

26 Spindrift Avenue
Coolum Beach Qld.4573

27 December 2010

The Hon Stephen Robertson M.P.
Queensland Minister for Natural Resources

Re: Correspondence dated 17 December 2010

Dear Hon Minister,

Thank you for your letter Ref. MO/10/2826, MO/10/3104, CTS 11226/10, and ME/10/0387 date 17 December 2010. There are assertions made in this correspondence which are inconsistent with information received by another former member of Coolum Beach Residents Association sharing my concerns over Unitywater's budgeted service charges for 2010/11.

In paragraph three of your letter it is asserted that Unitywater, owned jointly by the Sunshine Coast and Moreton Bay Regional Councils, has responsibility and is accountable for setting retail water and sewerage service prices for Coolum Beach and other Sunshine Coast households formerly serviced by SunshineCoast Water and Maroochy Water Services.

Please now refer to correspondence dated 23 August 2010 from Unitywater that is attached. You will note that the CEO of Unitywater suggests in paragraph three that bulk water charges are passed through to retail customers as an operating expense. You will further note that paragraph four asserts that Unitywater's Regulatory Asset Base (RAB) for calculation of the return of the capital component of service charges embedded in Unitywater's 2010/11 service charges to retail customers was determined and assigned by the Queensland Government.

Please now refer to correspondence dated 26 July 2010 (Ref. QTO-09535) from the Office of the Queensland Treasurer that is also attached. It can be noted the first paragraph of page two asserts that the Hon. Minister for Natural Resources determined RAB valuations to be used by Unitywater for that government owned commercial entity's 2010/11 Budget. In paragraph four of page two it is stated that bulk water charges are set by the Queensland Government following advice from the Queensland Water Commission.

The third paragraph of page two of your letter dated 17 December suggests that the Queensland Competition Authority (QCA) independently monitors retail prices set by Queensland Government owned commercial entities such as Unitywater. This is misleading. QCA's present terms of reference determined by the Ministers QCA (The Premier and Treasurer) require provision of transparent information to customers about the costs and other factors underlying **annual increases** in water and wastewater prices etc. for 2010/11, 2011/12 and 2012/13. The QCA **is not authorized by the Ministers QCA** to perform independent investigations of 2009/10 and prior year pricing determinations including the 2007/March'08 RAB determinations by Sunshine Coast Regional Council that established the foundation upon which these 2010/11 water and sewerage retail price increases are based.

Clarification of the inconsistent information cited above, and correction of misleading information regarding the QCA's present price monitoring role contained in correspondence of 17 December would be appreciated.

Yours sincerely,

Amy-Rose West

Attachments: Letter CEO Unitywater to R. Koerner dated 23 August 2010;
Letter Treasurer's Office to R. Koerner dated 26 July 2010.