

QUESTION ON NOTICE

No. 1510

asked on Wednesday, 29 November 2006

MR CRIPPS ASKED THE MINISTER FOR MINES AND ENERGY (MR WILSON)—

QUESTION:

With reference to the proposed Tully – Innisfail transmission line to be constructed by Powerlink between these two localities—

- (1) Does the estimated total cost of the coastal route option include the costs associated with the surveying and acquisition of the easement required on almost 200 properties between Tully and Innisfail; if not, why not?
- (2) Does the estimated total cost of the coastal route option include the costs associated with the de-commissioning and removal of the current Kareeya – Innisfail transmission line; if not, why not?
- (3) Does the inclusion of these and other costs associated with the proposed coastal route option make the total cost of the coastal route option greater than the cost of upgrading the transmission line along the current inland alignment?

ANSWER:

- (1) I am advised that in early 2006, Powerlink obtained a revised estimate of the expected costs of construction of a transmission line along the coastal route from Tully to Innisfail and a transmission line along the inland route from Kareeya to Innisfail. The revised cost estimates at that time for the construction of a transmission line along the coastal and inland routes were \$41.9 million and \$71.2 million respectively. These estimates were based only on the likely construction costs of the transmission line and did not include the cost of the Environmental Impact Assessment studies undertaken on both routes, the additional environmental studies required by the Commonwealth Department of the Environment and Heritage, surveying and acquisition of easements for the new transmission line, and decommissioning and removal of the aged Kareeya to Innisfail transmission line. Most of these costs are common to both the coastal and inland line route options, and would have been incurred irrespective of which alignment was approved by the Commonwealth Government.

The process of acquiring easements for the new Tully to Innisfail transmission line is still ongoing. The formal gazettal of easement acquisitions for the new line commenced in mid-October 2006 and is expected to progressively continue into the early part of 2007. Negotiations with affected property owners on compensation will be completed after the acquisition process is finalised. Until these processes have been completed, the total estimated cost for the surveying and acquisition of the easements will not be known.

- (2) I am advised that the cost estimate provided in early 2006 for the construction of the Tully to Innisfail transmission line was only in respect of costs for the construction of the transmission line. This estimate did not include costs which are common to both options, including the cost of removing the existing aged Kareeya to Innisfail transmission line.

As part of its approval conditions for construction of the Tully to Innisfail transmission line, Powerlink is required by the Commonwealth Department of the Environment and Heritage to submit for its consideration a decommissioning plan for removal of the existing Kareeya to Innisfail transmission line. The plan is required to be submitted within 12 months of the commencement of construction of the new line. Once this plan has been considered by the Department of the Environment and Heritage and its response, including any imposed conditions, has been reviewed by Powerlink, a detailed cost estimate for the removal of the line can then be prepared.

The existing Kareeya to Innisfail transmission line is around 50 years old and was required to be decommissioned and removed irrespective of which route option (i.e. coastal or inland) was approved. Therefore, the cost of decommissioning the existing line would have been incurred no matter which option was approved by the Commonwealth Government.

- (3) I am advised that the inclusion of costs associated with the surveying and acquisition of the easements required for the new Tully to Innisfail transmission line, and decommissioning and removal of the existing Kareeya to Innisfail transmission line, does not make the total cost of the coastal route option greater than the cost of replacing the existing transmission line along the inland route. The costs incurred so far on line route investigations, consultation and environmental impact assessment are common to both route options, as are the costs of decommissioning and removing the existing Kareeya to Innisfail transmission line. In any event, Powerlink has only been given approval by the Commonwealth Government to construct the new line along the coastal route. The Commonwealth Government did not give approval for the inland route.