

MEDIA RELEASE

South east Queensland bulk water prices 2015–18

1 December 2014

The Queensland Competition Authority (QCA) today released a draft report recommending bulk water prices for south east Queensland for 2015–18. Bulk water is purchased by retailers for sale to the public and accounts for about 30% of an average household's water and sewerage bill.

"For historical reasons, bulk water prices vary from council to council. By the end of the decade, a single common price is expected to apply across south east Queensland. Last year, it was forecast that a common price of \$3.22 would be in place for eight of the eleven councils in 2017-18, said QCA chairman Malcolm Roberts.

"Customers will be pleased to learn that efficiency savings at Seqwater, amongst other changes, now means that the common price should be 14 per cent lower at \$2.77 per 1,000 litres in 2017-18.

"Not only is the 2017-18 common price now expected to be lower, it will be lower than the bulk water prices paid by some council areas today.

"In 2015-16 six of the eleven councils will see their bulk water charges decrease. The recommended 2015–16 price decreases are: Somerset (12%), Logan (8%), Scenic Rim (7%), Lockyer Valley (4%), Gold Coast (3%), and Moreton Bay (2%).

"On the other hand, some council areas are paying less for bulk water and will therefore see increases in 2015-16. Price increases are recommended in 2015–16 for: Brisbane (4%), Ipswich (4%), Sunshine Coast (8%), Noosa (8%) and Redland (10%).

"These price increases are lower than previously forecast. The last forecast for 2015-16 prices suggested increases of up to 12%.

"The QCA recognises that three councils will face more of an adjustment than other councils in reaching the common price. While we recommend that most council areas should pay the common price in 2017-18, we propose that Redland, Sunshine Coast and Noosa should have an extra two years to reach the common price (i.e. 2019-20).

"A major factor in these lower price increases is the cost savings following the merger of bulk water entities in 2013. Bulk water assets in south east Queensland (e.g. dams, treatment, desalination and recycling plants) are now owned and operated by one organisation, Seqwater," Malcolm Roberts said.

"Seqwater deserves credit for quickly achieving substantial cost savings. The QCA identifies other possible savings in capital and operating costs in the draft report."

"The report released today is a draft report. The QCA invites submissions from all interested parties until 30 January 2015. Submissions will be carefully considered before release of the final report by 31 March 2015.

Further information is available on our website (qca.org.au)