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**Sent:** 14 December, 2009 4:48 PM  
**To:** Keith Hutchinson  
**Subject:** Appendix E Final Report - Information Requirements.doc  
**Attachments:** Appendix E Final Report - Information Requirements.doc

Keith

Thank you for the opportunity to comment on the Final Report.

Please find attached a marked up version of the Final Report sent out earlier today. We still have some concerns about the requirements, in particular:

- The Requirements need a blanket exclusion on the new entities providing any information required under the requirements not supplied to it by participating Councils.
- Maintaining consistency with statutory accounts will be problematic and complex, particularly as time rolls on. Regulatory accounts and statutory accounts will deviate, particularly in relation to asset valuation, depreciation and taxation. Maintaining records to show and explain the variations will be complex and time consuming. Limiting this requirement to those items that are not expected to deviate would be more appropriate ie revenues, operating costs and capital expenditure.
- It is suggested that a threshold value of \$10m be placed on capital projects which require a more detailed provision of information to demonstrate efficiency. Having to provide detailed information for all capital expenditure projects will involve considerable regulatory costs in preparing the information requirements, particularly for small and immaterial projects.
- The requirements include operating costs being split between retail and distribution activities despite the assurance given at the meeting held on 8th December 2009 that the QCA will not impose such a requirement.
- The requirements should include a clause that provides assurances that the QCA will not disclose any information provided which is commercially sensitive such as information relating to non-regulated services provided in a competitive market.
- Director's Statement - the requirement to sign off 3 year forecasts which 'fairly represent' is not reasonable nor appropriate given the inherent uncertainties associated with any type of forecasts. Furthermore, it is not consistent with the ESC framework which involves a sign off on the previous 12 months actual results only. Therefore, the timing of the introduction of the Director's Statement, which can only apply to historical reporting, is 1 July 2011 for the 2010/11 reporting year.

Should you have any issues with the above, please don't hesitate to contact me.

**Sandro Marin**

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WB3 Project

*for the Chief Executive Officer's of  
Gold Coast, Logan and Redland City Council's*

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