

QUESTION ON NOTICE

No. 299

asked on Tuesday, 17 March 2020

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

QUESTION:

With reference to the Mackay Regional Water Supply Assessment 2017 that notes SunWater is holding 12,735M/L of Class-A allocation as 'uncommitted'—

Will the Minister advise why Pioneer WSS sugar irrigators are facing up to a 50 percent increase in bulk water prices, despite this mutually beneficial water asset being left to spill into the Pacific Ocean?

ANSWER:

Agriculture is an important part of Queensland's economy and future, and the government is committed to a productive irrigation sector.

Since 2013, the Queensland Government has been progressing the regional (urban) water supply security assessment program in partnership with councils across the state. The purpose of this program is to establish a shared understanding of the level of current and future town water supply security. The assessment is based on an understanding of the current water entitlements, an analysis of historical water consumption trends and hydrological modelling. The assessments do not allocate water or identify specific water supply solutions. Councils and water service providers remain responsible for deciding what should be done, and for implementing actions to provide an appropriate level of water supply security for their communities.

The 12,735 megalitres of uncommitted high Class A water allocations of water referred to in the 2017 Mackay Regional Water Supply Security Assessment are held by Sunwater and are generally reserved for urban or significant industrial purposes.

Sunwater has advised that these 12,735 megalitres of water are stored in the Teemburra Dam which is one of the assets of the Pioneer Water Supply Scheme owned and operated by Sunwater. This means that this water is being stored, rather than released 'into the Pacific Ocean' and the water would be available for supplementing town supply in times of drought or for major new industrial projects

I understand the Member is concerned that the Queensland Competition Authority has recently recommended an increase in bulk water prices in the Pioneer Water Supply Scheme irrigators in its review of irrigation pricing.

I point out that the government does not profit from irrigation prices and we subsidise water prices for irrigators.

The government also has a long-standing policy to moderate any increases for farmers in tariff groups where supply costs have increased.

Any decision by the government on new prices, including for the Pioneer Water Supply Scheme irrigators will involve careful consideration of the views of customers and stakeholders, as well as the Queensland Competition Authority's recommendations. This decision will be made in time for new prices to commence from 1 July this year.