



Speech By  
**Christopher Whiting**


**MEMBER FOR BANCROFT**

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**STATE DEVELOPMENT, NATURAL RESOURCES AND AGRICULTURAL  
INDUSTRY DEVELOPMENT COMMITTEE**

**Report, Motion to Take Note**

 **Mr WHITING** (Bancroft—ALP) (3.02 pm): I move—

That the House take note of the State Development, Natural Resources and Agricultural Industry Development Committee report No. 8 titled *Consideration of the Auditor-General's report 5: 2017-18—Water: 2016-17 results of financial audits* tabled on 18 June 2018.

As an ex-councillor, water is close to my heart. Assets held by our water entities are enormous. Unitywater has 11,652 kilometres of pipes, Queensland Urban Utilities has 18,755 kilometres of pipes and Seqwater has 37 water treatment plants and one desalination plant. Not only do these enormous and expensive assets have to be maintained, they have to be as close to 100 per cent reliable as we can get them. It does cost a lot to service and maintain and also replace these assets.

I do remember, in my time in council, a pipe-lining program where a machine was sent down a main that extrudes a substance that coats the inside of the main and therefore makes it waterproof. Many more years of life are gained from that particular pipe and it does not have to be dug up. A former staff member would always tell me—he was not in the water business; he was in the transportation business—the amount of money and electricity it takes to move one cubic metre of water around. That is a tonne that needs to be moved from point A to point B and be 100 per cent reliable.

This report points out that \$225 million was allocated to the Townsville water security project. That is very much needed in that area. When we started the Murrumba Downs plant, which had a reverse osmosis process, it was \$44 million and we thought that was quite expensive at the time. It is a great asset to the area. These assets are large and expensive. Bearing this in mind, the audit has presented what I know is a good picture and Queenslanders can be proud of the financial standing of these water assets.

The assets and liability balances, as it says in the report, have remained consistent. We can see from this report that the money made in these businesses is going back into these businesses to make them even better for Queenslanders. For example, Seqwater has paid the interest costs for all of its debts in the past year. The debt has stabilised for one of the other entities for the first time since 2011-12. SunWater has kept its profit this year and put those back into dam safety measures.

These businesses are reinvesting their profits back into their own business. In relation to the financial standing of these entities, profits totalled \$368 million, with revenue of \$3.3 billion; expenses were \$2.79 billion, net assets were \$7.5 billion and total assets were \$22.6 billion. It is quite a massive industry.

At our briefing the Audit Office advised the committee that the increased earnings for the water sector was mainly driven by consumer demand in our area. Queensland has experienced enormous growth—another \$5 million Queenslanders—especially along the corridors north and south of the

Brisbane area. As a result there is more water being produced by these plants. It can be noted from this report that the dividends from these businesses are returned to councils—in particular, Queensland Urban Utilities and Unitywater make returns to those contributing councils. That is \$200 million annually. We need to remember that when we talk about how these particular organisations operate.

Once all of these figures are stacked up against the sheer amount of capital invested in these plants, the capital costs and the debt they service, I think they are performing very well indeed.