

Customer Contact
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Enquiries:
Revenue Department
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22 August 2014

Australian Competition & Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Address all correspondence
to the Chief Executive Officer
PO Box 551, DALBY, QLD 4405

info@wdrc.qld.gov.au

Dear Mr Philp

Re: Request Written Statement Substantiation Notice Competition Consumer Act 2010

I refer to your letter received 8 August 2014 requesting that Council provides a written statement that explains the impact that the repeal of the carbon tax will have on Western Downs Regional Council's costs and prices.

The method of calculating carbon tax collected and remitted in 2012/2013 and 2013/2014 was based on a cost per tonne of carbon emissions and the formula provided in the legislation is that 19,482 Mj of gas consumed produces one (1) tonne of carbon emission at \$23.00 per tonne in 2012/2013 and \$24.15 in 2013/2014. Council's budget for 2014/2015 based its estimated carbon tax collection and remittance on the 2013/2014 carbon price.

Council has calculated the cost of gas supplied to Council will reduce by \$0.0012 per megajoule upon repeal of the carbon tax. At its ordinary meeting on 14 August 2014, Council resolved to grant a general concession to its gas customers of \$0.0012 per megajoule of gas for the year 2014/2015. For future financial years, this concession will applied to the per megajoule rate as a standard price. Please see the attached information (Appendixes 1 & 2) substantiating how Council has calculated this adjustment.

Appendix 1: Spreadsheet including formulas calculating the cost reduction to both Council and customers.

Appendix 2: Excerpt from Council's 2014/2015 Revenue Statement showing Natural Gas charges before and after the repeal of the carbon tax.

If you require further information please contact Council's Revenue Department during office hours on (07) 4679 4000.

Yours faithfully



Phil Berting PSM
CHIEF EXECUTIVE OFFICER