



Redland
CITY COUNCIL

Redland City Council
ABN 86 058 929 428

Cnr Bloomfield & Middle Sts.
Cleveland Qld 4163

PO Box 21,
Cleveland Qld 4163

Telephone 07 3829 8999
Facsimile 07 3829 8765

Email rcc@redland.qld.gov.au
www.redland.qld.gov.au

2 December, 2011

Your Ref:
Our Ref: Gov Allconnex Water
File No:
Contact: Kate Giese - 3829 8496

The Chair
Environment, Agriculture, Resources and Energy Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Sir/Madam


I am writing to express Councils strong concerns on the timing of the passage of the South - East Queensland Water (Distribution and Retail Restructuring) and Other Legislation and Amendment Bill 2011. (the 'Bill').

I understand that the Bill is not scheduled to be reviewed by Parliamentary Committee as last as April 2012, just three months prior to the proposed date for the disestablishment of Allconnex Water and the required re-establishment of a Council water business. This raises a significant risk regarding the potential timing of a State election, which is required to be before June 2012. The calling of the election could coincide with the return of the Bill to Parliament and thus may even impact the ability of the current government to pass it (if the State government were in caretaker mode).

This potential delay (and possible risk to the passage of the Bill) poses a serious and unacceptable risk to Allconnex Water and its Participating Councils. Achievement of the proposed disestablishment of Allconnex Water and the re-establishment of Council water businesses on 1 July 2012 requires considerable expenditure and has a significant impact on employees. It will require the Councils and Allconnex Water to make decisions and commit public funds to disestablishment and re-establishment activities without the certainty of legislation having been passed or passed in its current form.

On behalf Redland City Council I request you declare this as an urgent bill to expedite its adoption before the end of the Parliamentary Year.

Yours sincerely



Gary Stevenson PSM
Chief Executive Officer
Redland City Council

cc *Michael Choi*
Mark Robihson
Peter Dowling
Mayor
Councillors
M Drydale



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9 December, 2011

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The Chair
Environment, Agriculture, Resources and Energy Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Sir/Madam

Following advice from the Research Director for the Environment and Resources Committee, Rob Hansen, a summary of additional concerns regarding the South East Queensland Water (Distribution and Retail Restructuring) and Other Legislation Amendment Bill 2011, that have been raised by Redland City Council, to the Minister Stephen Robertson and to the Queensland Water Commission are provided below, for consideration by the Parliamentary Committee.

Whilst we do not wish to delay the process of approval of the legislation at all, given our strong concerns about the extreme risks of delayed legislation (previously outlined), we would request that consideration be given to the concerns outlined below.

Queensland Competition Price Monitoring (QCA) requirements

The major imposition of the QCA requirements is anticipated to have resource implications that are over and above those in place prior to the establishment of Allconnex Water. Council is not opposed to pricing oversight for water and wastewater services; however, we believe that the QCA requirements place an unacceptable financial impact on water prices and on ratepayers. We appreciate the intent of the prudence and efficiency assessments and believe that under Council direction there will naturally be a greater focus on these matters, without the need for a full scale regime. Whilst every other Council-owned water business in Queensland will be subject to the prices oversight regime that Redland Water previously was subject to, Redland Water of the future will have a much higher order (and much more costly) obligation akin to that required of the huge SEQ water authorities (QUU and Urban Utilities) In addition, whilst we acknowledge that no decision has yet been made on the longer term role for the QCA, post 1 July 2013, this does not provide certainty that the requirements will not extend beyond that period.

Energy and Water Ombudsman Queensland (EWOQ)

We believe it will be more efficient for Councils to be subject to a single Ombudsman scheme, rather than two as would be the case under the proposed legislation, particularly when the full range of complaints-related statutory arrangements are considered as follows:

- Energy and Water Ombudsman requirements (ref Energy and Water Ombudsman Act)
- Queensland Ombudsman requirements which is confusing for the community to have two Ombudsman systems (ref Ombudsman Act)
- Administrative action complaints management requirements (ref both Local Government Act and Judicial Review Act)
- Local Government Act competitive neutrality complaints requirements (ref both Local Government Act and Queensland Competition Authority Act)
- Misconduct complaints (ref Crime and Misconduct Act)

This round of water reform appears to be taking Council in the opposite direction to the efforts being undertaken by the State Government Department of Local Government and Planning to rationalise and stream-line the laws that apply to local government. Our intent is to restore an efficient water business that can truly contain prices and focus on improving services. Unfortunately the added compliance obligations will make it more difficult and more costly, having a direct impact on the business operation and resource requirements of Redland Water, which will flow onto its cost of operation and water pricing.

The requirement to deal with proceedings and claims

Should the proceedings not apply jointly and severally to allow each council to act in its own best interests in defending or pursuing a matter? In addition, with regard to the costs and proceeds of proceedings, the method of apportionment of costs and / or proceeds of legal actions should be defined i.e. proportional to the Participation Rights.

Thank you for the opportunity for your consideration of these matters.

Yours sincerely



Gary Stevenson PSM
Chief Executive Officer
Redland City Council