



Redland
CITY COUNCIL

Redland City Council
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27 January 2021

Mr Charles Millstead

Chief Executive Officer

Queensland Competition Authority GPO Box 2257

Brisbane QLD 4001

Dear Mr Charles Millstead

Requests for Comments (November 2020): Statement of regulatory pricing principles for the water sector

Redland City Council (RCC) welcome the opportunity to provide comment on the Queensland Competition Authority ("QCA") November 2020 'Statement of regulatory pricing principles for the water sector' ("the Principles").

Set out below are the broad views of RCC regarding the Principles for which QCA are seeking stakeholder consultation:

- 1) RCC supports the pricing principles outlined in the draft Statement of Regulatory Pricing Principles for the Water Sector November 2020;
 - Principle 1: Prices should recover the efficient costs of providing the relevant services
 - Principle 2: Prices should signal the efficient use of the relevant services
 - Principle 3: Prices should signal the efficient scale and timing of augmentations in supply infrastructure
 - Principle 4: Prices should reflect the appropriate sharing of risk between businesses and their customers
 - Principle 5: Prices should be informed by the service standard and the tariff structure preferences of customers
 - Principle 6: Prices should reflect the broader public interest
 - Principle 7: Prices should be transparent, predictable, and simple
- 2) Pricing decisions including pricing reform should consider price certainty and avoidance of price shocks;



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- 3) Customer engagement should place more focus on retail customers and end users. It is particularly important that water service providers (e.g Seqwater) and retail customers (e.g. local governments) take the time to understand pricing impact on end users and respond to the needs of end users;
- 4) Locational differences in pricing bulk water is not supported. Since all customers in south east Queensland are beneficiaries of the water security provided by Seqwater's bulk water infrastructure, headworks costs associated with these assets should be spread equally across all customers.

Should you have any queries in relation to our submission please contact Julia Dyer, Senior Financial Modeller on 07 3829 8948.

Yours sincerely,

Michael Wilson

Service Manager Financial Planning

Redland City Council