



Speech by

Jann Stuckey

MEMBER FOR CURRUMBIN

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SOUTH-EAST QUEENSLAND WATER (DISTRIBUTION AND RETAIL RESTRUCTURING) AND OTHER LEGISLATION AMENDMENT BILL

Mrs STUCKEY (Currumbin—LNP) (5.06 pm): I rise to speak in this debate on the South-East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment bill 2010, which was introduced into this House on 13 April by the Minister for Natural Resources, Mines and Energy and Minister for Trade. This bill includes the second and final stage of SEQ's water reform, which was introduced last October and which established three council owned distributor-retailer entities to take over the delivery of water and wastewater services that is presently provided by Queensland's local governments.

The amendments to the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 will provide the regulatory framework for the operation of the three new council owned entities to begin from 1 July 2010. My brief contribution to this debate today, owing to the fact that the government has once again guillotined a series of bills and prevented thorough debate, will focus directly on the provisions that relate to water supply in South-East Queensland.

The shadow minister and honourable member for Callide has indicated that the LNP has some reservations about some of the provisions in this bill. With the passage of this bill and the commencement of its provisions on 1 July, South-East Queensland local governments will cease to be the service providers as these three distributor-retailers will take over that function. These retailers—Queensland Urban Utilities, which services Brisbane, Ipswich, the Scenic Rim, Somerset and the Lockyer Valley; Unitywater, which services the Sunshine Coast and Moreton; and of particular interest to me and my constituents, Allconnex, which services the Gold Coast, Logan and Redlands—will have four key roles. They will be providing customer service through issuing water and wastewater bills, reading meters and providing information to consumers; developing water and wastewater network and service plans consistent with the SEQ Regional Plan and council planning schemes; assessing the water and wastewater aspects of development applications before the council; and managing the assets to meet future needs and ensuring that service and environmental standards are met.

Where councils used to supply water services locally, now the state government owned Seqwater, WaterSecure and TransLink will supply bulk water to the water grid manager at a price determined by them, which would onsell it to water retailers, being the three council owned entities established under this act. They in turn will sell this water to customers and pay the distribution entity to deliver the water. Unfortunately for the good people of Queensland, steep increases in water prices are inevitable under this Labor government. Gold Coast ratepayers in particular will feel the pain of high water costs over coming years.

Before the takeover of council assets by the state-run Queensland Water Commission in 2006, the Gold Coast was producing water for its residents for just \$160 a megalitre, or 16c a kilolitre. Now the cost of desalinated water is revealed to be \$731 a megalitre, or 73c per kilolitre compared with treated dam water at around 30c a kilolitre, or \$300 a megalitre. Retail prices are expected to jump 250 per cent over the next six years as ratepayers are forced to cough up for the cost of the state government's \$9 billion

extravaganza, the South-East Queensland water grid. Bulk water prices set by the Queensland Water Commission will increase over the coming years to cover the cost of the incompetence shown by successive Labor governments in 18 of the last 20 years, which all failed to prepare for the water situation that has plagued South-East Queensland.

Bulk water prices for the Gold Coast increased by \$270 in 2008-09 and are predicted to increase by \$256 in 2009-10 and a further \$243 in 2010-11. Considering these figures and the growing stockpile of defective projects undertaken by recent Labor governments to contribute to the state's water debt, local councils should not be forced to be put in the firing line of the public's outrage over rising water rates. Again we witness the typical buck-passing by this Bligh government when it has made a mess of things and wants someone else to be the fall guy.

Concerns have been raised by the Gold Coast City Council regarding the asset management role of the new entities. Council's water committee is concerned that parcels of valuable land currently owned by Gold Coast ratepayers that will be transferred to the new entity may become underutilised or land banked in order to boost the entity's asset value. Just how will locality-specific issues of local government be taken into account by these new superentities? Will the Gold Coast City Council's staunch opposition to the doubling or, if rumours are to be acknowledged, tripling of the Tugun desalination plant be considered? When making decisions pertaining to the future of water assets, will the homes and livelihoods of local Tugun residents be protected by Allconnex, an entity with no direct relationship to the land or the people of the southern Gold Coast? Will innocent taxpayers and homeowners be trampled on, as were the good residents of Tugun and others along the pipeline route? These are questions deserving of answers from the minister.

The passage of this bill has also raised a particular concern for the survival of our local clubs and not-for-profit groups, whose value to the community is immeasurable. Currently, over 500 groups on the Gold Coast, including surf clubs, charities, scouts, Rotaries, Guide Dogs and animal shelters, are given discounts of 50 to 100 per cent by the council for their water consumption charges. Organisations in my electorate are worried that Allconnex, the entity responsible for the Gold Coast, will cease to grant these donations when it begins operations on 1 July.

Not-for-profit clubs rely on the community for survival, and having water consumption charges thrust upon them, after routine concessions from the council, could see many of them struggling to stay afloat. The local girl guides hut at Currumbin and our surf-lifesaving clubs currently receive a 50 per cent discount on their water and a 100 per cent discount on their annual wastewater and water service charges from the council. Our struggling Volunteer Marine Rescue at Currumbin also receives a 50 per cent discount on water and a 100 per cent discount on wastewater and water service charges. Will the minister give a rock-solid guarantee that water rate concessions currently given to local charities and organisations by councils will be continued by the new distributor-retailer entities? Premier Bligh's gouging of \$10 million from the Gambling Community Benefit Fund for solar projects only makes matters worse for these respected volunteer service providers.

As was the case in the 2009 SEQ water reform legislation, the Water Supply (Safety and Reliability) Act 2008 is being amended once again. These amendments purportedly seek to enhance and clarify reporting obligations of recycled water and drinking water providers. The need for more stringent reporting conditions on drinking water has been highlighted on the Gold Coast many times in recent months. Untreated recycled water and break-outs of E. coli in our drinking water supply are dangerous and unacceptable and, disappointingly for the Gold Coast, are becoming more frequent. Many residents in my electorate of Currumbin, home to the defect-ridden desalination plant, regularly contact my office concerned with the quality of drinking water in their homes. If ratepayers are forced to pay such wickedly high prices for drinking water, I certainly hope these amendments will ensure that those in charge of our water are guaranteeing that it is clean and safe to drink.