

Our ref: A2689562

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

30 January 2015

Dear John

**Unitywater's response to QCA's draft report: Review of Seqwater Bulk Water Prices 2015-18**

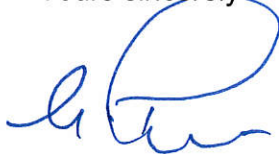
Thank you for the opportunity for Unitywater to provide feedback on the QCA's draft report: *SEQ Bulk Water Price Path 2015-18*.

Given that bulk water costs represent around 50% of water costs for a customer, Unitywater supports:

- a. the transparency of the process to inform stakeholders of the costs involved in providing a secure, reliable and high quality water supply; and
- b. the objective to ensure bulk water pricing reflects prudent and efficient costs.

Unitywater recognises that the QCA can only respond to the Ministerial Direction as drafted including to recommend tariffs that are purely volumetric. Unitywater is concerned that this limitation potentially encourages inefficient competition and the potential bypass of the existing water grid where future customers pursue non-grid solutions for their water needs.

Yours sincerely



George Theo  
Chief Executive Officer