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) (3.06 pm): I rise to speak to Auditor-General's report No. 8 of 2018-19 titled *Water: 2017-18 results of financial audits*. The Queensland Audit Office 2017-18 financial audit report shows that 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. Let us put that into perspective. This government has profited more than $347 million from Queensland water customers on the back of recent water price increases. This is clearly a case of this Labor government profiting from water while Queenslanders continue to battle the rising costs of living.

We have already seen South-East Queenslanders slugged with water price increases of between $50 and $90 over the next three years. When it comes to rural water, the QCA review into irrigation water prices is looking at going the same way for regional Queensland customers, with early estimates in certain schemes looking at significant price blowouts. Labor's inclusion of dam safety and flood mitigation costs in the referral notice to the QCA will see these costs directly passed on to irrigating farmers through significant water price increases. All of this is happening while SunWater remained the main cash cow for the government, making up 88 per cent of the $468.8 million in dividends paid to the state's coffers.

All we are seeing from this government is continual water price increases being put back on Queenslanders while profits continue to surge. The LNP firmly believes that our water utilities should not be used like our electricity generators have been, as revenue cash cows. Instead of profiting from surging water prices, the government should be giving back to Queenslanders through lower water costs.

SunWater—and the state government, as its sole owner—must be held to account for the role it has been given to effectively manage water assets. Rural irrigation customers are currently staring down the barrel of significant price increases through the QCA price review. A major factor driving that price increase is SunWater's management of the expenditure that will be passed on to customers. For example, SunWater has seen a 112 per cent blowout in non-routine expenditure across all schemes from the QCA target for 2013 to 2018 totalling $69,160,000 compared to the actuals/forecast totalling $146,566,000 for the corresponding period.

SunWater has seen a 59 per cent increase in non-direct costs for irrigation customers from an actual $11.1 million in 2017 to a forecast $17.6 million in 2019, representing a $6.5 million increase in two years. SunWater's operations expenditure relating to irrigation—and this is the one that concerns me—increased from an actual $39.6 million in 2017 to a forecast of $47.2 million in 2019, a $7.6 million increase over two years. Couldn't our irrigators and our farmers do with those costs being passed on to them in the form of savings or reduced water costs? It is our farmers who produce our food and fibre. They are doing it tough. They are battling rising power prices as well. On top of that, they are now paying these exorbitant costs for water for irrigation purposes.

Dam safety costs and high electricity pumping costs, as well as cost blowouts, are the main drivers of the cost increases, a costing that the LNP has called for not to be passed on. This report highlights that there are some serious issues with regard to the management of water in this state. If these continual price rises continue to be passed on in the future, then we are going to get to the stage where we are going to see our dam water storage facilities full and not being utilised to their full extent. That of course means a loss in production and a loss in jobs in Queensland.