



The Hon Dr Anthony Lynham MP
Minister for State Development and
Minister for Natural Resources and Mines

Ref CTS 09706/15

Level 17 QMEC Building
61 Mary Street Brisbane QLD 4000
PO Box 15216 City East
Queensland 4002 Australia
Telephone +61 7 3199 8215
Email sdnrm@ministerial.qld.gov.au

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Mr Bye
Assistant Director
Water Markets Infrastructure Regulation Division
Australian Competition & Consumer Commission
Level 36 360 Elizabeth Street
Melbourne VIC 3000

waterchargerules@accg.gov.au

Dear Mr Bye

Thank you for your email of 4 May 2015 inviting submissions on the Issues Paper to review the Water Charge Rules.

During last year's review of the Commonwealth *Water Act 2007*, the Queensland Government raised several issues relating to examining opportunities to simplify regulatory and reporting burdens and to focus on outcomes-based frameworks with a fit-for-purpose approach to implementation.

I welcome the opportunity to provide the enclosed submission from the Department of Natural Resources and Mines, which continues to emphasise the need for a net community benefit from regulation.

If you have any questions about my advice to you, Mr Aaron Stasi, Principal Policy Officer, Strategic Water Programs, Department of Natural Resources and Mines will be pleased to assist you and can be contacted on telephone (07) 3137 4243.

Yours sincerely



Dr Anthony Lynham MP
Minister for State Development and
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Queensland Department of Natural Resources and Mines— Submission to the ACCC's Issues Paper on the Review of Water Charge Rules

The Department of Natural Resources and Mines (DNRM) welcomes the opportunity to input into this review process. Please note that this submission relates solely to the Water Charge (Planning and Management Information) Rules.

Queensland supports the National Water Initiative pricing principles and meets the transparency objectives regarding publication of water charges. However, it is this Department's view that the cost information published under the Rules does not assist in promoting the economically efficient and sustainable use of water resources. This is because it is highly unlikely that water users' behaviour will change as a result of publication of the information required under the Rules. More specifically:

- Queensland provides as much information as possible on water planning and management costs that it currently has in place. However, overly prescriptive regulation such as publication requirements to report on water planning and management costs—particularly when Queensland has no full-cost recovery water charges in place—has questionable benefit for the water market.
- Additionally, to identify and collate all the water planning and management costs as required under the Rules would involve extensive expenditure, and the department considers that this exercise would far outweigh any water market benefit of producing the information.
- It is also questionable whether the regulatory reporting requirements under the Rules assist in achieving the water charging objectives under Part 2 of the Commonwealth *Water Act 2007*, over and above what is already achieved from the information Queensland currently publishes.
- The Rule's reporting requirements need to be proportionate with the outcomes the Act is seeking to influence and should be commensurate with the significance and contentiousness of the subject matter. With no apparent net community benefit, DNRM therefore questions the value of the need for such regulation to the water market.