

27 March 2020

Professor Flavio Menezes
Chair
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Prof Menezes

Gladstone Area Water Board 2020 Price Monitoring Investigation

The Gladstone Area Water Board (GAWB) welcomes the opportunity to comment on to the Queensland Competition Authority's (QCA) Draft Report relating to bulk water prices for the 1 July 2020 to 30 June 2025 pricing period. GAWB's response comments on both parts of the Draft Report. That is, prices for the next five-year regulatory period (Part A) and the accumulated revenue under-recovery (Part B).

GAWB accepts many of the QCA's findings. Where necessary, we have provided updated information to address the QCA's specific requests for additional data or in support of our alternative position/s.

There are several areas where we do not support the QCA's findings. In particular, the limited role of materiality in determining the scope of the operating expenditure assessment. Our response explains our concerns and why GAWB believes its approach is reasonable.

We look forward to continuing to work with the QCA to ensure it has the information necessary to complete the price monitoring investigation.

Should the QCA have any questions on the attached documentation please do not hesitate to contact Darren Barlow, Chief Executive Officer (07 4979 3019) or Angela Moody, Regulation and Planning Manager (07 3020 8014).

Yours sincerely



Maxine Brushe
Chair