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14 October 2014

QLD COMPETITION AUTHORITY

17 OCT 2014

DATE RECEIVED

Mr John Hindmarsh
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Mr Hindmarsh

Thank you for your letter of 15 September 2014, advising that submissions are now available on the Queensland Competition Authority's (QCA) website. At this stage, we would make the following comments:

- The price increases should be smoothed out for individual local governments and for SEQ local governments in general. Council would expect any changes to bulk water prices to be consistent with the trend in current pricing and avoid any sharp price shocks
- Any recommendation by the QCA for bulk water prices for 2015-18 should recognise the need for this smoothing but also identify any cross subsidisation for example in extending the existing price path to Sunshine Coast, Redland and Noosa.
- Under the Minister's Notice, the QCA is required to provide a final report by 31 March 2015. At that stage, local governments will be starting to prepare their budgets and it will be important that a decision on changes to bulk water prices be made as soon as possible to incorporate into budgets.

We look forward to reviewing the QCA's draft report in November and providing submissions where appropriate.

Yours sincerely

Colin Jensen
CHIEF EXECUTIVE OFFICER