

29 March 2011

Media release

A statement by Allconnex Chairman John Dempsey

The Allconnex board is providing direction to Allconnex in strict accordance with the participation agreement obligations set down by its three participating councils.

The agreement clearly states that we are obliged to 'optimise the return on investment' to the Logan, Redlands and Gold Coast councils.

We are fulfilling our clear responsibilities as a board and delivering on governing principles for all three councils.

Unless those governing principles are changed, price increases of 12-15 percent are necessary.

Under our proposed charges, the amount to be paid to Gold Coast City Council is around \$110 million. But these are proposed charges only and we are open to hear any constructive alternatives.

Of course council also has the option of providing a rebate straight back to its ratepayers.

However we will continue to look to provide the \$1.2 billion in new infrastructure, efficiencies and return to councils in line with our obligations as a board.

It is also important to note that the Queensland Competition Authority, the independent umpire, will give its view on appropriate water pricing later this week.

This will contribute to further deliberations before the final pricing structure is confirmed by June 30, 2011.

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