

## STAKEHOLDER NOTICE

16 February 2023

### Gladstone Area Water Board (GAWB) price monitoring 2020–25

#### Mid-term pricing review

As part of the price monitoring investigation for the 2020–25 regulatory period, the Treasurer directed that we provide a subsequent report by 31 October 2023. This report will compare the annual prices GAWB charged between 1 July 2020 and 30 June 2023 with the findings in our May 2020 final report.

#### Scope of the review

We plan to monitor GAWB's actual charges for each pricing zone and compare them to our indicative charges. These indicative zonal charges are in our final report, in [Part A, chapter 10, table 36](#), which we published in May 2020.

We will take into account the variations in circumstances across GAWB's network. For example, it might be efficient for GAWB to alter certain charges away from the indicative prices in response to changing demand forecasts.<sup>1</sup>

To make the comparison relevant for 2021–22 and 2022–23, our indicative prices will be adjusted for actual, rather than forecast, inflation.

#### Factors to consider

The directions provide that we may accept a submission from GAWB with prices charged over the period 1 July 2020 to 30 June 2023, 'justifying any deviations' between the prices GAWB charged to its customers and our findings in the final report.

In addition to the requirements of the directions, we must have regard to the matters listed in s. 26 of the QCA Act when undertaking this price monitoring investigation. These include:

- economic or efficiency factors, including the cost of providing the goods or services in an efficient way, the need for efficient resource allocation, and the protection of consumers from abuses of monopoly power<sup>2</sup>
- non-economic factors, including social welfare and equity considerations, economic and regional development issues, demand management, the availability of goods and services to consumers and the social and environmental impacts of pricing practices.<sup>3</sup>

We may also have regard to any other matters we consider appropriate in undertaking our investigation.<sup>4</sup>

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<sup>1</sup> GAWB could also have capitalised the accumulated under-recovery associated with raising Awoonga Dam ([Part B, chapter 7, table 3](#) of our final report).

<sup>2</sup> QCA Act, ss. 26(1)(a), (c), (d).

<sup>3</sup> QCA Act, ss. 26(1)(g), (i), (m).

<sup>4</sup> QCA Act, s. 26(3).

## Stakeholder input

We encourage stakeholders' views on our 2023 price monitoring review. Examples of topics stakeholders may want to cover in their public submissions could include whether GAWB has:

- explained any differences between the QCA's indicative prices and GAWB's actual prices, and whether the stakeholder accepts the explanation
- negotiated in good faith on the repayment of the accumulated under-recovery (as set out in Part B of our final report)
- exercised market power in the context of negotiations or commercial relations
- performed well against its contractual obligations and key indicators<sup>5</sup>.

Stakeholders are also welcome to comment on our proposed approach to this mid-term price monitoring review of GAWB.

Stakeholders have one opportunity to provide submissions, by **31 May 2023**, which we will consider in the preparation of our price monitoring report.



## Submissions

**Closing date for submissions: 31 May 2023**

Public involvement is an important element of our decision-making processes. Therefore, submissions are invited from interested parties concerning our monitoring of the Gladstone Area Water Board bulk water prices. We will take account of all submissions received within the stated timeframes.

Submissions, comments or inquiries regarding this paper should be directed to:

Queensland Competition Authority  
GPO Box 2257  
Brisbane Q 4001

Tel (07) 3222 0587

Fax (07) 3222 0599

[www.qca.org.au/submissions](http://www.qca.org.au/submissions)

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<sup>5</sup> For example, GAWB reported on its key performance indicators in its [annual report for 2021–22](#) (p. 9).

## Confidentiality

In the interests of transparency and to promote informed discussion and consultation, we intend to make all submissions publicly available. However, if a person making a submission believes that information in the submission is confidential, that person should claim confidentiality in respect of the document (or the relevant part of the document) at the time the submission is given to the QCA and state the basis for the confidentiality claim.

The QCA will assess confidentiality claims in accordance with the *Queensland Competition Authority Act 1997*, including an assessment of whether disclosure of the information would damage the person's commercial activities and considerations of the public interest.

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

A [confidentiality claim template](#) is available on our website. We encourage stakeholders to use this template when making confidentiality claims. The confidentiality claim template provides guidance on the type of information that would assist our assessment of claims for confidentiality.

## Public access to submissions

Subject to any confidentiality constraints, submissions will be available for public inspection at our Brisbane office, or on our website at [www.qca.org.au](http://www.qca.org.au). If you experience any difficulty gaining access to documents, please contact us on (07) 3222 0555.