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Reply please quote ref: 282940

28 February 2014

The Research Director State Development, Infrastructure and Industry Committee Parliament House George Street Brisbane Qld 4000

Via email: sdiic@parliament.qld.gov.au

Dear Sir/Madam

Gladstone Area Water Board (GAWB) has reviewed the Water Supply Services Legislation Amendment Bill 2014 (the Bill) and accompanying Explanatory Notes that were released for public submissions on 13 February 2014.

GAWB is a Category 1 Water Authority under the *Water Act 2000* (Qld) (Water Act) and a registered service provider under the *Water Supply (Safety & Reliability) Act 2008* (Qld). GAWB operates as a commercialised statutory authority responsible to the Minister for Energy and Water Supply (the Minister) and as required by the key commercialisation principles and key objectives listed in sections 638 and 640(1) of the Water Act.

GAWB's customer base is unique. Industrial and power generation demand represents approximately 80% of the total water supplied. Approximately 20% of the total water supplied by GAWB is supplied to Gladstone Regional Council (GRC) as potable water. GRC then on-sells this potable water to residential and small business users.

GAWB supports initiatives to reduce regulatory red tape and to change the regulatory focus from being process based to being based on transparency, efficiency and outcomes.

GAWB does not propose to provide comment on the Bill as a whole nor does it propose to provide comment on the many proposed changes contained in the Bill. Rather, GAWB will only provide comment on the provisions of the Bill that directly apply to it.

It is our understanding that as GAWB supplies potable (drinking) water to some customers it falls within the definition of "relevant service provider" in the Bill and consequently the provisions relating to customer service standards will apply to it.

GAWB is a bulk water service provider that supplies both raw water and potable water to its customers. It has a comprehensive commercial framework in place and regularly engages with customers to discuss the level of service that it provides to them. GAWB believes that to the extent that it is intended that the customer service

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standard provisions in the Bill are intended to apply to it, that they should apply only to the potable water that GAWB supplies to customers and not to the bulk raw water that represents approximately 80% of the total water supplied by GAWB.

If it is not intended that the customer service standard provisions apply to GAWB, would you please let me know. Similarly, if these provisions are intended to cover GAWB and you would like to discuss the characteristics of GAWB's unique customer base, please let me know.

Sincerely,

Jim[®]Grayson Chief Executive Officer