

QUESTION ON NOTICE

No. 1694

asked on Wednesday, 14 November 2018

MS J STUCKEY ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND ENERGY (HON DR A LYNHAM)—

QUESTION:

With reference to the Gold Coast Desalination Plant at Tugun—

Will the Minister advise (reported separately by year) (a) how much is currently owed on the plant, (b) how much has been paid off each year in (i) principal payments and (ii) in principle and interest payments (reported separately) and (c) the capital expenditure (listed per item, per year) since operating began?

ANSWER:

(a) The amount currently owed on the GCDP is \$583 million. This is the debt transferred from WaterSecure via the 2012 merger and does not reflect the construction cost of the desalination plant.

(b) (i) **Principal paid**

Seqwater drought and non-drought infrastructure loans with Queensland Treasury Corporation (QTC) are interest only and no principal has been repaid on the desalination plant.

(ii) **Interest payments**

Total interest paid on QTC loans relating to the GCDP since the transfer in 2012 is \$244 million. Annual interest payments are summarised in the table below:

Financial Year	Interest Repayments
2011–12	\$38.2 million
2012–13	\$37.1 million
2013–14	\$34.2 million
2014–15	\$34.3 million
2015–16	\$34.6 million
2016–17	\$33.7 million
2017–18	\$31.9 million
Total	\$244 million

Seqwater does not currently make any principal debt repayments for its infrastructure debt. The intention behind this debt repayment structure is to smooth out the price impact on customers following significant investment into bulk water infrastructure in response to the millennium drought. This ensures long-term water security for South East Queensland while keeping downward pressure on prices.

(c) **Capital expenditure**

Capital Expenditure from 2012–13 to 2017–18 is summarised in **Table 1 Tugun Desalination Plant - Capital Expenditure** below.

\$1.7 million has been spent on capital works in 2018–19 that are yet to be completed and capitalised.

Total capital expenditure since 2012 has been \$7.5 million.

Table 1 – Tugun Desalination Plant - Capital Expenditure – 2012 - 2018

Tugun Desalination Asset Addition (July 2012- 30 June 2018)							
Project Description	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
GCDP - Sludge Bin Modification					147,587.80	192.42	147,780.22
GCDP - Refurbishment Residual Tank					63,748.18	384.84	64,133.02
GCDP - Inlet Screening Tank						240,655.21	240,655.21
GCDP - Electrical Safety Switch Compliance Upgrade					117,749.50	5,735.65	123,485.15
GCDP - Battery Enclosures and replacement					248,215.93		248,215.93
GCDP - Commercial Close out	2,976,638.11	698,890.87	352,561.08	136,228.82	152,658.87		4,316,977.75
GCDP - Outfall Shaft Structural					84,491.30		84,491.30
GCDP - Internal Portable Water Upgrade					60,917.45		60,917.45
GCDP - Centrifuge Control System					18,440.00		18,440.00
GCDP - Fire System Ring Main Bolts				42,484.57			42,484.57
GCDP - Chlorine Instruments				29,000.00			29,000.00
GCDP - CW5 Beacons Warn HP Change				74,943.14			74,943.14
GCDP - Outfall Sample Improvement				46,284.24			46,284.24
GCDP - Etotoxicity Testing				17,000.00			17,000.00
GCDP - VP Scada Upgrade			268,739.00	16,261.00			285,000.00
GCDP - VP Conveyance of Emergency Information				17,000.00			17,000.00
Total	2,976,638.11	698,890.87	621,300.08	379,201.77	893,809.03	246,968.12	5,816,807.98

Tugun Desalination Plant - Capital Work in Progress C/F to 2018-19

Project Description	Amount
Various Asset Replacement	531,246.00
Refurbishment of ABB Variable Speed Drive	1,164,411.00
Total	\$1,695,657.00

Total Capital Expenditure 2012–13 – 2018–19: \$7,512,465