



Speech by


# Hon. Stephen Robertson


MEMBER FOR STRETTON

Hansard Tuesday, 14 February 2012

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

 **Hon. S ROBERTSON** (Stretton—ALP) (Minister for Energy and Water Utilities) (5.30 pm), in reply: First of all, I thank all honourable members for their participation in this debate. This bill is a continuation of the government's commitment to ease the pressure of water prices for South-East Queenslanders and to end the blame game. The Bligh government acted when councils failed to deliver price relief for their ratepayers.

 **Hon. S ROBERTSON** (Stretton—ALP) (Minister for Energy and Water Utilities) (7.35 pm), continuing in reply: As I was saying prior to the dinner break, this bill is a continuation of the government's commitment to ease the pressure of water prices for South-East Queenslanders and to end the blame game. The Bligh government acted when councils failed to deliver price relief for their ratepayers. In April last year the Bligh government stepped in and announced a two-year price cap on council water and wastewater charges. This means that in 2011-12 South-East Queenslanders are now paying less on their water bills. For example, in the Redlands the price cap saving is \$87 a year, on the Gold Coast it is \$116 a year, on the Sunshine Coast it is \$94 a year, in Logan City it is \$111 a year, in Brisbane City it is \$38, in Ipswich City it is \$70 and in the Scenic Rim it is \$132. This is because of the Bligh government.

In contrast, in June last year the LNP voted against the bill. They voted against reduced water bills. That is to their eternal shame. Let us forget all the pious nonsense that has been spoken by LNP members during this debate. The simple fact is that, when push came to shove, when they were asked to nail their colours to the mast and support this government's cap on water prices which delivered savings to South-East Queensland ratepayers, they squibbed it.

**Mr Rickuss** interjected.

**Mr ROBERTSON:** They took the political option and opposed this government's measures to reduce water bills in South-East Queensland. That includes the constituents of the member for Lockyer. He voted against it, to his eternal shame.

**Mr Rickuss:** Nine billion dollars you wasted on water.

**Mr ROBERTSON:** To his eternal shame, he voted against reducing water bills in the Lockyer electorate. The member for Lockyer stands condemned.

As part of the same announcement, South-East Queensland councils were given a once-only opportunity to opt out of their distributor-retailer and re-establish council owned and operated water and wastewater businesses. During this debate I have heard a lot of pious nonsense from members opposite about how we forced councils to embrace the distributor-retailers. We gave each and every council in South-East Queensland a one-off opportunity to opt out. The only council to put up its hand was the Gold Coast City Council. In Brisbane, Ipswich, Sunshine Coast, Moreton Bay and the electorate of the member

for Lockyer they all put up their hands and said, 'We want to stay part of this set up.' That is the simple reality; that is the simple fact.

This was a direct response to several councils, predominantly the Gold Coast City Council, very publicly calling for their water businesses to return under the council banner, despite the fact that what they had was the same model as that asked for by Campbell Newman as the then chair of the Council of Mayors South-East Queensland. By tabling a letter, the member for Southport quite appropriately reminded this House about Campbell Newman's view that that was in fact the way to go. We have heard a lot of nonsense, particularly from the member for Kawana. He is a prancing, priming, pruning, preening poodle, but, at the end of the day, when the facts are put in front of him, he goes mute, silent and pathetic and is a mere shadow of the ego that he aspires to be. It was only the Gold Coast City Council—

**Opposition members** interjected.

**Mr ROBERTSON:** There are no prizes for second. Last year only the Gold Coast City Council put up its hand to divorce from Allconnex. In doing so, it agreed to pay the consequential costs of disestablishment to the Redland and Logan councils. I make this very clear: the Bligh government did not force this decision onto councils. They were given a choice. They were given the democratic right to consider and determine their own future. The Gold Coast City Council voted not once but twice for this to happen.

Let me further make it clear: South-East Queensland councils make a profit from water; the Bligh government, the state government, does not. In fact, we reported a \$438 million loss on bulk water sold to councils in the 2010-11 financial year. Fact! This is effectively a subsidy of \$375.8 per residential and non-residential property. Bulk water charges make up just 30 per cent of the average residential bill. Despite what those opposite have misleadingly suggested during the course of this debate, council charges make up 70 per cent. These charges go towards recouping the money invested in the water grid for the region for decades to come.

The shadow minister and other LNP members can criticise the government all they like for not capping bulk water prices but their own leader, Campbell Newman, has confirmed to media that he will not give councils control of bulk water or cap its price if elected, and that speaks volumes about what Queenslanders can expect under a Campbell Newman led government.

**Ms Jones** interjected.

**Mr ROBERTSON:** As the member for Ashgrove quite eruditely suggested, members opposite can say all they like about their four-point plan, but at the end of the day when the fundamental question is asked, 'Will Queenslanders receive cheaper water bills under a Newman led Queensland government?', the answer is simply—

**Ms Jones:** No!

**Mr ROBERTSON:** I take the interjection from the member for Ashgrove. She has nailed him once again, as she has done day in, day out since Newman declared his candidacy for the electorate of Ashgrove.

**Mr Bleijie** interjected.

**Mr ROBERTSON:** The genius that is the member for Kawana may wish to consider what his leader said himself. This weird experiment that they have engaged in over the past 12 months is just unfurling day after day after day. This is what Newman said in an interview with Madonna King on ABC Radio when he was Lord Mayor of Brisbane. Madonna King asked—

So for someone listening, do you believe that those increases in the water bills will be cut to what?

CN: Well they won't—

The question was asked, 'What will they be cut to?' And Campbell Newman said—

Well they won't. I don't believe—I'm not talking about cutting them, Madonna, because they've already gone through the roof, but what I'm saying is, I'm saying that water prices should be going up around CPI or in the low single digits—

That is a nice little hedge. He is saying they are either increasing up to the CPI or increasing in single digits up to 10 per cent. So they can go up nine per cent according to Campbell Newman. That is what he told Madonna King—

**Mr Rickuss:** Is that low single digits?

**Mr ROBERTSON:** He went on—

... or in the low single digits, not double digits increase.

Madonna King asked—

And do you think you can deliver that, are you saying you could deliver water bill increases of about the CPI increase?

CN: Well no ...

'Well, no.'

**Mr Dickson** interjected.

**Mr ROBERTSON:** I say to my friend the member for Buderim that from what Campbell Newman has announced over the past couple of weeks about who is going to be on the front bench, I fear for his existence. I know he came up to my office the other week with his measuring tape, measuring the curtains, checking it out, feeling the leather and furniture saying, 'Oh, I think I'm up for this,' but I make this prediction tonight: you will never occupy a ministerial office under Campbell Newman.

**Mr DEPUTY SPEAKER** (Mr Wendt): Order! Please use the member's correct title—all members please.

**Mr ROBERTSON:** The simple fact is that Campbell Newman has been out there making all sorts of promises to candidates saying, 'You're going to be on my front bench. You're going to be on my front bench.' At last count his ministerial front bench was probably numbering around 25. I feel for the member for Buderim because he has worked so hard. He has done his best in the honourable tradition of shadow spokesperson but I have to say that I do not think he is going to get there. At the end of the day if Campbell comes across and sits on this side of the bench, he is going to say, 'Sorry, you're just not up to it.' His mate behind him, the erstwhile shadow Attorney-General of this state will I think be reduced. I think he might make it to parliamentary secretary but that is about it, brother.

After all the promises that Campbell Newman has made quite publicly about who is going to be a minister under his government, either he has to expand his ministry to over 25 ministers or you or you or you or you or you just ain't going to cut the mustard. With respect, the question that they should be asking Campbell Newman is, 'Am I going to get up? Am I part of your dream team?' Either Campbell Newman blows the budget for ministerial salaries or you and you and your mates are up for the night.

**Mr Rickuss** interjected.

**Mr DEPUTY SPEAKER:** Order! Member for Lockyer! All members, I have been very lenient tonight. The minister is getting as good as he is giving. So I am quite happy to sit back.

**Mr ELMES:** I rise to a point of order. I know the argument is as weak as water, but I cannot think of anything else. I do not think the minister's presentation has anything to do with the bill. Perhaps we could go back to something at least containing some substance.

**Mr DEPUTY SPEAKER:** That is not a point of order, but it is a relevant issue. Minister, I would ask that you return to the clauses of the bill.

**Mr ROBERTSON:** And appropriately so. It is a timely intervention. In its first year of operation Allconnex distributed approximately \$192 million in funds in profit to its participating councils, with Gold Coast City Council receiving approximately \$118 million, Logan receiving approximately \$48 million and Redland receiving approximately \$26 million in funds.

In addition, in 2010-11 Allconnex delivered more than \$200 million in capital work savings compared to the original budget inherited from council water businesses. So, despite the significant returns—significant profits—earned by Gold Coast, Logan and Redland councils, the Gold Coast City Council decided to withdraw from its distributor-retailer, Allconnex. As history shows, there was an opportunity for the Gold Coast City Council, having earned \$118 million profit in 2010-11, to put that profit back into reduced water bills, but they chose not to do so. They took the money. They took the \$118 million profit that they earned from Allconnex, stuck it in their back pockets and then criticised Allconnex for the water charges that they received a profit from. That is rank hypocrisy.

**Mr Dickson:** It was your plan—Anna Bligh's plan.

**Mr ROBERTSON:** No. I take the interjection. The member for Buderim knows that it is within the power of an individual council, having taken the profit from their water business, to do two things with it: they can use that money to spend it in other areas or they can reinvest it as a rebate for lower water bills. The Gold Coast City Council, despite the campaign that went on, stuck the money in their back pocket, let the water bills increase and gave no rebate to the people of the Gold Coast. They could have used that \$118 million profit as a rebate to lower water bills and rates for people on the Gold Coast. The fact that they did not do so proves one thing: just how fundamentally dishonest the Gold Coast council is. As I have described them before, and I do so again tonight, they are the worst council in Queensland, and that is a sad thing to say given their importance to the economy of Queensland. The fact that they would be run by such a bunch of imbeciles—fundamentally dishonest each and every one of them.

**Mr DICKSON:** Mr Deputy Speaker, I rise to a point of order. I think it is inappropriate in this parliament to be talking with such disrespect about a local authority. It is a hybrid of our government.

**Mr DEPUTY SPEAKER** (Mr Wendt): Order! That is not a point of order.

**Mr ROBERTSON:** I take that interjection.

**Mr DEPUTY SPEAKER:** Minister, it was not an interjection; it was a point of order.

**Mr ROBERTSON:** If you want to defend a council who pocketed \$118 million in profit and not return it in lower water bills to the ratepayers of the Gold Coast, then you stand condemned as much as the Gold Coast City Council does in terms of their dishonest campaign that they have run over the last 12 months. You are as bad as Mayor Ron Clarke and, as a result, as Campbell Newman's spokesman in this state, the ratepayers of the Gold Coast will get no relief under a Newman-led government.

**Mr Rickuss:** Come on. Back up your allegation. What was the money used for? Was there any fraud?

**Mr DEPUTY SPEAKER:** Order! Member for Lockyer.

**Mr ROBERTSON:** I take the interjection.

**Mr DEPUTY SPEAKER:** Minister, order! Member for Lockyer, order! The minister has the call.

**Mr ROBERTSON:** I take the interjection. If the member for Lockyer thinks that pocketing \$118 million profit—

**Mr Rickuss:** Who pocketed it?

**Mr DEPUTY SPEAKER:** Member for Lockyer, please desist. Minister, please direct your comments through the chair. That is what this is all about—through the chair. Member for Lockyer, I ask you to cease interjecting.

**Mr ROBERTSON:** It is really simple. They earned \$118 million from the water bills that were paid by the people of the Gold Coast. It is absolute profit that the Gold Coast—

**Mr Elmes:** You just accused them of being dishonest.

**Mr ROBERTSON:** No. Member for Noosa, just hold on. Let me explain some fundamentals. You earn \$118 million profit. You put it in your back pocket and then you complain about the amount of money that people have to pay on their water bills. You have \$118 million that you can give back to your residents in a rebate and you refuse to do so. I have been in this place for about 20 years now and I cannot think of a more dishonest approach by a council than that taken by the Gold Coast.

They are the simple facts which none of you can deny. On the Sunshine Coast they earned a profit too. In Brisbane they earned a profit too. In Ipswich they earned a profit too. In the Scenic Rim they earned a profit too. What did each and every council do with those profits from those distributor-retailers? They put them in their back pockets. Did they use the profits as a rebate to bring down water bills? No, they did not. So all of your tory mates on those tory councils—each and every one of them—stand absolutely condemned by the facts about not reinvesting profits in lower bills.

**Mr Rickuss** interjected.

**Mr DEPUTY SPEAKER:** Order! Member for Lockyer, I will not ask you again. The minister has the call. I would ask the minister to direct his comments through the chair. It takes a bit of heat out of the argument.

**Mr Rickuss** interjected.

**Mr DEPUTY SPEAKER:** Member for Lockyer. Minister, please direct your comments through the chair. The minister has the call.

**Mr ROBERTSON:** Thank you, Mr Deputy Speaker. There is a lot more that I could say in relation to this, but in the time that is left to me I want to do two things. Firstly, in a formal sense I table the explanatory notes to the amendments that have already been circulated. We may or may not discuss them during the context of consideration in detail. As I have already reported in our response to the committee's analysis of the bill, we have, I think, responded positively to most of those ideas and those put forward by the councils. But if my opposition spokesperson wishes to discuss them further then that of course, respectfully, is a matter for him. I formally table the explanatory notes.

*Tabled paper:* South-East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Bill, explanatory notes for Hon. Stephen Robertson's amendments [6449].

The final matter that I want to deal with is one that received some attention during the course of debate. Whilst I have on previous occasions dealt with this issue, I feel obliged in one of my last contributions in this House to try, as I have always done through my ministerial career, to put to bed nonsense, to try to put to bed beliefs that the community may have about a scheme—whether it be the efficacy of the Bradfield scheme or any other scheme—that will somehow deliver volumes of water or

natural resources if only government would invest in it, if only we could see such projects that we are so blind to. I have on previous occasions spoken about the nonsense that is behind the Bradfield scheme, and I do so tonight about the Wolffdene Dam, because I think it is appropriate that we deal once again, as I have spoken previously, about the facts of the Wolffdene Dam.

Wolffdene Dam was actually first proposed back in about 1964. That was when the initial studies were done that suggested that a dam on the upper reaches of the Albert River at the Gold Coast would be a good idea, that it would actually add to water security for our part of South-East Queensland. It was to be a big dam, of almost Wivenhoe proportions. Wivenhoe has a capacity of around 1.165 million megalitres. The initial capacity of Wolffdene was to be around 1.080 million megalitres. So they were of comparable size. It was going to be a big dam. But the capacity of a dam does not in itself tell you what the yield of that dam will be. So it may have a capacity to store but, as the member for Hervey Bay would know, the yield is what actually matters. He knows, from discussions he had in his role as mayor of Hervey Bay over many years, that you can have a storage capacity but it is the yield that matters.

Back in 1964 it was believed that the capacity may be over one million megalitres but the yield was assessed at that time at around 133,000 megalitres per annum. That is what they actually thought they could take out with a high degree of reliability. Well, a further study was done back in the mid-2000s as to what those assumptions were and it was found that that was overly optimistic. With all of the tools we now have available to us—hydrology reports and good science—the yield was revised down from 133,000 to 79,000 megalitres. That is almost half.

To give members an understanding of what that actually means, Wivenhoe has around the same capacity as was predicted—over 1.1 million megalitres. The yield from Wivenhoe is 615,000 megalitres per year. What was Wolffdene's projected yield compared to that 615,000 megalitres? It was 79,000 megalitres. And that was before you took into account existing entitlements downstream for irrigators and other farmers and also before you took into account the need for environmental flows. So the logic suggests that even a number such as 70,000 megalitres per annum is going to be taken way down.

So the suggestion that Wolffdene would have saved us during the millennium drought is an absolute nonsense. It is a fallacy. It is a fake. What science tells us is that, whilst Wolffdene was going to be a big dam—of Wivenhoe proportions—its yield would have been less than one-tenth of what Wivenhoe delivers year in, year out. They are the facts.

**Mr Dickson** interjected.

**Mr ROBERTSON:** No, member for Buderim. At some stage you actually have to accept some facts. Even if, as it may turn out, you occupy the government benches, you will be dealing with exactly the same facts as I have put forward tonight and you will not be able to deny them. In terms of common sense and rational decision making, you need to take them into account.

The simple facts are: Wolffdene was never going to deliver the yields that were necessary to keep pace with population growth in South-East Queensland and it was never going to deliver security of water supply during the millennium drought. They are the simple facts. Those opposite should not continue on with their nonsense, whether it be flooding the inland from the Burdekin Dam or any other nonsense proposal that is talked about in pubs around Queensland. The simple fact is: when you do the actual studies and when you engage in good science, which is the basis of any decision making, you will walk away from Wolffdene every day of the week. That is the simple fact.

**Mr Dickson:** Why did you try to build Traveston Dam?

**Mr ROBERTSON:** Can I just give you this: we built Wyaralong Dam. Wyaralong Dam has a capacity of 103,000 megalitres—one-tenth of the capacity of the proposed Wolffdene—yet it has a yield of 25,700 megalitres. That is a far better performing proposition than Wolffdene would ever have been. The raised Hinze Dam has a capacity of 310,000 megalitres—one-third of what Wolffdene would have had. It has an annual yield of 83,700 megalitres. That is probably twice what would have been delivered from a Wolffdene Dam. By any rational analysis of yield rather than capacity, you would never invest one dollar—not one dollar—in Wolffdene Dam. They are the simple facts. From here on, if anyone argues this point against me I will fight them every day, to the day I die, with simple facts. With those few words, I commend the bill to the House.