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Dear Sir

## **REVIEW OF SEQWATER BULK WATER PRICES 2015-2018**

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Thank you for the opportunity to make an initial submission to the above review. The bulk water prices are an issue of significant importance to Logan City Council and the community of Logan. We have seen significant price increases over recent years and welcome the opportunity through your review to minimise future bulk water price increases. We look forward to active involvement in the review and offer the following initial high level comments for inclusion in your considerations.

- Additional costs to Logan City Council to be recognised.  
Logan City Council has paid a significantly higher bulk water price than most other local government areas during the period of the price path which commenced in July 2008. The decision of State Government not to harmonise bulk water prices amongst local government areas early in the pricing path period has significantly disadvantaged Logan customers in comparison with the majority of SEQ customers. This disadvantage would be in the order of \$60 million.
- Lower prices to Logan in the next price path period in comparison to other local government area customers.  
In recognition of the higher contribution of Logan City Council to the revenue of the Bulk Water Authority since July 2008, it is considered appropriate that the bulk water charges levied in the next pricing path period be adjusted to reduce the impact on Logan customers.
- Reducing or Minimising Increases to the very high existing Bulk Water Charges  
The customers of South East Queensland already pay amongst the highest bulk water charges in the nation. Logan City Council will look to the QCA to review the costs being incurred by SEQ customers and look to ways that these costs can be reduced. It is recognised that infrastructure investments were made by the State Government during the major crisis of the millennium drought that are now being partially or fully decommissioned. Logan City Council would not expect to have to pay a commercial rate of return on these assets or have them considered as part of the prudent and efficient cost of providing a bulk water service.

We look forward to the findings of your review and working together to ensure that the cost of bulk water to our customers is kept to the minimum possible.



The contact officer for Logan City Council will be the Water Financial Management Program Leader, David Kelloway, Phone (07) 3412 5564 or email [davidkelloway@logan.qld.gov.au](mailto:davidkelloway@logan.qld.gov.au).

Yours faithfully



Silvio Trinca  
DEPUTY CHIEF EXECUTIVE OFFICER - ROAD & WATER INFRASTRUCTURE  
(on behalf of Chris Rose, Chief Executive Officer)