




Speech By
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MEMBER FOR MOUNT ISA

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MATTER OF PUBLIC INTEREST

Mount Isa Water

 **Mr KATTER** (Mount Isa—KAP) (11.52 am): I rise to speak about the cost of water for Mount Isa residents and the burden placed on the ratepayers to deal with the outbreak of blue-green algae in Lake Moondarra, which is one of the two main water supplies for Mount Isa. Lake Moondarra was 100 per cent built and paid for by Mount Isa Mines and is the town's main water supply. Lake Julius provides the second source of the town's water and approximately 50 per cent of it was paid for also by Mount Isa Mines. The water in Lake Moondarra is administered by the Mount Isa Water Board on behalf of the state government.

As the manager of that resource, it takes on most of the administration roles and all of the pipe work, pumping and maintenance is performed by the Mount Isa City Council and Mount Isa Mines, or Glencore as it is now known. The water board's function is to provide an administrative role. From 1973 to 1989 that role was undertaken by a part-time accountant who, at the back of an arcade, used to run the activities of the water board, effectively. Now the same role is performed by 14 staff working in a two-storey building, which was purchased for \$300,000 and has been largely renovated twice since that time. Therefore, 14 staff are now doing the job that was done by someone performing half a role. All of this cost goes back onto the Mount Isa ratepayers.

The board's job is to monitor and maintain the quality of the water. It takes a profit from the sale of the water and gives it to the state government. At its discretion, the state government sometimes gives part of the profit, as a dividend, back to the users. When I was on council, often the state government would not give a dividend back, so the extra cost was passed on to the ratepayers.

The injustice exists in relation to the blue-green algae. As the minister said this morning, that algae outbreak has probably occurred as a result of the dry. A blue-green algae problem exists and we now have a \$3.2 million cost for the filtration plant. As the body that takes the profit off the water board, the state government has said, 'Well, that's not our problem. You'll have to pay for that, Mount Isa residents. Every year we're happy to take the \$5 million profit for selling the water of the public utility, even though we never used to make a profit from it. Now we are making a profit, but if a problem comes up we are not going to pay for it. We'll put it back on you. You can all pay for it.' Now everyone in Mount Isa has to pay \$440 each for this mistake or this error. I question the fairness of that. This morning in my question to the minister I said that surely some of that \$5 million profit, over and above the \$1 million dividend, has to go back to help solve the problem, instead of simply asking the people to cover the \$3.2 million cost of filtration. I think that is terribly unfair. It is an injustice.

Last year the increased cost of water for the Mount Isa City Council was \$7.8 million. That has been an enormous burden on the people of Mount Isa. We received a dividend of \$1.24 million, but that dividend will be halved next year and then, as happened with the Gladstone Water Board, it will disappear forever. The dam was 100 per cent built and paid for by the mines, but we have lost control

over it and we will be charged at the whim of the state government of the day. It can charge us whatever it wants to make a profit off that water. We pay our taxes to administer that in the first place and we do not want to pay another tax to the government to use water from a dam that we built. That is what is happening. As a commercial entity that is offering water for sale, if there is a problem you bear some of the cost; you do not put it straight back on to the users. It is a monopoly situation, so there is an obligation on the government to take some of the \$5 million profit that is going straight back into the coffers down here and divert it back to Mount Isa residents, so that we are not charging our pensioners and old people \$440 that they can ill afford to cover that cost. It is a travesty. It is terribly unjust and it needs to be fixed.

People do not live in Mount Isa because it is close to the beach and they do not go there to retire. The only reason Mount Isa exists is to support the operations of the mines, which deliver up to \$100 million in royalties a year. For us to live there, we need water. We built the water supply ourselves with no help from the government. We built it ourselves and now, when we need a bit of help because there is a drought and we have blue-green algae, not even the profit that the government makes from selling the water comes back to us. That is where the unfairness rests. That is the nature of the question that I asked the minister this morning. I will be talking to the minister about this and I appreciate his offer to talk to him. However, we need some assistance over and above the dividend. That is fair for the people of Mount Isa and it gives a bit of equity to the situation. You cannot make a profit from water when people are hurting. It is not there to make a profit; it is there to deliver a public utility to the citizens of Mount Isa.

(Time expired)