



QLD COMPETITION AUTHORITY

26 JUL 2013

DATE RECEIVED

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Our Ref: A8398286
Date: 25th July, 2013

Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4020

Dear Sir,

**Long-term Regulatory Framework for South East Queensland Water Entities –
your file reference 571214**

In response to your correspondence of 2 July 2013, please be advised that the Moreton Bay Regional Council (MBRC) wishes to register its interest in the above investigation and nominates as its contact officer in this matter Keith Pattinson Manager – Financial and Project Services. His contact details are below.

By way of an initial submission to your investigation, MBRC submits that there is a need to eliminate major variations in prices that arise due to changes to the cost of debt that result from setting interest rates for a regulatory period. MBRC, Unitywater and the Sunshine Coast Regional Council have recently entered into participant local government loan agreements that address this issue using a rolling renewal method devised by Queensland Treasury Corporation (QTC). This method smooths variations in the cost of this debt caused by periodical renewals that would have otherwise occurred if the renewal was based on a regulatory period. It is our firm belief that some method of 'smoothing out' the effect of the cost of debt, similar to this QTC method, should form part of any long-term regulatory framework.

MBRC is interested in the outcome of your investigation and appreciates the opportunity to participate.

For further information please contact Keith Pattinson on 07 3480 6422 or email keith.pattinson@moretonbay.qld.gov.au.

Yours faithfully,



Daryl Hitzman
Chief Executive Officer
Moreton Bay Regional Council