




Speech by

Mark Ryan

MEMBER FOR MORAYFIELD

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FAIRER WATER PRICES FOR SEQ AMENDMENT BILL

 **Mr RYAN** (Morayfield—ALP) (3.55 pm): I rise to contribute to the debate on the Fairer Water Prices for SEQ Amendment Bill. It was not long ago that our communities faced a bleak future. We were experiencing the most severe and prolonged drought in many years and quite alarmingly we were running out of water. Tough decisions had to be made to guarantee water security for our communities both now and in the future. Accordingly, this government acted to build the infrastructure that our communities needed to guarantee water security and supply. Thank goodness for that action and for this future-thinking government.

Part of guaranteeing water security and supply for our communities also involved considering how local governments, how councils, supplied water to water users. I have heard about the evidence of a legacy of council operated water businesses not investing adequately in the water supply network—rusty fire hydrants, concrete cancer in reservoirs, sewerage systems under pressure and pipes that were beyond their useable life. Something had to be done to guarantee water supply and security. Something had to be done to ensure sustainability for the service provided by council operated water businesses.

So, in consultation with the Local Government Association of Queensland, three South-East Queensland water distributor-retailers, wholly owned by local governments, were established. To be very clear, these water businesses are wholly owned by councils. In the Moreton Bay and Sunshine Coast regions, the water business Unitywater is owned jointly by the Moreton Bay Regional Council and the Sunshine Coast Regional Council. There are only two shareholders of the Unitywater water business—the Moreton Bay and Sunshine Coast regional councils. As shareholders they receive a return from the water business. The state government receives no return from this water business. In fact, the state government supplies water to the council owned water businesses at a loss. Last year that effective subsidy was around \$400 million. It is a shame that this bill has had to be brought before this House, but this government had to act to stop the blame game, to rein in water price increases and to protect water users.

Before I address the significant benefit that this bill and the consumer price index price cap contained in this bill delivers to the South-East Queensland community, it is important for me to once again note that it is this government that is prepared to make the hard decisions. The reform model when it came to water reform has worked. However, it is the greed and a history of poor council water infrastructure and service planning that has made it hard for our community. This bill is the first step in putting a stop to the media blame game that has carried on for the last 12 months.

This bill addresses community concerns about the significant increases in water and wastewater prices and the level of accountability for water and wastewater prices in South-East Queensland. The people of the Morayfield state electorate will be pleased to hear that this bill will introduce a price cap to contain water and wastewater distribution and retail price increases to a CPI increase per annum for residential and small business customers from 1 July this year for two years. To avoid any doubt, it is important to note that this bill is only necessary because the guarantee by councils, as the owner of these distributor-retailers, to keep pressure down on water price and wastewater price increases has not been honoured.

This bill is only necessary because the council owned water businesses have not responded to community concerns about high water and wastewater prices. Whilst I note that the Moreton Bay Regional Council did the right thing by introducing a water rebate for its ratepayers, most councils failed to use the financial returns from their council owned distributor-retailer water businesses to provide price relief to their communities through rebates or subsidies.

Accordingly, this government has had to act to introduce price capping for residential and small business customers. Because the council owned distributor-retailer water businesses have increased distribution and retail water and wastewater charges to residential and small business customers across the majority of South-East Queensland council areas and because these increases have been significantly in excess of the increase in the state bulk water input costs which are associated with the investment in the South-East Queensland water grid, this price cap will deliver a much needed reprieve to those water users.

This legislation is about protecting residential and small business customers across South-East Queensland from unreasonable increases in water and wastewater prices. This bill will achieve three policy outcomes. Firstly, it provides an opportunity for cooling down and for councils to think about their future role and how they will support our community. Secondly, it reduces water and wastewater price increases. Finally, it manages future price increases.

I take this opportunity to commend the minister, his staff and the departmental staff on their hard work in respect of this matter. I thank the minister for listening to my advocacy on this issue. This bill is about ending the blame game, limiting water price increases and responding to community concerns. For those reasons, I encourage all members of the House to support this bill. I commend the bill to the House.