



Speech by

Jarrod Bleijie

MEMBER FOR KAWANA

Hansard Wednesday, 24 November 2010

WATER AND OTHER LEGISLATION AMENDMENT BILL

Mr BLEIJIE (Kawana—LNP) (10.39 pm): I rise this evening to contribute to the debate of the Water and Other Legislation Amendment Bill 2010. At the outset I thank the shadow minister for his contribution. As always, it was well researched and articulated with far better sense than the minister.

The amendment bill deals with the government's botched South-East Queensland water reforms and water pricing, which is a contributing factor to the exponential cost-of-living increases that Queenslanders have faced in the past year. The bill also contains provisions that relate to the controversial wild rivers legislation and the coal seam gas water from large scale LNG projects. While I understand the gravity of all three major components of the legislative amendment before the House, I intend to only address the issue in the bill that specifically relates to the Kawana electorate, and that is the water reforms in South-East Queensland.

As stated in the explanatory notes for the bill, stage 2 of this reform, which commenced in July this year, involved the separation of the distribution of retail operations for water and waste water from the 10 local governments in South-East Queensland. Three new distribution retail businesses were established: Unitywater, which services the Sunshine Coast and Moreton Bay region; Queensland Urban Utilities, which services Brisbane, Ipswich, the Scenic Rim, Somerset and Lockyer Valley regions; and Allconnex Water, which services the Gold Coast, Logan and Redlands regions.

On the Sunshine Coast, Unitywater and the topic of water prices have been the key issues of concern to many residents over recent months. Since the first Unitywater bills were sent out to consumers in July, my office and other members on the Sunshine Coast have received dozens of complaints and concerns ranging from water meter reading discrepancies to water leakage subsidies. All of the feedback that I have received from constituents in my electorate has been in relation to the massive increases in water costs, particularly over the past year.

My initial concern was with respect to the costs required in establishing the new water entity, Unitywater, and how these would be passed on to the consumers in my electorate. On 6 August I wrote to the chief executive officer of Unitywater, Mr Jon Black, to seek information regarding the set-up costs for the new water distribution entity. I table a copy of the correspondence and Mr Black's response, dated 17 September 2010.

Tabled paper: Letter, dated 6 August 2010, from Mr Jarrod Bleijie MP to Mr Jon Black, Chief Executive Officer, Unitywater, regarding Unitywater set-up costs [[3640](#)].

Tabled paper: Letter, dated 17 September 2010, from Mr Jon Black, Chief Executive Officer, Unitywater, to Mr Jarrod Bleijie MP regarding Unitywater set-up costs [[3641](#)].

I was first alerted to the marketing and promotional extravagance that was being afforded by Unitywater in their establishment period on a trip home from visiting my parents-in-law's property at Kandanga. Along the Bruce Highway between Noosa and Caloundra were very large billboards that were advertising Unitywater. In fact, according to correspondence from Mr Black, billboard advertising for Unitywater as at 17 September 2010 was costed at \$177,000. More so, all marketing initiatives, including delivered mail to over 272,000 customers, in that same period was reported as being somewhere in the

vicinity of \$716,000—\$716,000 on marketing initiatives. Generally in the corporate world—the business world or the small business world—when you set so much for marketing initiatives you are actually marketing for your business to compete. Unitywater has no competition. They are spending \$716,000 on marketing initiatives for their self-promotion; they have no competition. To be honest, I do not think the ratepayers in Moreton Bay and on the Sunshine Coast really care what the name is—that it is Unitywater. But I am sure that everyone would be happy to pay less for their water in order to curb unnecessary expenditure costs.

Unitywater is of course owned by the ratepayers, although the actual percentage of ownership between the Moreton Bay Regional Council and the Sunshine Coast Regional Council is reputedly in dispute. Of course, the management of water distribution is just another example of state government waste and backflips. It was the individual councils that were in charge of water infrastructure and distribution until the Bligh Labor government requisitioned them in what was described by some at the time as the great water swindle. This was at the time when water supply levels were dangerously low for Brisbane. The Labor state government had wasted the best part of a decade and did nothing—little additional infrastructure. Yet at the same time South-East Queensland was one of the fastest growing regions in Australia in terms of population.

The South-East Queensland water reforms that were instigated by the government were panicky, poorly conceived and very expensive to the taxpayer. People are already under severe pressure, and those on fixed incomes such as pensioners and low-income earners are always the hardest hit. They are often the ones the Labor Party say they are fighting for, but they are always the hardest hit under socialist regimes. The \$100 flat rate seniors discount rebate will do little to absorb the increasing costs announced by the government with the bulk water pricing increases that will flow through to the retail prices for consumers in Queensland.

Part 5A of the bill before the House refers to the pricing and supply of water and contains a price-determining regime that may apply to water supply activities that have been declared as a 'monopolistic water supply activity'. Basically, part 5A of the bill facilitates the implementation of the government's 10-year bulk water increases to the three distribution retailers that operate in South-East Queensland. Of course, the increases in bulk water prices are to pay for the now defunct \$9 billion water grid. To read from a report in the *Sunday Mail* on 21 November 2010 entitled 'Billions likely to go down the drain', state political correspondent Patrick Lion reported—

A leaked Queensland Water Commission Report, submitted to State Cabinet last week, proposes "mothballing"—

Mr Robertson: Quality journalist.

Mr BLEIJIE: I am happy to quote from the *Sunday Mail*, because I know that the government quote the *Courier-Mail* and the *Sunday Mail* when at times it suits them, but then whenever anyone else in this place quotes from either of them they say, 'It's a terrible newspaper. How could the journalists write that about us, because we have been a pristine government over the last 20 years? How dare they!' But when they get praise in the *Courier-Mail* or the *Sunday Mail* they are the best thing since sliced bread. So members of the government should just take it as it is. Patrick Lion reported—

A leaked Queensland Water Commission report, submitted to State Cabinet last week, proposes "mothballing" a raft of major water-treatment plants, all but closing the \$1.2 billion Tugun Desalination Plant, and deferring building another water plant for 18 years.

Mr Lion goes on to report—

The revelations come as the Government scrambles to stem the fallout over soaring water bills, with households hit with rises between \$100 and \$300 a year to pay for building the water grid.

I understand the need for government to enforce that the new water distribution retailer entities adhere to regulated bulk water prices that are fixed. The problem is that the actual price is scheduled to increase from 2008-09 to 2017-18. On the Sunshine Coast, the price for bulk water in 2008-09 was \$683 per megalitre. By 2017-18, this is set to be in the vicinity of \$2,755 per megalitre. This is a rise of 262 per cent over that 10-year period and excludes normal inflation. In just five years the impact of bulk water price increases on the retail price on the Sunshine Coast will mean an additional \$191 or 51 per cent.

Despite the rants and the carry-on from the Treasurer recently about LNP policies, the LNP did release their own policy on charges for water. For the benefit of those members opposite who may not have had time to read the policy, we said in the policy, 'The LNP understands Queenslanders are struggling.' I think that is the first thing that alternative governments or even governments should do—understand, appreciate and acknowledge that people are struggling. Our policy states—

The LNP understands Queenslanders are struggling to pay for the massive increases in cost of living forced onto them by Bligh and Labor's bungling and incompetence.

In Government we will protect Queenslanders from these massive prices rises.

The bill before the House purports to provide key additional customer protection provisions for customers of South-East Queensland's water retail distribution entities. I submit to the House that the greatest protection to Queensland consumers on water pricing is in fact to change the government. The water crisis that occurred in the mid-2000s was created by Labor's ignorance of the need to invest in major infrastructure for the past decade. The resulting panicked solution was to throw \$9 billion at the problem without adequate, considered planning and based on a lack of any business cases. The bill before the House deals with consumer protection of water prices through the Queensland Competition Authority, the QCA.

Constituents in Kawana voted with their feet at a recent Unitywater community forum that I held at the Lake Kawana Community Centre. Over 450 residents attended the forum to voice their collective concern at the recent water price hikes and implementation teething problems of Unitywater. I would like to pay tribute to and once again thank Mr Jon Black, the CEO of Unitywater, for having the courage of his convictions and facing the questions from the many angry residents. I note that the minister was invited. My office was advised that a representative would be attending, but the minister or the department were represented by an empty seat on the night. It was noted that the minister did not even send a representative—unless they were standing as spies at the back of the room—to front up to the forum, even though his office indicated to my office that they would send someone on his behalf. He was aptly represented on the night, as I said, by an empty chair.

Despite all of the rhetoric and the blame game between councils and the state government, Queensland residents are really hurting at the moment and urgent action is required to alleviate the cost of living pressures that the electorate is facing at the moment. The issue of water costs is right at the top of the list of spiralling expenses. I often hear many people discuss the issue of affordable housing, but what about the issue of affordable living? Surely that is where we should start.

Queensland was formerly renowned as the low-cost, low-tax state in Australia and Queenslanders want that state back. That is the state they dream of every night and they want it back. Many young Queenslanders find it is expensive to purchase a property and, if they are able to, there needs to be some provision so they can afford basic services like water, electricity and the weekly groceries. There is no point in having a 100 per cent loan—if you can get it from a bank these days—if you are not able to affordably live in your house and feed the family.

I would like to reiterate my support for the sentiments expressed by the shadow minister for natural resources, mines and energy, the member for Callide, in his speech during this second reading debate. In closing, I want to pose a simple question to the minister because I know that the minister has been big on the blame game. I heard him on ABC local radio on the Sunshine Coast a few weeks back. He is big on the blame game; he is big on blaming councils for all this mess.

The simple question to the minister is this: were people, were Queenslanders, were South-East Queensland residents, were Kawana residents paying more or less for their water prior to the state government seizing control of the water assets from council? The answer is that they were paying less. So if we look at all the technical details of all the entities that have been set up, if there is anyone to blame it is the state government and the responsible minister because they implemented the legislation and seized control of the council assets in the first place and that is what has led us to be here debating what is in this bill. It is not council legislation. Bob Abbott, the Mayor of the Sunshine Coast Regional Council, or then Councillor Don Aldous, the Mayor of Caloundra, did not come into parliament and move the bill and seize control of the assets. It was the state government. The sole responsibility and blame for the higher prices of water in South-East Queensland lies at the feet of this state government.

I call on the minister to stop blaming the council because I can tell the minister for a fact that it is not working on the Sunshine Coast. He can go on ABC all he wants but the people have stopped believing him. There was an article in today's *Sunshine Coast Daily* by Bill Hoffman under the heading 'State needs to stop shifting blame'. I will read an extract from today's paper and then I will table the document. Bill Hoffman said—

Expect more of the blame shifting during the next 18 months as the Orwellian 1984-like spin of a government that no longer has the resources to buy its way out of trouble, attempts to rewrite reality.

Resources Minister Stephen Robertson has been front and centre of the Government tactic to shift blame for the cost of its big budget, quick-fix solutions, accusing councils of price gouging at the expense of ratepayers.

Don't expect any apology from him though following the Premier's weekend announcement that desalination plans for Marcoola or Lytton may be put back by up to 18 years, and that the recycled water scheme and the Tugun plant may be mothballed to save money.

...

That is unfortunately the thinking that pervades Cabinet, whose ear is cocked to business-as-usual outcomes that draw heavily from the community purse then leave it to keep on paying more and more for systems that are expensive to operate and need continual upgrades.

I table that document.

Tabled paper: Article, dated 24 November 2010, from the *Sunshine Coast Daily* titled 'State needs to stop shifting blame' regarding water infrastructure [\[3642\]](#).

I will close with that because I do not need to say any more. That article says it all.