

Question on Notice

No. 234

Asked on Wednesday, 27 February 2008

MR KNUTH asked the Deputy Premier and Minister for Infrastructure and Planning (MR LUCAS) –

QUESTION:

Will he outline which water grid projects carry what dollar value of debt and or government equity and what the final amount is expected to be in debt/equity for each project when completed?

ANSWER:

Expenditure figures for each of the key SEQ water grid projects are as follows:

Project	Expenditure (‘000)
Traveston Crossing Dam Project	486,800
Wyaralong Dam Project	32,500
Cedar Grove Weir	17,000
Bromelton Off Stream Storage Project	21,600
Western Corridor Recycled Water Project	950,224
Southern Regional Water Pipeline Project	445,902
Eastern Pipeline Interconnector	4,709
Northern Pipeline Interconnector	83,197
Gold Coast Desalination Project	195,643

Traveston Crossing Dam Project, Wyaralong Dam Project, Cedar Grove Weir Project and Bromelton Off Stream Storage Project figures are as at 31 January 2008. All other figures are as at 29 February 2008.

The majority of this project expenditure to date has been financed via project specific debt. Two key exceptions are: 1) the SEQ desalination project, which has a total of \$376M in equity that has been jointly and equally contributed by the State and the Gold Coast City Council; and 2) the Western Corridor Recycled Water Project, for which the Australian Government provided a grant of \$408M.

It should be noted that, in line with the restructure of responsibility for bulk water provision across the region, the Gold Coast City Council’s equity investment in the desalination project will be reimbursed by the State.

At the completion of construction, the total debt for each project will transfer to one of the three new bulk water authorities along with the underlying asset to which it relates. Current estimates for total project costs are reported monthly by the Queensland Water Commission and are publicly available.

The new bulk water authorities comprise the Queensland Bulk Water Supply Authority, the Queensland Bulk Water Transport Authority and the Queensland Bulk Manufactured Water Authority.

Once the projects have been finalised and transferred to the Queensland Bulk Water Supply Authority, the Queensland Bulk Water Transport Authority and the Queensland Bulk Manufactured Water Authority, ongoing debt and equity funding arrangements will be established that take into account the authorities' need for appropriate capital structures that reflect their commercial operations. The final breakdown of debt and equity for each authority will not be known until that time.