



QLD COMPETITION AUTHORITY

09 OCT 2014

DATE RECEIVED

Dr. Malcolm Roberts
Chairman
Queensland Competition Authority (QCA)
G.P.O. 2257
Brisbane Qld.4001

23 September 2014

Re: Review of SEQwater bulk water charges 2015-18

Dear Dr. Roberts,

Please accept this public submission from the Coolum Beach Residents Association (CRA) regarding the long-term prices monitoring review of bulk water prices imposed by Government owned water entities throughout South East Queensland (SEQ).

The invitation for public comment provided QCA (the Authority) findings for a 2012/13 grid services charging investigation suggesting that \$3431/ML was the legitimate maximum allowable price to achieve maximum allowable revenue (MAR) under COAG water reform agreements. This assertion is without credibility because terms of reference (TOR) mandated by the Queensland Government for the study prevented the Authority's independent confirmation of appropriate regulatory asset replacement values to be used in the investigation. As allowable return on regulatory assets constitutes some 60% of MAR for SEQwater, this investigation was a waste of public resources.

Please now refer to the cover letter dated 5 May 2014 accompanying Ministerial instructions signed by the Queensland Treasurer.

Paragraph two suggests collusion between Treasury and Authority officers to deprive Coolum Beach households statutory protection against possible predatory pricing by SEQWater. Terms of Reference item (B) (1) prevents the Authority from performing an independent study to achieve its review objectives items (a), (c), and (d) set out in the SEQ Pricing Principles issued last March. Such an instruction prevents the Authority's performance of its primary duty to protect Coolum Beach households against monopoly pricing abuse by a commercial business entity owned and controlled by the Queensland Government.

Please note from the enclosed correspondence dated 25 March 2013, the Authority has responsibility for independently monitoring regulatory asset determinations and permissible MAR calculations by monopoly service providers such as SEQwater.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mazur', written in a cursive style.

President

Coolum Residents Association

Enc. Letter from Department of Environment Ref. C13/6564 dated 25 March 2013.

Cc. Federal Parliamentary Secretary - Urban Water Senator Simon Birmingham



Australian Government

Department of Sustainability, Environment, Water, Population and Communities

C13/6564

Mr Richard Koerner
rjkoerner@inet.net.au

Dear Mr Koerner

Thank you for your email of 12 February 2013 forwarded to the Parliamentary Secretary for Sustainability and Urban Water, Senator the Hon Don Farrell, concerning the valuation of water assets and revenues in South East Queensland. The Parliamentary Secretary has passed your email to me for reply.

I note that you have raised your concerns with the appropriate agency, the Queensland Competition Authority, as it undertakes an investigation into retail water and sewerage activities over the next 12 months.

It should be noted that the Council of Australian Governments endorsed the National Water Initiative Pricing Principles as a guide to assist state and territory governments adopt best practice pricing arrangements. As the Pricing Principles have not been adopted into law by state or territory governments they are not legally enforceable.

Thank you for writing on this matter.

Yours sincerely

Tanja Cvijanovic
Assistant Secretary
Water Policy Branch

25 March 2013