



10/19762 LA/10/1346 & LA/10/1655 Minister for Local Government and Aboriginal and Torres Strait Islander Partnerships

1 1 JUN 2010

Ms Amy-Rose West 26 Spindrift Avenue COOLUM BEACH QLD 4573

## Dear Ms West

I refer to your email of 17 February 2010 to the Honourable Wayne Swan MP, Federal Treasurer, and your letter of 4 May 2010 to the Honourable Anthony Albanese MP, Federal Minister for Infrastructure, Transport, Regional Development and Local Government, regarding the pricing of water and sewerage charges currently levied by Sunshine Coast Regional Council and the charges to be levied by the distribution/retail entity, Unitywater, from 1 July 2010.

As you are aware, Minister Albanese's office has forwarded a copy of your correspondence to me for consideration and direct reply.

While I acknowledge your concerns, in Queensland, Local Governments are autonomous bodies charged with taking independent action on a wide range of matters necessary for ensuring the good rule and government of their areas. As the Minister for Local Government, I have limited powers under the *Local Government Act 1993* to direct any Council in respect of the matters you raise.

In relation to water and sewerage charges levied by Sunshine Coast Regional Council, Section 973 of the *Local Government Act 1993* provides that a Local Government may levy utility charges on rateable land for the supply of water and sewerage services and decide the basis on which a utility charge is made and levied.

Accordingly, the Local Government's water business units develop their water charging regimes to be cost reflective, ensure revenue adequacy, promote sustainable investment and maintain regulatory efficiency. This provides a pricing methodology which ensures an appropriate return on capital invested in the business and the cost of operating the business in an efficient manner.

As such, Sunshine Coast Regional Council's decision to amalgamate the water business units of the former Maroochy and Noosa Shire and Caloundra City Councils complies with the Act, and at the same time ensures it provides the required revenue to promote sustainable investment for ratepayers.

With regard to the new water distribution/retail entity, Unitywater, as this matter falls within the responsibilities of the Honourable Stephen Robertson MP, Minister for Natural Resources, Mines and Energy and Minister for Trade, a copy of your correspondence has been forwarded to his office for consideration and direct reply.

Should you require any further information in relation to this matter, please contact Mr Bob Torenbeek, Advisor, South East Regional Office of the Department of Infrastructure and Planning on 5458 7114.

Yours sincerely

Desley Boyle MP

Minister for Local Government and Aboriginal and Torres Strait Islander Partnerships Member for Cairns