1. In April 2011, the Premier and Minister for Reconstruction announced proposed amendments to the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* to address community concerns about the responsibility for setting water and sewerage prices in South East Queensland (SEQ). The proposal included the imposition of a price cap on customers’ water and wastewater bills and enabling SEQ councils to choose to opt out of their Distributor-retailer and re-establish council owned and operated water business.
2. Councils are to inform Government of their ‘opt out’ decision by 1 July 2011. Where councils wish to withdraw from their Distributor-retailer, the transaction must be completed by July 2012.
3. The Fairer Water Prices for South East Queensland Amendment Bill 2011provides for three key pricing issues:
4. imposing a consumer price index (CPI) cap on the water and wastewater (excluding trade waste and recycled water) distribution and retail prices for residential and small business customers in SEQ for two years from 1 July 2011;
5. requiring SEQ councils to publish price mitigation plans to provide public scrutiny of councils’ intent to manage prices after the two-year CPI cap period; and
6. removing the pricing determination role of the Queensland Competition Authority (QCA) from 1 July 2013 but continuing the current price monitoring role of the QCA during the price cap period.
7. The Bill 2011addresses three minor issues:
8. deferring the making of new Grid Contracts until the structure of the SEQ water and wastewater businesses is finalised;
9. extending the Minister’s power to make a transfer notice 30 June 2012 to address omissions arising from the transfer of assets in 2010 from councils to the Distributor-retailers; and
10. providing for the portability of Long Service Leave entitlements for persons moving from one Distributor-retailer to another.
11. Cabinet approved the introduction of the Fairer Water Prices for South East Queensland Amendment Bill 2011 into the Legislative Assembly.
12. *Attachments*
* [Fairer Water Prices for South East Queensland Amendment Bill 2011](Attachments/Bill.pdf)
* [Explanatory Notes](Attachments/Exp%20Notes.pdf)