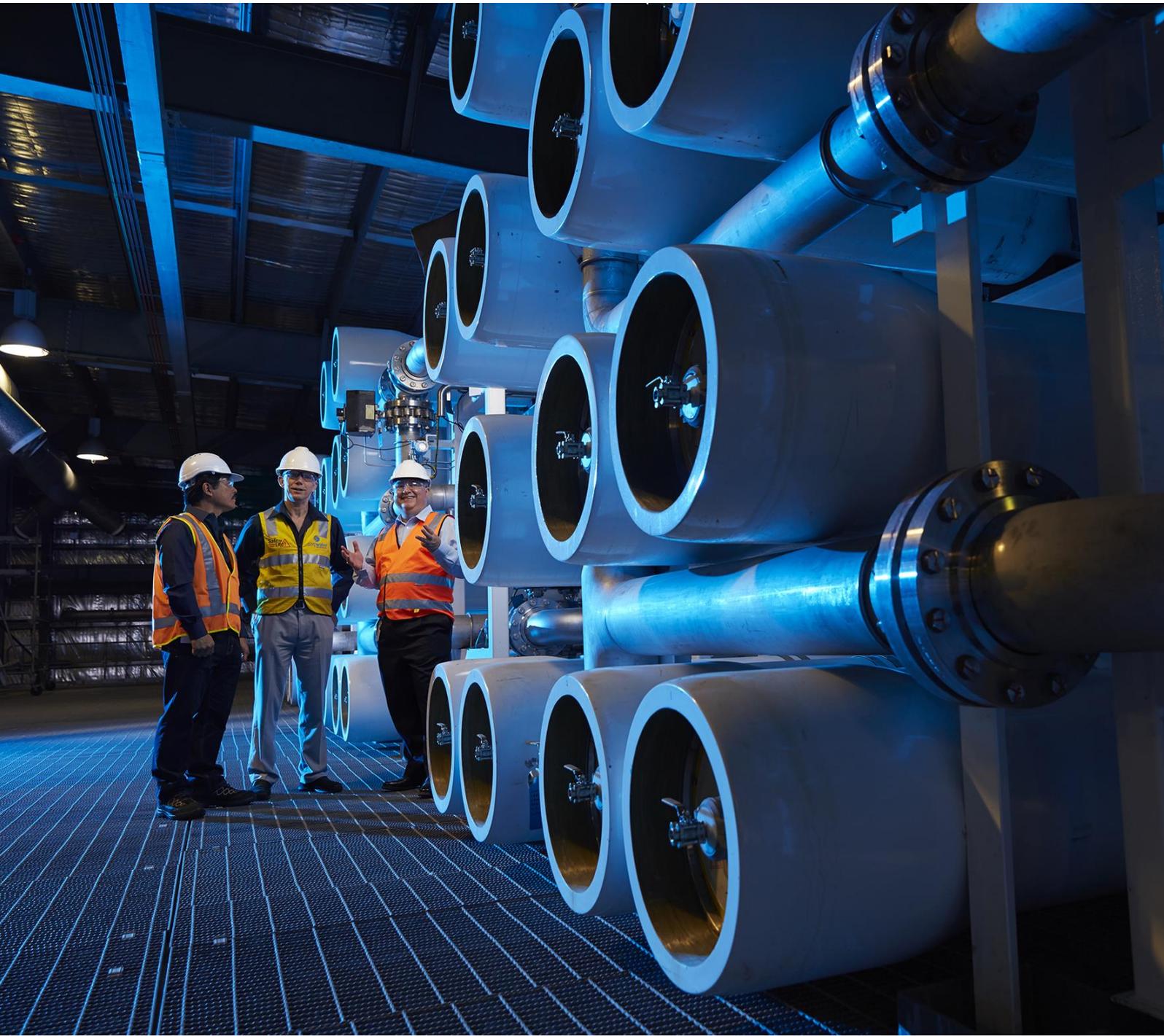


QCA Pricing Principles Review 2021 Seqwater response to Request for Comments



January 2021



QCA Draft Regulatory Pricing Principles

Seqwater would like to thank the Authority for the opportunity to comment on the “Draft Statement of Regulatory Pricing Principles for the Water Sector” released in November 2020.

Seqwater is not intending to make a detailed submission in this instance. Seqwater’s irrigation and bulk water prices are determined by the Queensland Government, informed by reviews undertaken by the Queensland Competition Authority (QCA) in accordance with referral notices issued by the Treasurer under section 23 of the Queensland Competition Act.

Under the existing regulatory framework a Referral Notice is issued by the Queensland Government for the QCA to investigate and recommend prices. . The Referral Notice can be used to set out specific options for dealing with pricing, valuation and policy issues and should take precedence over the pricing principles, should they conflict.

Although these draft principles appear reasonable at a high level, their relevance to Seqwater’s pricing in the context of the referral notice process is unclear. Taking this into account, it would be helpful if in the final report, the roles and responsibilities of Government, QCA and Seqwater could be clarified with respect to the pricing principles.

Seqwater also suggests that the final report provide further clarity on the QCA’s expectations for water businesses to manage the potential conflict between some of the principles – for example, signaling the efficient use of the relevant services and tariff structures preferred by customers.

Finally, Seqwater commends the QCA for recognising that primary responsibility for customer engagement rests with water service providers. Seqwater is committed to continual improvement in its customer engagement in all areas, including price setting, as demonstrated in the recent irrigation price review. Regulatory frameworks in many Australian jurisdictions have evolved significantly to formally elevate the role of customers in the price setting process and incentivize businesses to place customers at the centre of their business decisions. Seqwater would welcome a broader discussion across Government, the QCA, customers and other stakeholders on the regulatory and other changes that would help facilitate more customer-oriented outcomes in the Queensland water sector.

Rev. no.	Doc No.	Doc Owner	Version Date	Doc Approver
[00]	[000-00000]	[Name]	1/01/2021	[Name]