



Speech By  
**Christopher Whiting**

**MEMBER FOR MURRUMBA**

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Record of Proceedings, 12 October 2017

**PUBLIC WORKS AND UTILITIES COMMITTEE**

**Report, Motion to Take Note**

Resumed from 7 September (see p. 2812), on motion of Mr King—

That the House take note of the Public Works and Utilities Committee report No. 40 titled *Auditor-General report to parliament 7: 2016-17—Water: 2015-16 results of financial audits*, tabled 31 May 2017.

 **Mr WHITING** (Murrumbidgee—ALP) (11.44 am): It gives me great pleasure to resume the debate on the noting of this report. I spent 12 years as a councillor and we spent many years on the issue of water and wastewater. It is very clear from this report that the Auditor-General has said that the management of these water entities is financially sound, that the sector is financially sound. A pertinent point that we need to note is that the payments made as dividends to the people of Queensland through the government were made in cash with no extra borrowings—that is, we were able to fund those payments through those water entities without extra borrowings. That is a great outcome. These entities are working hard for the people of Queensland to ensure that these government corporations—these government businesses that we still own—are able to deliver money to the people of Queensland to fund those essential services. I note that the report says that the debt and equity ratios remain unchanged, and that is a very important point. For those people who are familiar with financial statements, those ratios are the ones that people look very closely at. It is very pleasing to see that their debt and equity ratios remain unchanged, once again indicating a robust and sound financial position for these government organisations.

One of the interesting things we discovered from this report relates to the price path debt through Seqwater. It found that once again Seqwater has that strong, robust sustainability. The points made on the price path debt are particularly interesting. It shows that over that 10 years we have the price path happening and we are helping the water businesses transition so that they can recoup the full cost it takes to deliver water and take wastewater away. That is a very important point and that debt has been used in this case to ease that pathway for consumers. I believe this is a very good thing. From my time in council I know that water and sewerage businesses are very expensive. It is a very expensive process when you start digging up the ground, putting new things in and replacing assets. Those assets need to be continually renewed all of the time. You just cannot put them in the ground and leave them there. You have to make sure that they do not leak and that they are not clogging up. If they are made of an old material, they have to be replaced. We need to have a plan to completely renew those assets over time, and that is a public safety issue as well, and it is an expensive process. This report points out that the price pathway we have to cover these things is sustainable and it is not putting an undue burden on consumers. Rather, it smooths that out over 10 years.

Another issue that I want to point out while talking about these assets—and this report intimates or addresses the issue—is that we have to future proof our water and sewerage assets. Where are we going to be in 10, 20 or 50 years time—a time when the climate has changed, a time when it may well be drier, a time when we do see big storm events or the return of drought? It is very important that we

remember that as we think about these water assets. Through action by the government we are drought proofing our system and our water grid. We are making sure that it is robust enough to cope with those weather shocks that we will see in the future. The water desal plant has been talked about and I want to reiterate that this plant is already working for Queenslanders. It delivered water during the flood events that we have had in recent times. It is good to know that we have a lovely asset which only takes a couple of days to fire up to 100 per cent capacity. It can reach 33 per cent capacity in 24 hours. This asset is already delivering water into the water grid now, and in the last report I heard it was about nine megalitres a week. It fires up two days a week and that asset is putting water into the water grid. I commend the report to the House.

Question put—That the motion be agreed to.

Motion agreed to.