



Treasurer and Minister for Trade

QLD COMPETITION AUTHORITY

07 OCT 2014

DATE RECEIVED

TRY-07918

2 OCT 2014

Level 9 Executive Building
100 George St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Facsimile 07 3220 6224
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

ABN 90 856 020 239

Dr Malcom Roberts
Chairman
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Dr Roberts

Malcolm,

REFERRAL NOTICE FOR THE REVIEW OF SEQ BULK WATER PRICES

I refer to the Referral Notice issued pursuant to section 23 of the *Queensland Competition Authority Act 1997* (the Act) and gazetted on 5 May 2014, requiring the Queensland Competition Authority (the Authority) to conduct an investigation into bulk water prices for the Queensland Bulk Water Supply Authority (Seqwater) for the period 1 July 2015 to 30 June 2018.

I am advised that the Authority has sought clarification on the operation of clauses (A)(1)(f)-(h) of the Referral Notice, insofar as they may be interpreted so as to curtail the Authority's discretion in recommending prices for each council area. Specifically, I understand that the Authority is seeking confirmation that the direction of any price adjustments it recommends should not be limited to price increases.

Pursuant to sections 23(4)-(5) of the Act, I hereby confirm that the operative clauses of the Referral Notice should be interpreted in such a way that the Authority is not fettered with respect to the direction of the price adjustments it recommends.

Please direct any questions in respect of the foregoing advice to Mr Greg Tonks, Director, Shareholder and Structural Policy Division on (07) 3035 1487.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade