

QUESTION ON NOTICE

No. 437

asked on Wednesday, 2 May 2018

MR D PURDIE ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND ENERGY (HON DR A LYNHAM)—

QUESTION:

With reference to the Queensland Competition Authority's recommendation to raise water costs for Sunshine Coast residents by up to \$40 a year—

Will the Minister advise if the Queensland Government intends to adopt the recommendation and if so, what assistance is available for those families in Ninderry who are already struggling with the cost of living?

ANSWER:

The Queensland Government is carefully considering the recommendations made by the Queensland Competition Authority (QCA) as part of its final report *Seqwater Bulk Water Price Review 2018–21*, released in April 2018, before making a decision on the future bulk water prices to apply for 2018–19.

I understand the concerns regarding rising bulk water prices and the impacts on Sunshine Coast households and businesses. South East Queensland (SEQ) bulk water price increases are being phased in over a long-term price path to recover the costs associated with the SEQ water grid. The target is for all council areas to pay the same dollar per kilolitre price for bulk water, known as the 'common price'. This reflects the fact that customers connected to the water grid have the same level of service, and water can be moved throughout the network to where it is needed the most. The water grid provides an important level of water security for SEQ households and businesses.

It is essential that SEQ households and businesses have a safe, secure and reliable water supply. I note that, in the period March 2016 to April 2018, the SEQ bulk water grid was used to transfer approximately 8300 megalitres of water, or the equivalent of 3½ months supply of drinking water, into the Sunshine Coast area.

The QCA review was beneficial for water customers as it identified significant efficiencies in Seqwater's costs over the period 2018–28, cutting \$139 million (5 per cent) and \$359 million (20 per cent) from Seqwater's proposed operating and capital expenditure programs respectively. This puts downward pressure on bills.

The government recognises the cost of living pressures faced by all families and, in particular, the most vulnerable members of the community, and supports pensioners with their water bills through the SEQ Pensioner Water Subsidy and the Pensioner Rate Subsidy Scheme. These schemes help pensioners to continue to live in their own homes and meet the costs of essential services.

The SEQ Pensioner Water Subsidy Scheme provides a subsidy of up to \$120 per annum to eligible pensioner property owners who live in the region. This subsidy was introduced in 2008 to provide cost of living relief, following the government's

significant investment in bulk water supply infrastructure, including the SEQ Water Grid, in response to the Millennium Drought.

The Pensioner Rate Subsidy Scheme is available to eligible pensioners across Queensland and offers a 20 per cent subsidy, up to a maximum of \$200 per annum, to lessen the impact of local government rates and charges on pensioners across Queensland. These charges include water access and usage charges.