Demerging the water corporation –
The Story of Allconnex Water

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The Story of Alconnex Water

1995: Gold Coast Water Established

2010: Alconnex Water Established

2007: SEQ Water Reform Announced

2012:
Brief History

- **May 2007** State govt announces ‘blueprint’ for water reform in SEQ.
- **Sept 2007** Original water reform model announced, including splitting of bulk, distribution and retail functions.
• **July 2008** GCCC Bulk Water transferred to State government.

• **July 2009** State government reverses decision on distribution retail split, instead setting up 3 combined DR businesses.

**Water Secure**
Responsible for providing purified and desalinated water

**SEQ Water**
Responsible for storage and treatment of bulk water supply

**Link Water**
Responsible for potable bulk water pipelines and related infrastructure

**SEQ Water Grid Manager**
Responsible for managing the strategic operations for the SEQ Water Grid providing raw, drinking and recycled water products

**Queensland Urban Utilities**
Provides distribution and retail services to the Brisbane, Ipswich, Lockyer Valley, Scenic Rim and Somerset regions

**Allconnex Water**
Provides distribution and retail services to the Gold Coast, Logan and Redland regions

**Unity Water**
Provides distribution and retail services to the Moreton Bay and Sunshine Coast regions
3 Distributors - Retailers

Qld Urban Utilities
- Brisbane
- Ipswich
- Lockyer Valley
- Scenic Rim
- Somerset

Unity Water
- Moreton Bay
- Sunshine Coast

Allconnex Water
- Gold Coast
- Logan
- Redland
• **May 2010** Allconnex Water Board established and determines 2010-11 prices.

• **July 2010** GCW assets now transferred to Allconnex Water.

• **July 2010** Equity Determination decision favours GCCC position.

• **7 April 2011** State Government announced that local government would be given the option to withdraw from the distribution and retail entities and prices capped.

• Local governments of SEQ had to make a decision about whether to pull water functions back under council management or leave them with council owned entities.
• **25 July 2011** - Gold Coast Council voted to opt-out of Allconnex Water

• **28 July 2011** - Logan City Council voted to stay with Allconnex Water

• **8 August 2011** - Redland City Council voted to opt-out of Allconnex Water & restore Redland Water operations within council

• **23 August 2011** - Logan City Council voted to opt-out of Allconnex Water

• **16 Sept 2011** - Gold Coast City Council votes again to opt-out of Allconnex Water
# Disestablishment Costs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Low Range</th>
<th>High Range</th>
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<tbody>
<tr>
<td>Disestablishment of Allconnex (Ernst and Young Estimate)</td>
<td>$31.84 million</td>
<td>$49.62 million</td>
</tr>
<tr>
<td>Re-establishment of a ‘new’ Gold Coast Water – Project Costs</td>
<td>$1.8 million</td>
<td>$1.8 million</td>
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<tr>
<td>Impact on ERP / Property / GIS / Billing systems etc</td>
<td>$21.5 million</td>
<td>$21.5 million</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$55.14 million</strong></td>
<td><strong>$72.92 million</strong></td>
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Conclusion

• On 1 July 2012, Allconnex Water ceased operations and City of Gold Coast became responsible for retail water and sewerage services on the Gold Coast.
As of September 2013

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**SEQ Water Grid Manager**
Responsible for managing the strategic operations for the SEQ Water Grid providing raw, drinking and recycled water products

- **Queensland Urban Utilities**
- **Unity Water**
- **Alloconnex Water**
  Provides distribution and retail services to the Gold Coast, Logan and Redland regions
- **Gold Coast City Council**
  (Gold Coast Water)
- **Logan Water**
- **Redland Water**
SEQ Water Reform... a never ending cycle

Questions?
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