

STAKEHOLDER NOTICE

25 February 2020

Gladstone Area Water Board price monitoring 2020–25, draft report— submissions sought

Introduction

The Queensland Competition Authority (QCA) is undertaking a price monitoring investigation of the Gladstone Area Water Board (GAWB), which extends to the prices GAWB proposed for the next five-year regulatory period (1 July 2020 to 30 June 2025), pursuant to s. 23A of the QCA Act. The investigation also includes advice on measures to address GAWB's revenue under-recovery, which accumulated over time, as the prices GAWB charged did not allow it to fully recover its prudent and efficient costs.

GAWB submitted its pricing proposal on 30 September 2019, and in November 2019 we made additional information available on GAWB's proposed treatment of accumulated revenue under-recoveries.¹

For our draft report, we have considered GAWB's proposal, as well as stakeholders' submissions on this proposal and the additional information we made available. We released our draft report on 25 February 2020. The draft report, which consists of two parts, is available on our website: www.qca.org.au.

Submissions on draft report

Public involvement is an important part of our process and we invite all interested parties to participate in our investigation. The views and issues raised by stakeholders will inform our final report, which is due by 29 May 2020.

The closing date for submissions is 27 March 2020. Due to the tight timeline for the final report, the deadline for submissions—including the deadline for GAWB submitting material—will not be extended.

Submissions should be lodged online at www.qca.org.au/Submissions.

Alternatively, submissions can be sent to:

Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Topics of particular interest

Additional information from GAWB's customers and stakeholders would be beneficial to our investigation. Although we do not wish to limit stakeholder feedback, we particularly seek stakeholder views on the following points as addressed in our draft report:

- recreational strategy (*Part A, section 4.6.6*)
- review triggers (*Part A, section 7.4*)
- new connections and capital contributions framework (*Part A, section 7.5*)
- pricing disputes (*Part A, section 7.6*)
- revised demand forecasts (*Part A, section 8.5.2*)
- storage and administration overrun charges for the Gladstone Regional Council (*Part A, section 9.5.1*)
- five-year price smoothing (*Part B, section 3.2*)
- under-recovery of revenues (i.e. the proposed structure for pricing and recovering revenues) (*Part B, chapter 7*).

Confidentiality

In the interests of transparency and to promote informed discussion, we would prefer submissions to be made publicly available. However, if a person making a submission does not want it to be made public, that person should claim confidentiality in respect of the document (or any part of the document).

Claims for confidentiality should be clearly noted on the front page of the submission and the relevant sections of the submission should be marked as confidential, so that the remainder of the document can be made publicly available. The submission should also be provided in two versions (i.e. the complete version and another redacting confidential information).

Where it is unclear why a submission has been marked 'confidential', the status of the submission will be discussed with the person making the submission. Stakeholders are referred to section 187 of the *Queensland Competition Authority Act 1997* (QCA Act) as to the bases upon which confidentiality may be asserted.

Access to confidential information

While we recognise the need to respect the confidentiality of commercially sensitive information, we also recognise that natural justice may require that an interested party is given access to confidential information provided to us by another person in respect of our price monitoring investigation.

To balance these obligations, and considering the constrained time frames for this investigation, we propose the following steps to manage requests for access to confidential information by interested parties:

- (1) If a person wishes to provide confidential information as part of a submission, they should claim confidentiality in respect of the information at the time it is submitted. Our requirements for making confidentiality claims are outlined above.
- (2) We will not formally assess the confidentiality claim under section 187 of the QCA Act in the first instance. We will, however, publish submissions on our website with the confidential information redacted or omitted.
- (3) An interested party who seeks access to confidential information should contact us, explaining why it requires access to the relevant information and identifying the persons to whom they wish access to be given. We may be prepared to disclose confidential information where we consider that natural justice requires an interested party be given access to the information. We may also require recipients to provide a confidentiality undertaking in respect of that information.
- (4) We will inform the provider of the confidential information of the request, and identify the persons to whom the confidential information is to be given, at least two working days before the information is disclosed.
- (5) If the provider of the confidential information opposes the disclosure of the information, on the conditions outlined above, we will formally assess the confidentiality claim in accordance with section 187 of the QCA Act. Note that if we are unable to give access to information that we consider bound to maintain as confidential, it may affect our ability to take the relevant information into account or the relative weight which is to be given thereto.

ⁱ Some of the information on GAWB's proposal to recover accumulated under-recovered revenues from customers by way of annuities was initially omitted from its regulatory submission published on our website because GAWB claimed it is confidential. The QCA formally assessed GAWB's confidentiality claim and determined that the proposed amounts attributable to a customer are not confidential to that customer and therefore each customer's amounts should be communicated to them individually.