

Question on Notice

No. 701

Asked on 22 May 2007

MR HOPPER asked the Deputy Premier, Treasurer and Minister for Infrastructure (MS BLIGH) –

QUESTION:

With reference to the recent announcement by the Minister for Mines and Energy (Mr Wilson) that the price cap on the uniform electricity tariff would increase by up to ten per cent from 1 July 2007—

- (1) What electricity tariff price was used for the budgeted operational costs for the following projects (a) Northern Pipeline Interconnector, (b) Eastern Pipeline Interconnector, (c) Western Corridor Recycled Scheme, (d) Southern Regional Water Pipeline and (e) South East Queensland (Gold Coast) Desalination Plant?
- (2) How will the increase in price announced by the Minister for Mines and Energy (Mr Wilson) increase the electricity tariff price of each of these projects, reported separately?
- (3) What overall cost increase in operational costs per annum will each of the projects experience as a result of the electricity tariff increase, reported separately?

ANSWER:

Electricity costs are only one component of the operational costs for the SEQ Water Grid projects. Costing estimates used by the Queensland Water Commission to prepare its forecasts for potential water prices after the completion of the South East Queensland Water Grid infrastructure, were based on input cost information that predated the finalisation of the new electricity tariffs commencing on 1 July 2007. The actual electricity tariff that will apply to the projects on completion will be determined closer to the commissioning of the individual projects.

Until these processes of design and commissioning conclude, and the key cost and operational assumptions are tested and confirmed, the final impact on operational costs for the SEQ Water Grid projects from the increase in energy tariffs will not be able to be determined with certainty.