




Speech By
Dale Last

MEMBER FOR BURDEKIN

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

Report, Motion to Take Note

 **Mr LAST** (Burdekin—LNP) (3.15 pm): I rise to speak to the State Development, Natural Resources and Agricultural Industry Development Committee's report No. 8 of the 56th Parliament, titled *Consideration of the Auditor-General's report 5: 2017-18—Water: 2016-17 results of financial audits*, tabled on 18 June 2018. Water is our most precious commodity. It underpins everything we do and provides opportunities for untold development across Queensland. The Auditor-General's report summarises the results of the financial audits of six of the main water sector entities in Queensland; namely, the Mount Isa Water Board, the Gladstone Area Water Board, SunWater, Seqwater, Queensland Urban Utilities and Unitywater.

For the third consecutive year, the water sector has reported an increase in its operating profits, driven by population growth, consumer demand for water and, of course, pricing increases across the sector. I will go through the figures for the 2016-17 financial year: profits were \$368 million, which is a 71 per cent increase from the previous year; revenue was \$3.3 billion, which is a six per cent increase; and expenses of \$2.79 billion. The water sector recorded net flows to the government of \$306 million, which is a significant increase on the previous year. Those are big figures.

Over the past three years, a total of \$193 million in dividends was declared to the state government, of which SunWater contributed 87 per cent. That begs the question: is this government using water bills to increase profits, just as they have with electricity in Queensland? Of concern are the annual maintenance and operating costs for the Western Corridor Recycled Water Scheme and the Gold Coast desalination plant, at \$9.8 million and \$11.9 million respectively. That is because of low water supplies, the fact that Labor has not built a dam in Queensland for almost two decades and that much of the water grid is not used, yet Queenslanders are still paying for the costs.

Queenslanders are sick and tired of increasing cost-of-living expenses, especially from government owned and controlled utilities. Under this Labor government, again residents in the South-East Queensland corner are facing massive increases in bulk water prices. Over the past 10 years, successive Labor governments have delivered a more than 400 per cent increase in bulk water prices directly onto the bills of Queenslanders.

However, the latest blow to household budgets has come from the Queensland Competition Authority, which has recommended further price increases over the next three successive years, despite a 71 per cent increase in profits across-the-board. Those increases include over five per cent for residents in the Brisbane, Gold Coast, Ipswich, Logan, Moreton Bay, Scenic Rim and Somerset areas, which is an increase of \$47 over three years; over eight per cent on the Sunshine Coast and Noosa, which is an increase of \$79 over three years; and over nine per cent in the Redlands, which is an increase of \$88 over three years. Therefore, over the next three years residents of South-East Queensland will be paying, on average, \$50 to \$90 more for their water and those increases are three to five times the rate of inflation. That certainly fails the good governance test and it is unacceptable.

The Minister for Natural Resources refused to rule out price hikes above the consumer price index for regional bulk water during estimates. That is a huge blow for irrigators already hurting under the increased demand for pumping through drought. I know there is no better example of that than in my area of the Burdekin which relies on irrigation to grow their annual sugar crop.

I now move on to the critical water infrastructure report. That audit found that water control systems were not adequately secure, with all entities audited found to be susceptible to security breaches or hacking attacks because of weaknesses in processes and controls. Security controls did not sufficiently protect them from internal or external information technology related attacks. The ramifications are that these attackers can target water control systems to endanger public health and safety. We need to be on top of that in this day and age.

Finally, I turn to the flood resilience of river catchments report and how important it is that all the elements of the Brisbane River catchment flood study are adopted. Of particular relevance is the recommendation that the four councils develop flood management plans in accordance with the recommendations from the Queensland Floods Commission of Inquiry.