



Speech by

Dr Alex Douglas

MEMBER FOR GAVEN

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SOUTH-EAST QUEENSLAND WATER (DISTRIBUTION AND RETAIL RESTRUCTURING) AND OTHER LEGISLATION AMENDMENT BILL

Dr DOUGLAS (Gaven—LNP) (7.30 pm): In summary, this bill covers issues to ensure the region's water distribution supports the SEQ Regional Plan and responds to the region's growth in a substantive way. Secondly, it legislates for the management of coal seam gas and water management systems via amendments to the Environmental Protection Act and through amendments to the Water Supply (Safety and Reliability) Act. I intend to restrict my speech to those areas specifically related to my electorate. I endorse the comments about coal seam gas affected zones made very forcefully by the shadow minister in his speech earlier.

Where this is applicable to the Gold Coast, I believe that this looks like a script from *Groundhog Day*. This unique film very closely parallels a major component of the SEQ water bill. The stars of the film, the Phil 'twins' Phil Connors and Punxsutawney Phil, live through a surreal time where every day is repeated and Phil Connors—or in our case, the Queensland public—is the only one who really knows what is going on. I remind members that today the state Labor government legislates part of what existed before, only the names have changed and it will cost 900 per cent more. The state is the monopoly bulk water supplier owner/operator and the regional councils are now grouped into three geographic distributors and are distributing the water that they previously used to distribute.

In some ways the Minister for Natural Resources is like Punxsutawney Phil. In the movie he is the hedgehog whose arrival signals the end of winter. Is this the Labor method of 'here we go again'? The public is completely outraged that it is paying for this again and again and again. It is Groundhog Day. Ned Ryerson is the insurance agent who tries to sell Phil Connors a dodgy life insurance policy, and the public feels the same as Phil did. Are you guys listening, or do I need to repeat myself again and again? Finally, Phil Connors has had enough and he punches Ned on the nose, and Ned deserves it. I think 'frustration' would be too kind a word for what Phil felt.

In this four-year journey, the waste has reached levels that have never been trawled before. Need I remind members of the carcass of Traveston which cost \$1 billion, the Western Corridor Recycled Water Project which cost \$2.5 billion and the Tugun desalination plant which cost \$1.2 billion, as well as the Water Commission? This black hole has consumed vast amounts the extent of which we may never know. Australia is the driest island continent on earth. We learned that fact in our schools—

Mr O'Brien: Did you actually write this?

Dr DOUGLAS: Absolutely, and the member should listen. We asked our councils not to plan for a rainy day but to plan for drought. The Goss Labor government started with the cancellation of the construction of the Wolffdene Dam and successfully blocked the Glendower at the back of my electorate, the Wyaralong Dam, which has been restarted, stage 2 of the Boondoomba Dam and the Nathan Dam. The Labor Party describes dams as 'old technology', yet now we are effectively legislating for outrageous increases in bulk water pricing to distributors that will cause great pain to consumers, who are already reeling from rises in electricity prices, interest rates and the general cost of living.

Because this is Groundhog Day, I remind members that on the Gold Coast bulk water prices will rise from \$1.32 a megalitre to \$2.75 a megalitre by 2016. Council has the job of pumping, distributing, metering and charging 236,000 dwellings while trying not to make a loss in doing so. In 2016 we are looking at a retail distribution price of \$4 a megalitre. I table the document that shows the price rises.

Tabled paper: Copy of a document titled 'Bulk Water Prices 2008/2009—2017/2018' [2257].

The regional groups that will receive this bulk water are Queensland Urban Utilities, which covers Brisbane, Ipswich, the Scenic Rim and the Brisbane Valley; Allconnex, which will supply the Gold Coast, the Redlands and Logan; and Unitywater, which will cover the Sunshine Coast and Moreton. The bulk water distributors will charge fees for each lead group. They will collect the water and distribute it to those regional councils directly.

The public should not be asked to pay three times for the same thing. I say this because Queenslanders generally, but especially the people of Gaven, paid to build the Hinze Dam on the Gold Coast, they are being asked to pay grossly inflated fees to the bulk water operator and those fees will rise further to enrich the bulk water supplier to repay the Labor government waste. This is unconscionable, it is morally wrong and it is totally unjustified. My current estimate is that the bulk water seller for the southern supply will make a \$600 million profit in its first year of operation, building to \$1 billion within five years. If this is the case, with a cap rate the target will be split for auction and float, with an end value of \$12 billion. This bulk water supply money belongs to the public and it is being used to potentially inflate the statement of assets and liabilities of a failed state government.

Amazingly, this bill specifically directs local government not to refer to bulk water charges as 'state government charges'. Yesterday the Premier herself said that the people of Queensland were entitled to 'worry about this organisation'. Why would the government direct a local government entity to make an incorrect statement? I suspect that common sense regionally will prevail. The councils will eventually refuse to pay these exorbitant charges. They will build large stormwater storage facilities and effectively become their own bulk water suppliers. I think this is a near certainty if the price rises continue. Under those circumstances the bulk water suppliers would be looming dinosaurs for all the wrong reasons. I believe that the bill mandates that this will happen. I say this because the bill is seeking to potentially limit this in return. It is one of the first pieces of evidence of forward planning from an administration acting out of fear.

This bill does make amendments to the recycled water and drinking water supply regulatory framework under the Water Supply (Safety and Reliability) Act. Recycled water must not be placed back in our major water catchments. A major selling point to tourists, particularly in the Gold Coast region, is that our water can be drunk safely from the tap without any qualification. We have plenty of uses for recycled water on both coasts and in Brisbane and we need to explore them. On the Gold Coast we use recycled water extensively on everything from sports grounds to golf courses. Now it is also piped into homes through separate supply lines that are marked purple. The Pimpama Wastewater Treatment Plant is world-class and was constructed on advice from the Singaporeans, who have extensive skill in this area. Ultimately, they produce a tertiary treated effluent that can go back to users and not into the seaway on the outgoing tide, as is currently the case. Ultimately, waste water will supply much of that water currently provided by class 1 drinking water.

For those who may not know, one per cent of every litre from our dams is consumed by humans and we have contact with only six per cent.

A government member: Garbage.

Dr DOUGLAS: It is not garbage; it is a statement of fact. The loss of such an expensive static resource is frightening. The ambition of all councils is to double the utilisation of class 1 water consumption every three to four years in the future. The government and the Labor Party have sensibly stayed away from this area. I am concerned that the minister has raised the issue of dual reticulation schemes not to be exempt from waste management schemes. This seems to be a lurch for the cash via fees and charges—

Mr DEPUTY SPEAKER (Mr Hoolihan): Order! There is too much audible conversation in the chamber. Please cease. The member for Gaven has the call.

Dr DOUGLAS: Thank you, Mr Deputy Speaker. It is a foolish attempt to control what may be supplied in the future—it may be a service of reduced bulk water volumes, whereas I believe that they are trying to ensure that their bulk water supply volumes are protected. The reason for this is that dual systems have enormous capacity when combined with treated rainwater harvesting to massively decrease the dependence of even small landholders on water supplies. All conventional treatment systems are being charged fees by local councils to verify what the owners already pay the service agents for. For the government to be drafting legislation that looks like it wants a bite too, it looks too greedy. Many in my electorate of Gaven use and operate many such systems. They will be concerned today. They have made great personal sacrifices—from purchasing expensive bulk water from council to be transported by pipe and tanker to building complex water management systems. They have set examples in their own lives

that we should all take notice of. They have done so in the absence of government support, and now they are being asked to potentially further contribute.

The minister in his second reading speech has defined the four key roles that distributors will fulfil. He calls them distributor-regulators. I do not know what regulation they have made or will ever make. The fourth aspirational goal of the bill was really one to laugh about in view of the government's shameful, deceitful actions in hijacking our water supplies. He says that fourth key role will be asset management. He goes on to state that distributor-retailers will need to demonstrate how their networks will be reconstructed and maintained to meet future demand, to ensure service standards and to protect the environment. The whole paragraph is political doublespeak. The state Labor government grabbed ratepayers' assets, paid near to nothing for them and quickly vacated the distribution of the service when it realised just how hard it is to retail water and make a profit.

We will all be left wondering what this water grid was really all about. Was it one man's ego? Was it about one more electoral term? Was it about chaos? I think the last is true. It was a Labor government in crisis and chaos. It has huge numbers of bureaucrats but there was no real painstaking cost benefit analysis of any plan nor any prudent financial stewardship of the grand schemes that they proposed, and all the while underneath there was a hardworking, apolitical group of government people who went on existing in a terrible climate of mediocrity and financial rationing.

Water is life. Here in Queensland we have a very impressive history of prudent planning and a great history of delivery at a very reasonable cost to consumers. The public did not deserve what was done to them under the guise of making Queensland waterproof Labor style. This bill begins the unwinding process of four years of chaos and 10 years of nothingness in water provision but it comes at a terrible cost. Just who will wear the responsibility for this disaster? Is it the current Premier, who will retire on a very generous parliamentary pension when she is finally defeated? Will it be the former Premier, who conceived both the nonsense of Traveston and 'fortress Brisbane' in relation to water? No.

Mr O'Brien: You stood in this House and you opposed it.

Mr DEPUTY SPEAKER (Mr Hoolihan): Order! Member for Cook.

Dr DOUGLAS: Thank you, Mr Deputy Speaker. This bill will almost assure that it will be the group regional SEQ councils who tried vainly to get people to see sense. This is ultimately a bill that brings great shame on the government in Queensland. The exorbitant water charges on every ratepayer's bill is the report card on Labor's abysmal performance in managing water supply in a drought—water that you will all be receiving in your homes. I would ask that no-one should ever forget that it started with stopping Wolffdene and ended at Tugun, which is a rusting, decaying carcass of a desal plant. This will be forever the legacy of Labor's experimentation with water management in Queensland and how not to do it.