

## Question on Notice

No. 1927

Asked on Wednesday, 14 November 2007

**MISS SIMPSON** asked the Deputy Premier and Minister for Infrastructure and Planning (Mr LUCAS) –

QUESTION:

With reference to the Government's report by Marsden Jacob (April 2007) where it says in regard to Traveston Dam that 'The economic evaluation should be based on all relevant water supply costs including raw water, treatment and transport costs –

Why are water transfer costs from Traveston Dam to Brisbane not included in the Traveston Dam Environmental Impact Statement or the assessment of alternative water options?

ANSWER:

I thank the Member for Maroochydhore for her question.

It is ironic to be receiving a question from her about water transfer costs given that she doesn't understand pipelines. She was part of the Coalition which took a four-dam-policy to the last election – a policy that didn't include pipes to connect those dams to anywhere or anything. She fundamentally doesn't get the need to secure supply for the region by moving water to where it's needed. She doesn't support pipes connecting the Sunshine Coast to the water grid, but she's happy to have other areas of the State generate and supply electricity to locals so the lights come on every night.

Queenslanders must never forget the Member for Maroochydhore is part of an Opposition that voted against the water grid and wants to sink the Traveston Crossing Dam without offering any credible alternative. Earlier this year her Leader stated they wanted Wyaralong Dam constructed in 2012 – two years after the State Government is proposing to build it. When it comes to water in the South East, the Opposition just doesn't get it.

As Miss Simpson would be aware, Queensland Water Infrastructure Pty Ltd has prepared an Environmental Impact Statement (EIS) for the Traveston Crossing Dam, which was released for public review and comment on 18 October 2007.

Chapter 2 of the EIS outlines the rationale for the dam and includes a detailed evaluation of a range of alternatives. Identified alternatives included:

- A series of small dams in the Mary River Catchment;
- Smaller dams in both the Logan and Mary River Catchments;
- A dam in northern NSW, on the Clarence River; and
- A desalination plant in the Sunshine Coast area.

I am advised that the EIS Chapter 2 evaluation of alternatives is underpinned by the Marsden Jacob Associates report *An economic evaluation of the proposed Traveston Crossing Dam in South East Queensland*. The Marsden Jacob report is provided in the EIS at Appendix F-11.2.

Each of the options considered in Marsden Jacob's report would require treatment of water and connection to the South East Queensland (SEQ) Water Grid. Therefore the work undertaken by Marsden Jacob incorporates the capital and operational cost of raw water treatment and transport to the SEQ Water Grid for all alternatives considered, including the Traveston Crossing Dam.

Quite sensibly, Marsden Jacob does not include the cost of transporting that water once it reaches the grid. This is for two reasons. First, once the water is in the grid, the cost of moving it to where it is needed is the same and common to all alternatives, so including it would increase the cost of each project by the same amount, adding no value. Second, the benefit of the grid is that water can be moved to where it is needed – so it would be foolish to undertake a simplistic assessment of the cost of moving water from just one location to one other location when water can be taken from multiple sources and sent to multiple destinations as needed.

The truth is Miss Simpson is yet again trying to prove her fallacious claim that the Northern Pipeline Interconnector (NPI) should be included in the cost of the Traveston Crossing Dam. This argument is demonstrably false. The NPI will allow surplus water sourced from Baroon Pocket Dam, Cooloolabin Dam, Wappa Dam, Borumba Dam and Lake McDonald to be transferred, when available, to the water grid. The NPI also lays the foundation for the Sunshine Coast to receive water from the rest of SEQ if required in the future by making provision for the construction of two-way flow. The cost of the Traveston Crossing Dam appropriately includes an amount for the connection of the dam to the water grid by connecting to the NPI.