




Speech By
Glenn Butcher

MEMBER FOR GLADSTONE

Record of Proceedings, 16 May 2018

MOTION

Water Prices

 **Mr BUTCHER** (Gladstone—ALP) (5.34 pm): Tonight I rise to speak against the motion moved by the member for Burdekin. A decade ago, South-East Queensland was facing one of the worst droughts on record and members opposite should remember that drought. We hear constantly about water supply issues, particularly in regional and Western Queensland. It is important that people in all of our communities have a clean and reliable supply of water. If anyone should be able to comment on that, it should be those opposite who know how important it is to have water delivered in a clean and reliable way.

The South-East Queensland drought affected a lot of people. The government of the day invested in infrastructure and assets and put in place structural reform and processes to guard against that drought. The South-East Queensland water grid and other measures implemented over the past decade have continued to ensure that South-East Queensland households and businesses have a safe, secure and reliable water supply going forward. Those things are not cheap to provide and were not at that time, but they are now set in stone for the long-term viability of water supply to communities in South-East Queensland. Having the independent economic regulator, the QCA, assess Seqwater's costs and recommend prices to the government is a responsible way for the government to ensure that prices are fair and reasonable. It is essential that South-East Queensland households and businesses have a safe, secure and reliable water supply.

Tonight we have heard members talk about what families and pensioners are after. Pensioners and families want a reliable source of water into the future, particularly as we have needed to bring on those services at 100 per cent to get through recent weather events in South-East Queensland. To ensure this, Seqwater, the bulk water service provider, needs to undertake necessary operating and maintenance activities, and capital upgrades are needed to ensure water is not only available but also safe to drink. The prices charged for that essential service should be based on a prudent and efficient cost for the supply of that water. That is why the government directed the independent economic regulator, the Queensland Competition Authority, to assess Seqwater's proposed costs and recommend prices for the next three years, from 2018-19 through to 2020-21. The QCA has provided two possible pricing options to consider. The government is analysing and reviewing the QCA's final report before deciding on the prices to apply for the period 1 July 2018 to 30 June 2021.

Let us consider what the LNP is proposing. If we write down the assets, we could potentially charge less for water, but we are still left with debt. The LNP is the party that claims that they are more responsible when it comes to managing debt in Queensland. Theirs is the party that claims that they believe in a user-pays system, that people who use a public service should pay for it. However, any proposal to write down assets simply leaves us with a debt to service in a different way. The government would only have to pay off that debt later.

The LNP are hypocrites of the highest order. They decry the water grid as a waste of money, which I have heard several times from across the chamber, even though it is working to move water around South-East Queensland to avoid water shortages across different regions, particularly across the Redlands area as we have heard. The QCA has recommended that prices be set for bulk water for the 11 council areas in South-East Queensland. To arrive at their recommendations, the QCA has reviewed Seqwater's costs to ensure people living in South-East Queensland pay a fair and a reasonable rate for their drinking water and that it is safe and reliable.

As part of this program, the QCA identified efficiencies in Seqwater's costs over the period 2018 to 2028. The QCA cut \$139 million from Seqwater's proposed operating expenditure and \$359 million of proposed capital expenditure. Therefore, it is doing its job. It has cut the costs associated with that infrastructure and is getting on with the job of giving us a good and secure supply of water in South-East Queensland.