

## QUESTION ON NOTICE

No. 968

asked on Tuesday 6 June 2006

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MS JARRATT ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND WATER (MR PALASZCZUK)—

### QUESTION:

With reference to the announcement of a commitment of \$120m to deliver the Water for Bowen Project—

How will this announcement impact on the current planning process for the project?

### ANSWER:

I must commend the Honourable Member for her strong representations to the Government on this project.

The recently released *Blueprint for the Bush* identified seven major water infrastructure projects, valued at \$990 million, that are currently under consideration by the Government to support future development in regional Queensland.

The Water for Bowen project is one of the seven major projects. It aims to supply up to 60,000 megalitres of water to industrial and agricultural users in the Bowen area via a new 130 kilometre channel and pipeline system from the Burdekin River.

The project involves a two stage investigation process. Stage 1 pre-feasibility investigations concluded in October 2005 that market conditions in the region could support a new, fully commercial water transport system.

Stage 2 involves a detailed feasibility study and environmental impact study, which will allow stakeholders to decide whether it is viable to proceed to construction.

The Stage 2 studies will cost some \$4.5 million and take 18 months to complete. It has previously been agreed that the cost of the studies be shared equally by SunWater, the Queensland Government and the future customers.

On 16 December 2005, the Premier announced the Government would contribute \$1.5 million towards the Stage 2 investigations. The SunWater Board has also given in principle approval to commit \$1.5 million to Stage 2 of the planning process.

The private sector now needs to demonstrate its commitment to the project. Those businesses who join with the Government in supporting the investigations are being offered a range of incentives as foundation customers of the new water service.

On 14 March 2006, in Bowen, I launched the customer contribution offer period to raise the remaining \$1.5 million. The offer is scheduled to close on 6 July 2006.

I would urge interested parties to commit funds to guarantee that the project can continue.

When Stage 2 is complete, stakeholders including SunWater will be able to determine the financial and technical viability of the project, including a final cost to construct, currently estimated at \$120 million.

The Water for Bowen Project is considered to be strategic in opening Bowen and areas north to Ayr for future development. The Government is committed to facilitating the project as a fully commercial development as it provides both regional and environmental benefits.

I strongly believe the reference to the Water for Bowen project in the Blueprint for the Bush demonstrates the Government's commitment to this project.