



Hon Stephen Robertson MP
Member for Stretton



**Minister for Energy and
Water Utilities**

Ref MO/11/986
CTS 06047/11
ME/11/0220

12 MAY 2011

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

Dear Ms West

Thank you for your letter dated 4 April 2011 regarding water pricing.

Following on from my previous correspondence dated 15 March 2011, it appears that there is some confusion regarding the information contained in a number of letters sent out to members and former members of the Coolum Beach Residents Association. The purpose of this letter is respond to further concerns you are having regarding the information provided to you.

As you rightly point out, Unitywater is owned by two local councils, the Moreton Bay Regional Council and the Sunshine Coast Regional Council. However, councils are not subsidiaries of the Queensland Government. Local government is a separate level of government established to look after the particular needs of a city or local community. Local government authorities are completely independent from the Queensland Government.

I wish to clarify that the Board of Directors for Unitywater was appointed by the Moreton Bay and Sunshine Coast Regional Councils, as required by section 33 of the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

I have included a link to KPMG's December 2007 report which sets out the methodology for the valuation of South East Queensland's Bulk Water Assets. As you will see from the report, KPMG notes that the Council of Australian Government's water reform agreement states that 'the deprival value methodology should be used for asset valuation unless a specific circumstance justifies another method.'

Further information on the calculation of the methodology employed by KPMG to value council's assets is available at:

<www.treasury.qld.gov.au/office/knowledge/docs/kpmg-valuation-of-seq-councils/index.shtml>.

Yours sincerely

STEPHEN ROBERTSON MP