

11 July 2014

Dr Malcolm Roberts
Chairman
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Email: seqwater@qca.org.au

Dear Dr Roberts,

RE: LONG TERM REGULATORY FRAMEWORK FOR SEQ WATER ENTITIES

Thank you for the opportunity to provide a submission into the development of the long term regulatory framework for water entities in South East Queensland (SEQ).

Through our consultation with the community sector, QCOSS is aware that many low-income people across SEQ are feeling the impact of rising water prices. Water is an essential service and all Queensland households have the right to affordable access to water services. As water is supplied by monopoly entities, effective regulation is critical to ensuring its ongoing affordability and accessibility.

While it is critical that the voices of Queensland water consumers are represented in this consultation, many of the issues are technical in nature which makes it difficult for consumers to participate. We would therefore like to thank the QCA for holding a number of informative and constructive workshops throughout the consultation process. These workshops were very useful to help inform our submission, and we are pleased that the Queensland Competition Authority (QCA) is taking steps to make it easier for consumer groups to participate in its consultation processes.

QCOSS's view is the protection of consumers should be the central focus of this regulatory framework. We therefore support the proposed annual performance monitoring (APM) approach. As it is untested in the water sector, we recommend an independent post-implementation evaluation of the framework and for the QCA to maintain the ability to introduce a more detailed review if it considers this to be necessary.

We also have a number of recommendations to ensure the needs of consumers, and particularly low-income and disadvantaged consumers, are adequately addressed in the APM framework and pricing principles. These include:

- Providing more guidance to the water entities on the nature of the consumer engagement required in order to ensure it results in tangible benefits for consumers.
- Measuring non-price indicators, in particular considering service standards that measure the service provided to people when they are experiencing difficulties in meeting the costs of essential water supply.

- Ensuring the pricing principles protect tenants from paying the fixed charge component of water bills and that the usage component is only passed on where there are water efficient devices installed in the property.
- The need for concessions to be calculated as a percentage discount off the total bill to ensure assistance remains equitable in line with price increases, tariff changes and differences in household water needs and usage.

If you have any questions or would like to discuss any aspect of this submission in further detail, please contact Rose McGrath on 07 3004 6900 or rosem@qcoss.org.au.

Yours sincerely,



Mark Henley
Chief Executive Officer