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QLD COMPETITION AUTHORITY

Your Ref: 797563

2 FEB 2015

28 January 2015

DATE RECEIVED

Mr Malcolm Roberts
Chairman
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Mr Roberts

Thank you for your letter of 2 December regarding the draft report on the Queensland Competition Authority (QCA) review of Seqwater Bulk Water Prices 2015-2028.

I note the reduction of 14% in the target common price of \$2.77 / kilolitre. Although the reduction in the common price is supported and welcome, it is of concern the latest proposed bulk water price for Brisbane increases by 3.6% in 2015-16 and by CPI thereafter.

Brisbane City Council has previously recommended that price increases should be smoothed out for individual local governments to avoid any sharp price shocks. It is acknowledged that the referral to QCA requires the 'common price increase' to apply until the common price is reached. However, for the sake of good record keeping, I reiterate the recommendation that bulk water prices for Brisbane should be smoothed to mitigate adverse impacts of cost of living increases in Brisbane.

Yours sincerely

Colin Jensen
CHIEF EXECUTIVE OFFICER