



Minister for Main Roads, Road Safety and Ports  
Minister for Energy and Water Supply

20 APR 2015

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Mr Neil Laurie  
The Clerk of the Parliament  
Parliament House  
George Street  
BRISBANE QLD 4000

*Neil,*

Dear Mr Laurie

I refer to your letter of 1 April 2015 enclosing a copy of Petitions Nos 2305-15, 2359-15 and 2360-15 lodged in the Queensland Legislative Assembly.

The Petitions draw to the attention of the House the apparent need for financial drought assistance to the city of Mount Isa in the context of the past increase in rates to deal with drought related issues.

I am pleased to advise that since the petitions were tabled, the Mount Isa Water Board (MIWB) has negotiated changes that will represent a saving to Mount Isa City Council (MICC) of at least \$1.19 million in costs that were being recovered through a \$440 council levy on ratepayers.

I understand that the Mayor of MICC has promised that the \$440 water levy being paid by ratepayers is gone and that residents will see a significant reduction in water rates next financial year.

I will outline the background to the issue below.

Two successive seasons of low rainfall combined with a blue-green algae outbreak seriously impacted the water supply in Mount Isa.

In 2013, the MIWB leased a filtration plant due to the failure of Clear Water Lagoon, a natural filtration facility, following the outbreak of blue-green algae. This was intended as an emergency, short-term measure only, but the blue-green algae situation continued to deteriorate.

MIWB has been passing on the costs (approximately \$250,000 per month) of the leased plant to the MICC. MICC in turn has been passing on the costs to rate payers via a \$440 levy for the 2014-15 year.

More recently, MIWB advised MICC that it has now negotiated a variation to the lease charges, which reduced these costs to \$10,000 per month – representing a saving to council of at least \$1.19 million in pass-through costs this financial year.

The MIWB is also investing \$9.2 million into new, micro-filtration water treatment infrastructure to replace the leased equipment and to increase filtration capacity for the benefit of the Mount Isa community. MIWB has proposed contract changes to offset these costs. Four out of the five planned permanent units are now online and operating well. This further boost to daily water production capacity continued even as blue-green algae passed record levels.

Some of the leased filtration units are still in operation, bolstering water production from the permanent units, but will be phased-out when the remaining process equipment is delivered next financial year. MIWB has confirmed that water filtration and production is sufficient to supply thoughtful, water-wise use.

More recently, both Lake Julius and Lake Moondarra have received significant inflows and, as at 10 April 2015, the water levels in Julius and Moondarra were 96 per cent and 71.3 per cent respectively. This provides a stored volume of water of approximately 180,000 megalitres.

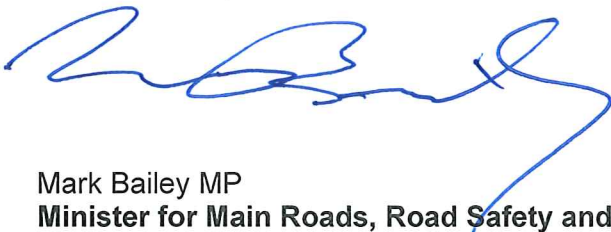
The improved dam levels, new filtration plants and reduced lease costs have boosted water security for MICC and provided financial relief to ratepayers.

There has been successful community consultation about these problems and the solutions, and MIWB is grateful to the Mount Isa community for its help and co-operation.

My Department is working in partnership with MICC and MIWB to develop a Regional Water Supply Security Assessment for Mount Isa. A key part of the assessment will be the achievement of a shared understanding of the water demand growth forecast and the water supply system capability to meet the identified demand. Finalising the Regional Water Supply Security Assessment in partnership with MICC and MIWB will provide a sound foundation for future planning, and community education.

I thank the petitioners for raising these matters with me.

Yours sincerely



Mark Bailey MP  
**Minister for Main Roads, Road Safety and Ports**  
**Minister for Energy and Water Supply**