

Gladstone Area Water Board price monitoring 2025-30

23 February 2024

Pursuant to a referral notice dated 14 December 2023, the Queensland Government has directed the Queensland Competition Authority (QCA) to conduct a price monitoring investigation relating to the monopoly business activities of the Gladstone Area Water Board (GAWB), under section 23A of the *Queensland Competition Authority Act 1997* (QCA Act).¹

The price monitoring investigation is for the period 1 July 2025 to 30 June 2030 and will consider a range of matters, including the appropriate prices for the period that provide GAWB sufficient revenue to recover its prudent and efficient costs.

Background

GAWB is responsible for bulk water supply in the Gladstone region – it provides bulk raw and potable water to industrial customers, power stations and the Gladstone Regional Council, and charges bulk water prices for these services.

GAWB is also responsible for setting its own bulk water prices through negotiation with its customers, although the Queensland Government can ask the QCA to monitor prices and/or investigate pricing practices. The price monitoring regime is intended to have an informative rather than determinative purpose and does not directly bind a regulated business. The price monitoring regime serves to support transparency and accountability in GAWB's price-setting process. Nonetheless, GAWB may depart from our findings and set prices differently, subject to its contractual agreements.

Our last review into future prices was completed in 2020, when we undertook an investigation of GAWB's proposed prices for the period 1 July 2020 to 30 June 2025. We subsequently undertook a mid-term price monitoring review in 2023.² Having regard to the outcome of our reviews, GAWB then sets bulk water prices in negotiation with its customers.

¹ The referral notice is available on our website at www.qca.org.au/water.

² QCA, *GAWB price monitoring 2020-25*, QCA website, 2023.

Proposed approach to this review

When we conduct our review, we will have regard to the terms of the referral and the matters we are required to consider in the QCA Act.³ The key objective of this review is to provide findings on appropriate prices over the price monitoring period that allow GAWB sufficient revenue to recover its costs by 30 April 2025.

The referral also requires us to prepare a mid-term report by 31 October 2028, which compares the QCA's findings on appropriate prices, with the prices actually charged by GAWB from 1 July 2025 to 30 June 2028.

An important part of our investigation will be to assess the prudence and efficiency of GAWB's proposed capital and operating costs. We expect that GAWB will include detailed information on its proposed costs and prices in its submission to the QCA, which is due by 31 May 2024.

Submissions

Public involvement is an important part of our review process, and we encourage all stakeholders, including members of the community, to participate in our review. **Stakeholders are invited to make initial submissions by 31 July 2024.** There will be a further opportunity to make submissions after we release our draft report later this year, as outlined in the following timeline.

Step	Date
GAWB's submission due	By 31 May 2024
Submissions from stakeholders due	By 31 July 2024
Draft report provided to government	By 29 November 2024
Draft report published	Early December 2024
Submissions on the draft report due	By 16 February 2025
Final report provided to government	By 30 April 2025
Final report published	Early May 2025
Mid-term report	By 31 October 2028

Confidentiality

In the interests of transparency, and to promote informed consultation, we intend to make all submissions publicly available. However, if a person making a submission believes that information in it is confidential, they should claim confidentiality over the relevant information (and state the basis for that claim). We will assess confidentiality claims in accordance with the QCA Act. Among other things, we will assess if disclosure of the relevant information is likely to damage a person's commercial activities, and we will consider the public interest.

³ During our price monitoring investigation, we must have regard to the matters in section 26 of the QCA Act including, for example, the need for efficient resource allocation, the protection of consumers from abuses of monopoly power and an appropriate rate of return on assets (see section 26(1) of the QCA Act).

Claims for confidentiality should be clearly noted on the front page of a submission, and relevant sections of the submission marked as confidential. The submission should also be provided in both redacted and unredacted versions. In the redacted version, all information claimed as confidential should be removed or hidden. In the unredacted version, all information should be exposed and visible. These measures will make it easier for us to make the remainder of the document publicly available. A confidentiality claim template is available at www.qca.org.au/submission-policy/

The template gives guidance on the type of information that may help us to assess a confidentiality claim. We encourage stakeholders to use this template when making confidentiality claims.