the water that we will be purchasing will not in any way affect the sustainability of water supplies in the area and it will not provide any restrictions. They currently do not have a level 3 restriction and they will certainly not be getting it. That is a clear understanding. I thank the mayor of Redlands for his commitment.
- A requirement for Aquagen to provide a plan by 1 November 2006 detailing how much extra water can be taken from Baroon Pocket, Borumba and Ewen Maddock dams and the Landsborough aquifers without affecting water supplies available for local communities. The purpose of this initiative is to provide water for other areas of need via a northern pipeline interconnector to be built by the end of 2008. At my direction my Coordinator-General spoke to the mayors of Caloundra and Maroochy, and both of them were supportive of this measure. I want to thank them again for their support and cooperation. I have given a clear understanding again that this water will be purchased. It will not affect sustainability. Under any of those circumstances it will not bring in any restrictions. I want to acknowledge today my thanks to the mayors of Redlands, Caloundra and Maroochy for their support. Chris Cummins, my ministerial colleague and the local member, wanted to ensure that the issues of sustainability were maintained, that the water will be purchased and there will be no restrictions. I have given a clear understanding to my ministerial colleague that that will be the case. Those mayors have all played a very constructive role and I thank them.
- A requirement for SEQWater to provide a detailed plan by 30 November 2006 on the optimisation of draw down from SEQWater storages. The purpose of this initiative is to reduce losses from evaporation and leakage.

The regulation also stipulates time lines and a range of measures already being undertaken or to be undertaken by the state government or the state government in conjunction with councils. These measures include construction of the Western Corridor Recycled Water Scheme stages 1A, 1B and 2, the southern regional water pipeline, the eastern pipeline interconnector, the northern pipeline interconnector, the Gold Coast desalination facility, the Traveston Crossing Dam stage 1, Wyaralong Dam, the raising of the Hinze Dam stage 3 and associated water harvesting works, Cedar Grove Weir and Bromelton offstream storage. In particular, we are becoming increasingly concerned about possible slippage on the Western Corridor Recycled Water Scheme and the southern regional water pipeline. We will be seeking urgent meetings with the proponents of these projects—SEQWater and the Southern Regional Water Pipeline Co.—to ensure the projects remain on track and to see whether they can be accelerated. If not, we will need to take further action.

Other new specific measures include a requirement for the Brisbane City Council to raise the Mount Crosby Weir by the end of 2008 to provide an extra 15 million litres of water a day and a requirement for the Caboolture Shire Council to substitute 10 million litres of water a day from its existing water supply system with underground water sourced from Bribie Island by the end of 2006. Obviously, the mayor has been publicly supportive of this. We consulted the local members, and again this seems a reasonable position that will be supported.

In addition, local governments will also be required to provide information on the financial performance of water businesses since 30 June 2000 together with income projections and asset management programs to 30 June 2008. A similar request will be made of state owned water businesses, and the information of all service providers will be published on the internet. I will also require government departments and other entities that are major users, such as the venues operated by the Major Sports Facilities Authority, to reduce the amount of water consumed under their control, including programs for retrofitting water efficient devices, reducing leaks and assessing recycling options. The Department of Natural Resources, Mines and Water will also be required to examine how to reduce use of ordinary water by irrigators in cases where it could be made available for urban supplies and the needs of irrigators could alternatively be met from recycled water.

The state government already provides significant funding for many of the water projects being undertaken by councils. For example, we have allocated \$434.8 million to help SEQWater get the Western Corridor Recycled Water Scheme up and running. In relation to any new or unfunded projects detailed in

the regulation, direction will be given to the Queensland Water Commission to provide advice and sharing of costs and a time frame for the recovery of costs. In addition, I can also signal our intention to create a water grid manager to be the intermediary or wholesaler between water sources and local government retailers. This will be a practical measure to ensure water and costs are shared fairly across the SEQ region. The Queensland Water Commission will be directed to provide advice on the creation of the water grid manager, water pricing policies and institutional structural issues. We expect to present options to cabinet by 30 September 2006.

We estimate that, by getting councils to minimise or remove losses from existing water supply systems, 22,000 million litres of water could be saved every year. In addition, approximately 240,000 million litres of waste water in south-east Queensland is discharged into the environment each year. That is the equivalent of the consumption of roughly 375,000 households. If we can get councils to recycle even a fraction of this amount for industrial use, it will greatly increase available supplies of ordinary water available from dams for residential use.

I have also previously signalled an intention to hold a referendum on treated recycled water for residential use at the next local government election in March 2008. This decision was based on initial advice that indicated the Western Corridor Recycled Water Scheme and spur line into Wivenhoe Dam could not be completed until October 2008. However, as part of this new plan, we are advised that by enforcing tighter deadlines on SEQWater the project may be able to be completed by April 2008.

Let me be clear: we believe that the measures outlined in the regulation will ensure security of water supply without the need for introducing treated recycled water for residential use. However, given the shorter time frame for the completion of the Western Corridor Recycled Water Scheme, I will—if the councils in south-east Queensland that will participate in the water grid are prepared to support a yes vote and pass a motion to that effect—take it to the people as soon as June 2007 so as to ensure that an informed public debate can occur. If the Governor-General agrees, a referendum could be held in conjunction with the federal election. It may have to be at another time. To do it at the same time as the federal election would require the Governor-General's approval.

The success of the drought contingency initiatives I have outlined today require a shared approach by state and local governments and the public. Our government will be holding a series of public forums on the important issue of water, with the first one kicking off this Saturday at Parliament House. I invite all members to attend. We want open and frank debate on how we can all work together to tackle the important issue of water security and supply. We will have a number of programs to encourage people to use retrofit, install tanks, recycle greywater where they can and use measures to restrict their use of water and obtain the best advantage from it. We will run an education campaign with the public to achieve that.

Discussions have been held with the mayor of the Gold Coast, the mayor of Redlands, the mayor of Toowoomba, the mayor of Caloundra, the mayor of Maroochy, the mayor of Ipswich and the mayor of Redcliffe and they are supportive of the measures we have spelt out. I thank them for their cooperation. However, in order to ensure that these initiatives are completed and delivered on time there is a need for the state to take a more direct role and require all councils and service providers in the region to take specified actions within a certain time frame. If a service provider fails to comply with a direction under this regulation possible sanctions include a maximum penalty of 1,000 penalty units or \$75,000 for failing to lodge a water supply emergency response and a maximum penalty of 1,665 penalty units or \$124,875 for failing to comply with a direction to carry out a specific water-saving or water initiative measure. In addition, the government can appoint an appropriate person to carry out the required action as an agent for the service provider. If there are delays we will not hesitate in doing so.

This is tough regulation for a tough situation, and I make no apologies for it. We cannot afford any slippage on these vital projects. We will continue to work with the councils where we can, but we are now officially in the worst drought ever. This is a serious issue that needs serious leadership—leadership our government will provide. I table for the information of the House a copy of the regulation.

*Tabled paper:* Executive Council Minute No. 769, dated 8 August 2006, recommending that the Water Amendment Regulation (No. 6) 2006 be made.

*Tabled paper:* Water Amendment Regulation (No. 6) 2006.

I seek to have incorporated a letter that I have written today to all mayors outlining what I have done.

Leave granted.

Dear Mayors

As you are all aware, South East Queensland is in the grip of the most severe drought on record.

This situation presents severe challenges to all levels of Government with a responsibility to ensure that basic and essential services continue to be provided to the people and communities we serve.

Historically, responsibility for meeting the water needs of South East Queensland has been shared between the State Government, who has managed supplies to rural users and small country towns, and local governments with responsibility for meeting the water needs of urban users. To assist Councils in discharging their responsibilities, the State has accepted responsibility for planning the

sustainable take of water from our river systems and has provided subsidies to support Councils in investing in new infrastructure. Over the course of recent years, the State has also contributed funding towards studies sponsored by SEQ Councils to examine the communities water needs into the future. The most recent of these was, of course, the SEQ Regional Water Supply Strategy Report Stage 1, released in early 2005.

Since receiving that study the climatic outlook has continued to deteriorate—to a point where it is now accepted under certain conditions parts of South East Queensland may potentially run out of water by 2008/2009.

This is not a circumstance that my Government can allow to occur.

I appreciate there are a significant number of projects that Councils and water providers have sponsored that will contribute towards addressing communities' water needs, I am increasingly concerned, however, that the risks associated with these projects falling behind schedule (or potentially failing to occur) are considerable. Key projects to prevent losses from the system through leakage; provide recycled water to industry and establish the inter-connecting water grid do not appear to be advancing as rapidly as the situation demands—this is despite financial commitments from the State Government to subsidise or underwrite costs. I am not prepared to allow this situation to continue.

South East Queensland short and long-term water needs can only be met by a concerted effort on the part of all levels of Government to implement a comprehensive water strategy.

It is for this reason that I have today activated the emergency powers of the Water Act and introduced a regulation that clearly defines the overarching strategy; sets out the individual components of that strategy and requires each local government or service provider to implement these projects within defined timelines. If we are to fulfil our responsibility to supply the communities we serve it is critical that all service providers meet the obligations the regulation prescribes.

In combination, the program of actions set out in this regulation will result in reduction of losses from, and demands upon, existing supplies; the efficient and timely provision of recycled water to industry; and the creation of new supplies and effective capacity to transfer water resources throughout the region within a South East Queensland water grid. This will not only enable us to collectively meet the short-term needs of consumers, but also drought proof the region well into this Century.

I trust I can rely upon your co-operation to achieve this.

I look forward to working with all of you in implementing this plan, and discharging the various responsibilities that have been set for ourselves and various service delivery bodies under our ownership or control.

Yours sincerely

Peter Beattie MP  
Premier of Queensland

**Mr BEATTIE:** Mayors will be briefed by the Coordinator-General and other directors-general.