



Hon Stephen Robertson MP
Member for Stretton



**Queensland
Government**

**Minister for Natural Resources and
Minister for Mines**

Mr N J Laurie
Clerk of the Parliament
Parliament House
Alice and George Streets
Brisbane Qld 4000

Dear Mr Laurie

I refer to your letter of 2 May 2003 forwarding a copy of a petition lodged in the Queensland Legislative Assembly, requesting the House to require the management of the Gladstone Area Water Board in conjunction with the Queensland Government to plan and construct as a matter of urgency the remaining pipeline to Callide Dam to ensure no loss of water in the transfer.

The Gladstone Area Water Board supplies bulk water to the Callide Power Station. The supply source for this water is Awoonga Dam, which is owned and operated by the Gladstone Area Water Board. However, the Gladstone Area Water Board does not own or operate the current delivery infrastructure from the Dam to the Callide Power Station.

The transmission of water from Awoonga Dam to the Callide Power Station is the responsibility of SunWater. SunWater is a Government Owned Corporation. The Awoonga-Callide pipeline, owned and operated by SunWater, carries the water from Awoonga Dam to the headwaters of Stag Creek where the pipeline currently ends.

Transmission losses from the "unpiped" section from the Stag Creek outfall accounts for some 4,500 megalitres a year. This means that, annually, approximately only 16 per cent of the water piped from the Awoonga Dam is lost in transmission from the Stag Creek outfall to the Callide Dam.

The pipeline was upgraded in 2000 to assist in meeting the water demand requirements for the new Callide C power station.

I am informed that due to the severe impact of the recent drought experienced in the Gladstone Region, Callide Power Management and CS Energy have commissioned SunWater to re-evaluate whether to extend the pipeline from the Stag Creek outfall to Callide Dam. Were this project to proceed, it is likely that it would cost several millions of dollars. The decision to proceed is ultimately a commercial decision for the respective Boards of Callide Power Management and CS Energy.

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I would also like to address the point raised in the petition that prior to the raising of the Awoonga Dam significant quantities of water were drained from the Dam. Prior to the raising of the Dam, a river drainage valve was tested to determine whether it would be adequate to service an increased storage capacity. This test took place over a period of half an hour and only a small amount of water was released (approximately 30 megalitres).

The water released during this test was not wasted as the Board, under normal operating conditions, has obligations to maintain releases to service downstream irrigators. Furthermore, it is understood that this test enabled the Board to establish that an upgrade to the river drainage valve was not necessary. It is estimated that this saved the Board approximately one million dollars.

It is unfortunate that the recent drought conditions that were experienced in the Gladstone region resulted in necessary water restrictions having to be introduced, both for municipal and industrial customers. However, the management of the Gladstone Area Water Board was conducted in a highly professional manner during very difficult operational circumstances.

Due to the fact that the Gladstone Area Water Board does not own or operate the Awoonga-Callide pipeline, this issue is beyond the control of the Gladstone Area Water Board. I suggest that you may like to contact Mr Drew Ellem, Executive Director, Office of Government Owned Corporations, in Queensland Treasury on 3404 3074.

Thank you for bringing this matter to my attention.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Robertson', with a long horizontal flourish extending to the right.

STEPHEN ROBERTSON MP