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Brisbane City Council ABN 72 002 765 795

QLD COMPETITION AUTHORITY

31 JUL 2013

DATE RECEIVED

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26 July 2013

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

Dear Dr Roberts

Thank you for your letter of 2 July 2013, inviting Council to make a submission on the long-term regulatory framework for South East Queensland Water Entities.

Council wishes to register its interest in the investigation and to make the following initial submission.

The Ministers' Direction Notice covers the major issues in investigating a long term regulatory framework for the nominated South East Queensland water entities.

I welcome the commitment to the framework facilitating the move to a more light-handed prices oversight, over time.

At this stage, I would like to highlight the following points:

- Any new framework should provide long term certainty and stability to the entities while allowing them to be able to respond to short term demand and supply pressures.
- The regulatory framework needs to consider the entities (and stakeholders') budget processes and requirements.
- The framework should promote innovation and encourage commercial behaviour, allowing entities to take commercial risks within acceptable limits and recover costs through revenue.
- There should be clear and timely provisions to enable entities to transition from the current regulatory framework to any new regulatory framework
- Regulatory reporting requirements should be simplified to key indicators with more of an emphasis on future projections than on historical data. Those indicators need to consider quality standards, environmental concerns and related information such as the Clean Energy legislation.

- One of the major cost drivers for the water entities is the cost of bulk water. The investigation needs to consider the ability of the entities to absorb bulk water price increases.

I would welcome further opportunities for submissions and participation in other forms of consultation. Mr Greg Evans, Divisional Manager, Organisational Services will be the contact on behalf of Brisbane City Council.

Thank you for providing Council with the opportunity to register its interest and to make this initial submission.

Yours sincerely



Colin Jensen
CHIEF EXECUTIVE OFFICER

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