




Speech By
Ann Leahy

MEMBER FOR WARREGO

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STATE DEVELOPMENT, NATURAL RESOURCES AND AGRICULTURAL INDUSTRY DEVELOPMENT COMMITTEE

Report, Motion to Take Note

 **Ms LEAHY** (Warrego—LNP) (3.34 pm): I rise to contribute to the debate on the Auditor-General's report No. 8 of 2018-19 titled *Water: 2017-18 results of financial audits*. The Auditor-General's report summarises the financial audit results of six water entities: Seqwater, SunWater, Gladstone Area Water Board, Mount Isa Water Board, Queensland Urban Utilities and Unitywater. Within South-East Queensland Seqwater sells treated bulk water to 12 local council regions, either through the distributor-retailers Unitywater and Queensland Urban Utilities or directly to councils, for example, Gold Coast City Council and Logan City Council, which operate their own retail operations.

Seqwater also provides bulk water directly to large corporations and irrigators. The distributor-retailers, or councils that operate their own, then onsell the water to households and businesses. Bulk water prices are set by the state government with an oversight by the Queensland Competition Authority. Notwithstanding some of the taxation treatments adopted by Seqwater, it is no surprise that the water sector has still maintained its operating profits and made a significant contribution to state government coffers through dividend payments.

The 2017-18 financial report of the Queensland Audit Office showed that the dividends paid by state owned water companies to the Queensland government have surged by 490 per cent in just one year, accompanied by a 62 per cent increase in profits after dividend payments since 2016. This Labor government has profited more than \$347 million from Queensland water consumers on the back of recent water price increases.

Labor established the bulk water price path to reach a common price across councils. As part of this process it means that many residents are likely to see further price increases for households and businesses. The state government has accepted the QCA's second recommendation which proposed smoothed pricing for all council areas, including Redland City, Sunshine Coast and Noosa, setting the bulk water prices until 2021. Mums and dads in Redland City, Sunshine Coast and Noosa can expect further increases in the price of their household water. This option increases prices on a linear path for each council between 2017-18 and 2020-21. That means that the price to your household, the price to your business, is on the way up, up and up.

Just like energy supply, household water is an essential service. Consumers always need water. This is a captured audience and unfortunately one that represents a soft target to extract higher prices. I am disappointed with what we see from the Labor government opposite as detailed in this audit report. This is *deja vu* of electricity prices. Just like the electricity dividends that the Queensland Labor government is so intent on harvesting, so too will it harvest the dividends from consumers' water. This is yet another impost on consumers to prop up the member for South Brisbane's hopeless financial management of the state budget.

Government members interjected.

Mr DEPUTY SPEAKER (Mr Weir): Minister and government members, if you wish to speak to this there is plenty of room on the speaking list.

Ms LEAHY: Meanwhile, mums and dads and businesses are paying through the nose for the essential service of household water. This is clearly a case of the Labor government profiting from water when Queenslanders continue to battle the rising cost of living. It is clear that the Palaszczuk Labor government does not care about the battlers; it just keeps slugging them with increased electricity prices and higher water prices. We have already seen South-East Queenslanders slugged with a water price increase between \$50 and \$90 over the next three years for their water. This is not acceptable. This audit report exposes this government's appalling and atrocious water price increases that in turn place even more pressure on mums and dads and their cost of living.