



GLADSTONE
REGIONAL COUNCIL

19 MAY 2010

DATE RECEIVED

Contact Officer: Mr Holmes
Our Ref: WS8.2; JH
Your Ref: Matthew Rintoul

14 May 2010

Mr E Hall
Chief Executive
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Mr Hall

RE: DRAFT REPORT - GLADSTONE AREA WATER BOARD - INVESTIGATION OF PRICING PRACTICES

I refer to the draft report dated "March 2010" and thank you for providing the opportunity to make comments in respect of the draft report.

The issues raised by Council in its original submission to the pricing review dated 14 October 2009, seem to have been considered by your organisation within the draft report.

The only additional issue that Council would like to raise is in respect of the draft report is that there appears to be no clear direction to Gladstone Area Water Board (GAWB) in respect of the transition mechanism to be applied from the current pricing structure to the proposed 43% increase in water costs.

Council notes that during the 2005 review a transition period of three years to the new full cost price was determined by your organisation for the passing on the determined increased cost of providing treated water to the region.

Council would suggest that a similar arrangement would be appropriate for the 2010 review to ameliorate the impact of the proposed treated water price increase on the region.

Should you have any questions, please do not hesitate in contacting Mr Mark Holmes, Council's Director - Finance or myself.

Yours faithfully,



GRAEME KANOFSKI
CHIEF EXECUTIVE OFFICER