

From: Amy-Rose West [amy_rose.west@lizzy.com.au]
Sent: Friday, 18 November 2011 9:34 AM
To: Catherine Barker
Subject: Supplementary submission to 2011/12 prices monitoring
Attachments: NWC2.doc; NWCar.doc

This email contains an attachment that may be work related and must be filed into the DMS. If you need assistance with the Executive Officer at xo@qca.org.au.

Queensland Competition Authority
2011/12 SEQ Prices Monitoring
Attn. Ms. Cath Barker

Dear Ms. Barker,

I refer to the submissions of 4 August and 5 November (copied below) and attached correspondence.

I have become aware that KPMG has been appointed by the QAO to perform audits of the Sunshine Coast Regional Council despite its flawed advice to the Queensland Government relating to 2007 Regulatory Asset determinations. To assist the QCA's consideration of this correspondence submissions to NWC's 2011 Biennial Assessment are attached.

Sincerely,

Amy-Rose West

PS These concerns relating to prevention of QCA performing its proper role to protect SEQ consumers is cited in paragraph three of page 297 of the Urban Water Sector Final Report No.55.

----- Original Message -----

Subject: Ongoing monopoly pricing abuse in SEQ

Date: Sat, 05 Nov 2011 12:03:15 +1000

From: Amy-Rose West <amy_rose.west@lizzy.com.au>

To: cath.barker@qca.org.au

Attn. Ms. Cath Barker

Dear Ms. Barker,

I refer to my submission dated 4 August and copies of correspondence received from Queensland Water Commission (QWC) that were attached. I have had advice that QWC's assertions relating to KPMG's 2007 valuation of legacy assets may be misleading.

Attached is correspondence to the Chairperson National Water Commission sent recently following my receipt of correspondence from The Treasury (also attached).

Sincerely,

Amy-Rose West

5 November 2010

26 Spindrift Avenue
Coolum Beach Qld. 4573

The 2011 Biennial Assessment
95 Northbourne Avenue
Canberra ACT 2600

Dear Sir/Madam,

I appreciate this submission opportunity given the belief that significant monopoly pricing abuse has taken place in South East Queensland in the past and is continuing. In answer to the Commission's question *Have there been unanticipated barriers to achieving fundamental components of the NWI?*, I offer the following public submission:

Existing governance and institutional arrangements relating to water and sewerage service provision are ineffective in Queensland. As a consequence households in Coolum Beach and throughout South East Queensland are being deprived statutory protection against pricing abuse by government monopoly business entities that should be available under National Water Initiative (NWI) Pricing Principles.

This is due to an ongoing Queensland Government refusal to refer legitimate prices oversight investigation requests to the Queensland Competition Authority (QCA) for independent assessment. The reluctance or inability of the Australian Government to intervene exacerbates this regulatory failure that renders efficiency improvements contemplated under National Competition Policy reform agreements relating to water unachievable.

Water sector governance arrangements are ineffective in Queensland for the reasons set out in my public submission to QCA dated 26 August, and as demonstrated in correspondence with Commonwealth Treasury and the Commonwealth Minister for Local Government that is enclosed.

To address this problem there is an urgent need to change existing governance arrangements by providing powers within the Commonwealth to initiate independent prices oversight investigations by the QCA when that agency is impeded from performing its duties by the Queensland Government. This may require that the QCA in future becomes a regulatory agency independently administered by the Commonwealth.

In addition, powers to enforce Principle 6 (15) of the NWI Pricing Principles for Urban Water Tariffs relating to over-recovery of revenue are unclear. Authority should be clearly vested in a QCA independently administered by the Commonwealth, or an appropriate Commonwealth agency, to ensure that households suffering past pricing abuse have excessive revenues redistributed promptly.

Should the Commission require further background correspondence supporting the presence of pricing abuse in South East Queensland, I am happy to provide it.

Yours sincerely,

Amy-Rose West (Ms.)

Enc: E-mail communications with The Treasury from January 2009 to 24 October 2010;
Letter from The Treasury dated 24 March 2010;
Letter from The Treasury dated 28 April 2010;
Letter to The Treasury dated 6 May 2010 with attachments "A","B","C" and "D";
Letter from The Treasury dated 18 August 2010;
Letter to The Treasury dated 26 August 2010;
Submission to QCA dated 26 August 2010 with attachment QTO-09535 dated 26 July;
Letter from The Treasury dated 18 October 2010;
Letter Ref: 02390-2010 dated 23 April 2010;
Letter to Federal Minister Local Government dated 17 May 2010 with attachments;
Letter to Federal Minister Local Government dated 9 July with attachment;
Letter from Federal Minister Local Government dated 3 August 2010.

1 November 2011

26 Spindrift Avenue
Coolum Beach Qld. 4573

The Chairperson
National Water Commission
Attn. Mr. Murray Radcliffe

Re: Ongoing monopoly pricing abuse in SEQ

Dear Mr Radcliffe,

I refer to the e-mail exchange that follows and correspondence from the Treasury that are attached.

Neither the 2011 Biennial Assessment's Chapter 1 Sections 1.6 and 1.10 nor the Productivity Commission's Urban Water Sector Inquiry Report No. 55 (the Report) Chapters 10 and 11 adequately addresses ongoing monopoly pricing abuse in South East Queensland (SEQ) resulting from failures in governance of entities owned and/or controlled by the Queensland Government.

Correspondence attachments from the Queensland Treasurer, the Minister for Water Utilities and the Queensland Water Commission have been provided to the Productivity Commission Inquiry in submissions #9, #59, and DR96 that are ignored in the Report's Chapters 10 and 11 discussion of monopoly pricing abuse and X-inefficiency. Myself and other households in Coolum Beach and throughout the former Maroochy Water Services (MWS) service area have been individually overcharged some \$5000 to date by public sector commercial business entities supplying water and sewerage services since 1999/2000. I believe that total overcharging is now in excess of \$200 million since MWS was declared a commercial business entity by the Queensland Government in 1999/2000.

I request that the NWC undertake a comprehensive forensic analysis of correspondence cited above and bring public transparency to the blatant disregard by the Queensland Government of NWI Pricing Principle agreement obligations with respect to water and wastewater service provision in SEQ.

Yours sincerely,

Amy-Rose West

Cc: Ms Mary Balzary General Manager Ministerial and Communications Division – The Treasury

On 11/08/2011 11:43 AM, NWC - Submissions wrote:

> Dear Ms West

>

> The 2011 Biennial Assessment will be released on 14 September 2011.

>

> I cannot comment on content.

>

> Murray Radcliffe

>

> -----Original Message-----

> From: Amy-Rose West [mailto:amy_rose.west@lizzy.com.au]

> Sent: Thursday, 11 August 2011 11:14 AM

> To: NWC - Submissions

> Subject: Re: Supplementary submission for 2011 Biennial Assessment [SEC=UNCLASSIFIED]

>

> Thank you for this response. Is it the intention of the National Water

> Commission to include in the 2011 Biennial Assessment a report

> regarding unintended consequences of COAG water reforms leading to

> predatory pricing activities of the Queensland Government?

>

> Kind regards,

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> Amy-Rose West

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>

> On 8/08/2011 6:20 PM, NWC - Submissions wrote:

>> Submissions for the 2011 Biennial Assessment of the NWI closed on 30 November 2010.

>>

>> -----Original Message-----

>> From: Amy-Rose West [mailto:amy_rose.west@lizzy.com.au]

>> Sent: Monday, 8 August 2011 4:48 PM

>> To: NWC - Submissions

>> Subject: Supplementary submission for 2011 Biennial Assessment

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>> Dear Sir/Madam,

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>> Please consider the attached submission to QCA together with cited correspondence in the context of my earlier communications.

>>

>> Kind regards,

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>> Amy-Rose West