

Question on Notice

No. 208

Asked on 21 February 2007

Mr NICHOLLS asked the Deputy Premier, Treasurer and Minister for Infrastructure (Ms BLIGH) –

QUESTION:

What will be the cost of water delivered through recycling sewage water and how will it compare in price to reservoir water?

ANSWER:

On 9 March 2007, the Queensland Water Commission released its recommendations regarding water pricing for the South East Queensland water grid. Those recommendations were based on the cost of all new and existing water infrastructure on a pooled basis – across all projects – rather than by individual project.

The QWC advice was prepared in accordance with National Water Initiative principles and assumed full cost recovery.

On 13 March 2007, the Government announced that it would lower its rate of return to a “break even” level and extend the price path for price increases from five years, as recommended by the QWC to ten years. This decision reduces the magnitude of price increases for the average Brisbane household from \$383 over five years as recommended by the QWC to \$175 over five years.

Given the seven steps adopted in purifying recycled water, the cost of producing it is of course higher than sourcing water from existing dams or indeed the two new dams that the Government is building. However, as stated above, the QWC’s report calculated prices for water from the SEQ water grid on a pooled basis – across all projects – rather than by individual projects.