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TRANSCRIPT OF PUBLIC HEARING

INDEPENDENT COMPETITION AND REGULATORY COMMISSION

Presiding:

SENIOR COMMISSIONER MR JOE DIMASI
DIRECTOR OF ECONOMIC REGULATION DR LUKE MEEHAN

PUBLIC HEARING - REGULATED WATER AND SEWERAGE SERVICES 2018 - 23

HELD AT CANBERRA

3.02 PM, WEDNESDAY, 7 FEBRUARY 2018

SENIOR COMMISSIONER DIMASI: Welcome to this Public Hearing of the ICRC Water and Sewerage Services Price Investigation, our draft decision. My name is Joe Dimasi; I am the Senior Commissioner. Sitting next to me is Luke Meehan, who is the Director of Regulation, and he has been overseeing the investigation. There are a number of other staff members, including our CEO, Annette Weier, and I am sure you made yourselves known to them just before.

This public hearing is to assist us in finalising our decision in making our determination for Icon's water and sewerage services from 1 July 2018 to 30 June 2023. The hearing is required under the ACT legislation and feedback at this public hearing will inform the Commission's investigation and we will publish a transcript.

Now, what we have planned for today is that I will outline very briefly, hopefully, the Commission's draft decision. Icon have been invited and have indicated that they will make some comments and present a response or any other comments that they wish to make. Of course, we will take questions and comments after that from anyone else in the audience.

If I could just ask, first of all, if you can identify yourself when you speak, and secondly, if you have phones, if you can just turn them off or put them on mute, so that they don't go off during the process.

Let's go straight to the decision. Our decision will see nearly all of Canberra's consumers experiencing immediate falls in their water and sewerage bills in the first year. Our draft report estimates that a typical Canberra household consuming around 200 kilolitres of water per year, will see a fall of around 1.2 per cent or about $14 in their annual bill, compared to 2017-18. That's the immediate impact on year 1, followed by increases of around about inflation for the rest of the regulatory period. That's in summary what it is.

In terms of the numbers, you can see there that we have the Icon Water proposal which proposed a slight decrease in the tier 2 price, an increase in the supply charge of around $20 a year, and an increase in the tier 1 price. Sewerage service charges, as you can see there, were going up slightly.

We have altered that slightly. What we have done is we have adjusted tier 1 prices downwards. This is for the first year, compared to where they currently are and compared to what Icon is proposing. We have also adjusted sewerage prices over the life of the determination downwards as well a little. All of this is in our report, by the way. I think there are probably a couple of spare copies around if people want them, but you can look it up on our website as well.

Over the course of the five years, you can see there that then we have a CPI adjustment. The Commission decision is down the bottom, where we have CPI adjustments for tier 1 and tier 2. This is compared to Icon's proposal which was basically to leave tier 2 alone, after the initial decrease, and increase tier 1 by CPI. We have left alone the supply charge increases proposed by Icon. Again, the sewerage prices fall slightly over the period.

What's driving that change is the total revenue requirement that Icon asked for which is there in our draft decision. We have reduced that a little. So, in addition to Icon's downward adjustments, we have added to those downward adjustments– based on our assessment of slightly lower costs, we have reduced the revenue requirement for the five-year period.

Again, to give you an idea of where that's coming from, basically what we have done is we have reduced, or proposed in our draft, to reduce the capital expenditure program over the five years by around 50 million; the opex slightly, based on lower regulatory cost that we have assessed; and the rate of return, driven largely by the market risk premium and the gamma – and I won't go into that, unless people are interested – around $20 million. That's what has caused those lower prices and, again, that just explains what I have just said.

The impact on households. We have, as I said, slight reductions in the annual for households currently on 200 KLs. We have a reduction in the first year and then increases, but at around the rate of inflation. So, overall, less than the rate of inflation for the whole five-year period. The total bill increases over five years by the amount that you see there, which is less than inflation. For business, again, a somewhat similar story, but with greater usage, probably a little bit more of a reduction than we saw for households.

A couple of other matters that are worth mentioning. There were a number of issues that we raised in the report and the question was how long should the regulatory period be. We have decided to stick with a five-year regulatory period.

The issue was raised about the revenue dead band to manage demand volatility risk. Just to explain that a little bit, at the moment the way the dead band works, Icon Water wears the risk of demand being lower than forecast, then up to 6 per cent, and then consumers take that risk after that. There is no unders and overs annually, so if you miss, then after 6 per cent

Icon has to wear that risk. Icon did propose annual adjustments and we have decided not to make those annual adjustments, but rather to stick with the current approach.

What we have also decided is to improve, we believe, on the demand forecasting, so that the risk of demand being less accurate, we believe, is going to be reduced. Again, that's explained in the report. The approach to demand, that is the demand model that we're proposing to use moves on from the panel's approach to an approach that has previously been used by the Commission and proposed by Icon. So, we have left Icon with that risk, but we believe that risk will be lower.

There are a number of passthrough mechanisms for some costs and a CPI escalation mechanism within the regulatory period. That's fairly normal and we've retained those. The incentive mechanism: we've got the ex-post review of capital expenditure at the end of the regulatory period and we have retained that, although we do believe that over time we should examine more closely perhaps improving on the incentive mechanism.

If we do that, that would put up for grabs, the dead band, the whole approach. If we do that, if we make any changes there, that would follow a public process and we would be looking to make any changes, following submissions and our consideration of those from Icon, obviously, and from other interested parties, and we would make any change, not as part of the determination, but leading up to the next determination. So, that's something we've flagged to see whether we can improve on the incentives that we have to keep costs low and to operate efficiently.

I have mentioned the demand forecast model and I have explained the tariff structure with the changes that we have tinkered with in the usage charges, and left alone the proposed $20 increases, but leading to an overall decrease for the average user.

That's in a nutshell, and going through it fairly quickly, as I said I would, is the decision. In terms of moving from here, that's the timeline up until now. We are now looking for submissions up until 23 February and we will be releasing our final report and price direction on 1 May this year, and of course, looking forward to any submissions, if people are still looking to make submissions before we do it. There are the details which you will also find on our website.

That's the Commissions draft decision. As I said, I've gone through that fairly quickly. I didn't want to take up too much time. The details are there. We're happy to answer any questions, but perhaps what we will do is we will let Icon respond first, make any comments that they wish to make, and then we will open it up for any questions or answers that people might have. With that, can I ask Icon to present their views.

MR KNOX: Thank you, Senior Commissioner. John Knox, Managing Director of Icon Water. I'll just say a few words and then hand over to our CFO, Sam Sachse, for a more detailed response to the Commissioner's paper. Thank you again for the opportunity to present today for the 2018-23 regulatory period. We worked very hard over the last couple of years, in particular, to deliver prudent expenditure within the submission.

In doing so, we've had a strong focus on customer engagement, so we've formed a community consultation forum and we found some rhythm in that and we've also reached out further through a number of other channels to the community as well. It's early days for community engagement, but we're off the blocks and I feel as though it's a very positive outcome on what we've heard from those forums.

We've also been very focused on driving operational efficiencies and to the Commissioner's point about incentive schemes and rest, we are here to make sure that we put our best foot forward with regards to prudent expenditure in our submission.

We've also rigorously assessed our capital expenditure program, and the key focus of that is renewing critical infrastructure to allow us to continue to meet our service standards moving forward. We have reviewed, obviously, the ICRC's draft decision and, as mentioned by the Senior Commissioner, there are several areas of common ground, which was very pleasing. The most important aspect from an outcome basis of our proposal, is that we continue to provide safe, reliable and efficient sewerage services to the ACT consumers, most importantly, while maintaining stable water prices, water and sewerage prices moving forward.

We're now in the process, as outlined by the timelines on the presentation, to respond to the draft determination and our CFO will take you through some of the detail of our response today and will obviously be available for any questions throughout the course of that response.

Thank you, Commissioner.

SENIOR COMMISSIONER DIMASI: Thanks, Mr Knox. Sam?

MR SACHSE: Thank you, John, and good afternoon everybody, and thank you to Joe, Senior Commissioner of ICRC, for inviting us today. I will just walk through our presentation quickly, so we'll just give a quick overview of our response and talk about four key areas: the first one is the capital expenditure program; the second is the rate of return calculation; the form of regulation and what our prices might look like in our response. I should just say that this is an indicative response. We've still got a bit of time to finalise our response; it's due on 23 February, but this is where we're heading.

I should just say at the outset that our key focus area is really on the safe, reliable and quality customer service to our customers. Having said that, we are more focused on operating cost savings going forward, so that we can pass those operating cost savings to the end customer through lower prices, and we're here about fair and affordable pricing. Part of that is looking at some gradual and measured tariff reform, and I'll explain that in a bit more detail going forward.

But just as a high level, our response is looking at a $9 reduction for a typical residential customer from 18-19. It's not the same level of reduction in the draft decision, but it is pretty close. So, our overall response is that we welcome the ICRC's draft decision as a whole. I think there's a lot of common ground between Icon Water and the ICRC and there's a lot to work with there. We are seeking some minor amendments to the ICRC's draft decision and so I will talk about those in a little bit further.

Where we did have consensus was on operating expenditure. I think we will accept the operating expenditure decision by the ICRC. Water sales is another one where we agreed. Customer number forecasts we also agreed. And so, the rest really of the presentation is to discuss those elements where we think further refinement is required. I briefly talked about capital expenditure projects. We need to do some of this work to make sure that we continue to provide that high level of service to our customers.

We also believe that there's further opportunity to improve the regulated return calculation and there has been some further developments in that area through the Australian Energy Regulator, so I'll talk a little bit more about that. We still need to introduce a regime that encourages our large customers to stay in our network. I'll talk about that a little bit further.

I talked about designing our tariffs and our customer prices. I'll get straight into what our capex program means. We've made some massive inroads in further developing our processes and approach with our asset management capability. We are looking at further minimising our whole of life costs and balancing the performance and risk of those assets.

I think a key highlight maybe from the Calibre Consulting report is they believe that our asset management protocols are sound. So, we've got a good platform there to build with, and our revised capex program will balance that cost risk and performance matrix to make sure that we deliver safe and reliable water and sewerage services to the ACT community.

In terms of capex numbers, and these are slightly different to the capex numbers Joe showed; the Senior Commissioner showed that they were in nominal dollars. We've chosen to use real dollars, so we can compare it to the prior regulatory period, and I'll go through that in a little bit further. We did put $405.9 million in our proposal originally for the next five-year period. The ICRC's draft decision came back at 357, and we are now looking to revise that down to 389.

We believe there are some fundamental projects that we still need to do. Calibre Consulting highlighted that we might not need to do them but Icon Water's position is that we need to do these projects to make sure that our services are reliable going forward. We have managed to reprioritise some of the other capital projects to offset the inclusion of those projects.

Just looking through where we have come from, so in this current regulatory period, we are forecasting to spend $409 million and we are looking to reduce that in the next regulatory period. You can see this big ramp up and ramp down and a lot of this additional capex is replacing or renewing some major components at Lower Molonglo Water Quality Control Centre. That's the $800 million plant that was built in the 1970s. A lot of those components are reaching end of life and they do need to be replaced, so that's where a lot of that capex, capital expenditure, has gone. We will go back to more sort of normal levels after we've actually renewed that plant.

On the rate of return, we did propose a 6.07 per cent weighted average cost to capital in our submission. The ICRC has reviewed that and they came back with a 5.93 per cent decision. What they adopted was a change in approach with calculating the market risk premium. We just used the industry panel approach as it was agreed back in 2013.

The ICRC has moved that approach a little bit, and what we're saying is that the whole calculation has moved a lot over recent years. The Australian Energy Regulator has introduced new methods to calculate various parameters in that calculation, and what we're proposing to do is use the more contemporary practice going forward.

We have recalculated all of our weighted average costs of capital based on those new parameters and it just happens to be that we ended up the same back in the draft decision, so it’s probably a good outcome from everybody, but has used more contemporary methods for that calculation. The further detail and demonstration of why that is will be in our response.

I don’t want to bore you with this but this is the various parameters of the weighted average cost of capital. You can see some small difference in risk-free rate where it has moved since our original proposal. Cost of debt, we’re using a new methodology there that the AER has picked up. Similar with the risk market risk premium, they outlined some new guidelines and we’ve calculated based on those guidelines and come up with 7 per cent. It does basically end up with a very similar weighted average cost to capital.

I will just briefly speak about form of regulation and 90 per cent of the form of regulation in the draft decision we are comfortable with. We’re comfortable with the dead band, the 6 per cent dead band, given the calculation for water sales is much closer to what we’ve experienced in history.

There’s a few aspects that we need to raise further, and one is the uneconomic bypass. You might have seen in the paper a couple of weeks ago, Department of Parliamentary Services want to build a pipeline from Lake Burley Griffin and bypass Icon Water’s network. They are building their own pipeline because they believe they can do it at a commercial advantage to what Icon Water can do.

That’s fair enough but what we are asking for is some arrangement where we can offer prudent discounts to these large customers and that discount would be part of the revenue building block where we can recover that from other customers. It’s a much better arrangement than losing the whole customer and trying to recover all of that lost revenue from our other customers. We do want to discuss that further with the ICRC, how do we put in a framework to deal with these large customers that want to move off our network, because it is a bad outcome for the rest of the community.

Another area that we want to explore with the ICRC is the treatment for the Best for Region sewerage treatment plant. You may have seen in the press as well, it’s more in the Queanbeyan Age, is it, Queanbeyan Times, whatever it is, but we are working quite closely with Queanbeyan-Palerang Regional Council on developing a Best for Region treatment plant. We’ve got a treatment plant at Fyshwick. They’ve got a treatment plant at Oaks Estate that's about four kilometres away. Both are reaching end of life and we want to build a plant together to better service both of those existing plants.

We are probably about one-and-a-half years to two years away from making a decision whether that is viable or not. What we propose to do is just treat that as a contingent project, so that we can come and discuss that further with the ICRC, just to make sure that we get the prudent and efficiency tick from the ICRC to move forward. We're not saying we want to open up the prices for our customers but we just want that sort of signed off by the ICRC during the next regulatory period to make sure that everyone's going in the right direction.

The most important part is what does it mean for our customers. We do want to keep the two-tier approach, so the first tier for water consumption is less than 50 kilolitres in that quarter. What we're proposing is a $2.61 charge for the first 50 kilolitres in the quarter, and then that will go up to $4.95 above 50 kilolitres in that quarter. I think there's the agreement between the ICRC and Icon Water to retain that sort of structure. I think there's agreement to increase the supply charge by $20 per year for five years. Really both of those - the supply charge has really got to do with is we've got one of the lowest supply charges in the country but one of the highest tier 2 prices in the country. We're probably actually the highest price of water for the second tier.

The ICRC have proposed to decrease the tier 2 to $4.95, but then increase it by inflation over time. What we're proposing to do is just keep the tier 2 price stable for five years, so it doesn't go up. A couple of reasons for that is we do want to think about more of a commercial tariff in future regulatory periods and the wider the variance between these two, it makes the transitional issues a lot harder to deal with. So, if they come closer together, there will be less transitional issues for our commercial and residential customers in future regulatory periods.

On the sewerage services prices, we are seeking a reduction in both our supply charge and our fixture charge. The fixtures relate to businesses only and the supply charges for our residential customers, but both we're looking at slight reductions in the charges for our sewerage services charges.

In terms of customer bill impacts, so our typical customer which is a 200 kilolitre per annum consumption customer, they would experience a one cent decrease or $9 saving. Our larger customers, 300 kilolitres, would get a 3 per cent decrease or $49 per annum. Our small customers would get a small decrease of about 1 per cent or $1 decrease per annum. Our business customers, because they are a lot higher water consumption user, they get a bigger benefit from the tier 2 reduction, they would experience between 1 to 8 per cent reduction in their bills.

Just in summary, I think we accept a large portion of the draft decision. As I've outlined today, there are some elements that we will go back in our response to and seek for that decision to be refined. We just believe that this will be the best outcome for our water and waste water customers in the ACT.

Thank you, Senior Commissioner, for giving us the opportunity to present today.

SENIOR COMMISSIONER DIMASI: Thanks, Sam. We will just open it up to the floor and if anyone's got any questions, either to Icon or to the Commission, or anyone would like to make a statement or express a view, we'd be more than happy to hear from you.

If you can please say who you are – just over there. By the way, that's not an amplification mic, that's just for the transcript, so you'll need to speak up for everyone to hear you.

MR SUTHERLAND: Peter Sutherland from ACAT. Would you like to talk about the rate of return and how you got to it and the extent that it is similar or dissimilar to the AER's work in the same field in electricity and gas?

SENIOR COMMISSIONER DIMASI: In looking at the rate of return that we came up with, we looked at what is being done by the regulators around the country and we looked at – we examined each parameter to see where it needed updating. We thought there are two key ones which needed adjusting. There are some parameters that constantly change, cost of debt, for example. We'll go out there and we'll get the latest data and that changes from time to time. Some of them are methodological issues. The market risk premium was one, and we felt that that needed some change. We looked at what the AER's done. We looked at what others have done and our view was that it needed to be reduced.

The other one was the gamma. The gamma, by the way, is the way you treat imputation credits and it's been a vexed issue that has gone through various appeals in Courts and Tribunals with national regulators in energy. But there has been – it's been tested in the Court and in the Competition Tribunal, and they've settled, for energy companies admittedly, at 0.4, and we thought that that was a reasonable position to take. We've taken into account what others have been doing in coming up with that lower rate of return that you saw in our decision.

Any other questions, comments, statements? If there's no one else, you might as well take the next one.

MR SUTHERLAND: Just to Icon, I remember - I think there was a letter to the editor about a month ago, but it raised the problem or an issue that I've seen before, and that is the fact that the tier 1 and tier 2 is done on an annual basis, but in fact the quarterly billing is done on a quarterly basis. What that means, of course, is that in reality it's not a 200 – it's actually, when you get right down to it, it's 50 a quarter.

In summer you end up spending quite a lot more because you've only got 50 and you use 90 in summer and even less - actually, by expressing it as an annual fee rather than a quarterly fee, there is quite a large amount of revenue goes to Icon because of that. That's one problem which we've been commenting on for years, because this wasn't the way – this only occurred about eight years ago. Before that it was a quarterly thing.

The particular problem I wanted to turn to and have Icon respond to, is that when something goes wrong with their billing and they do backdating calculations, it appears to me that on some occasions at least, the system does not recognise that difference in tier and basically reimburses the customer on the basis of the annual amount, rather than the fact that they've actually charged differentially by quarter. Essentially, that's a system problem.

MR SACHSE: Thank you, Peter, for those questions.

SENIOR COMMISSIONER DIMASI: Sorry, Sam, if you can just speak up because, as I keep saying, that's not an amplification microphone.

MR SACHSE: Just on the first item, I think you're correct that it is on a quarterly basis. As I said before, it is 50 kilolitres per quarter. That's where the first tier kicks in and the second tier is above 50 kilolitres. Just in terms of your second query, I'll probably have to get some more specific details about it, and an example would actually help as well, just to double check that. My understanding would be that any reverse charges would use the same methodology to give a credit back to the customer, but I'm happy to - - -

MR SUTHERLAND: That does appear to be the case.

MR SACHSE: Yes, and I'm happy to get a specific example to double check that for you.

MR SUTHERLAND: Cheers.

MR FALCONER: Ian Falconer from the Conservation Council. Our board haven't had the opportunity to look at this revised pricing schedule yet because it only appeared very recently. But having had a relatively quick look through both the media release of the company and the online documentation, the Conservation Council don't have any problems with the proposals from the ICRC that are listed in the documentation.

There's only one outstanding issue that I'd like to raise and this I think is one that I've raised with Icon Water before. I can't see any reference in the ICRC's papers and I've only just gone through the paper documentation then, to the Icon Water proposal to provide discounted rate water for large users. I don't see it in the ICRC's report, but we just heard from the finance officer from Icon Water that they want to have the provision to provide a discounted rate.

The one that was illustrated on the slide just now was the Parliamentary Services. Parliamentary Services produce beautiful green lawns all around Parliament with huge wastage of water, all of which is drinking water which has been processed through Icon Water's plants to the potable drinking water standard, which is completely unnecessary for watering the grass. It seems much more sensible to many people, including myself, to pump water out of Lake Burley Griffin and water the grass with it, as long as the water is actually safe for the use.

I can see that if Icon Water are charging the high tier water rate to Parliamentary Services for the waters being supplied, to allow Icon Water to do that and then remove that provision by taking water out of Lake Burley Griffin, will make a dent in Icon Water's pockets. I'd like to hear a bit more explanation from Icon Water as to what they propose in this discounted rate: whether the ICRC are interested in seeing discounted rates, and whether it's restricted entirely to the parliamentary triangle, or whether all the golf course, sports fields and sports clubs and other people using lots of water are going to be asking for a discounted rate as well.

SENIOR COMMISSIONER DIMASI: I think there was a question to us and a question to Icon there. Perhaps I'll start with the ICRC's perspective on it. In terms of the discounting of water for bypass purposes, this is an issue that Icon have indicated that they want to raise. We have invited them to look at the commercial rate, the way they charge commercially. I mean at the moment, the prices that you saw for tier 1 and tier 2 apply to everybody, as do the fixed charges.

One of the reasons why we adjusted the proposal from Icon was because we felt that in coming up with the right balance between the bigger and smaller users, and that's not necessarily higher and lower incomes, but bigger and lower users, getting the right balance, the initial proposal was probably a bit too skewed to the higher end users, and so we have adjusted that.

We are sensitive to the possibility of bypass and, in a sense, it raises some interesting questions. You've put the view, for example, "Well, why would you want to have this pristine water irrigating the parliamentary triangle or golf courses or whatever else?" That's part of the decision that we'll have to take into account.

On the other hand, if you get widespread bypass, the costs go up and have to be worn by everybody else and so prices will end up going up. They will have to, unless they can be offset by reduced costs, and again our perspective is to try to get the lowest cost possible. From our perspective, there's an issue there. There's an ongoing discussion to be had, and we are interested in hearing some more about that.

In addition, we're looking for a fuller discussion. So, for example, if you want – maybe you do have lower discounted user charges or whatever it might be. You can make a case for it, let's hear it and let's hear if it's persuasive. But is there also an argument then for differences in the fixed charge for those higher users. Could there be, for example, a different commercial set of tariffs to a household set of tariffs? What would they look like?

All of those things, I think, need to be thought through and that's why we didn't want to simply have the charges – the reductions focused only on the tier 2 on the basis of the risk of bypass. We thought there was a number of other issues that need to be examined before we make a landing on that point. We've put that back to Icon in our report that perhaps we need to see some of those other issues addressed before we'd be prepared to consider some of those changes.

Of course, there's nothing stopping Icon from negotiating now to have lower charges. It's just that they can't recover them from everybody else. That's the difference now. That's a debate for us. They can still negotiate with the parliamentary triangle or anybody else, stop that bypass happening if they believe it's inefficient and detrimental, but they have to wear that. They won't get an offset that they can then recover from everybody else.

I guess before we're prepared to take that next step, there are a number of issues that from our perspective need to be resolved. That's the ICRC's position at this point. I'm happy for Icon to put their perspective on it.

MR SACHSE: That's a very good question, Professor Falconer, and it's probably too detailed to answer everything today, but I think there was some key aspects that we probably need to get clear.

Icon Water has a very secure potable water supply now. We've invested in the enlarged Cotter Dam, invested into Murrumbidgee, Googong and the water there is very, very clean and the incremental treatment cost is very small. It might be 70 cents per kilolitre. Whereas you look at the DPS system where they are extracting water out of the river that is very low quality and it's going to be very expensive for them to actually treat the water to a standard that is safe to water on those grasslands.

That's where the framework is, is that we can negotiate between our avoidable costs or incremental costs, which is 70 cents, to our tier 2 price, $4.95, so we do have some flexibility to negotiate that. I think what we're asking from the ICRC is really to be able to recover any prudent discount which we have never had in the past.

I think that will be sending the right signal to if a customer contract meets the right criteria, to actually give them that prudent discount and make sure that Icon Water can recover its appropriate revenues going forward.

MR SUTHERLAND: You would not be regulating what's happening to the price of the water coming up from the treatment plant in Holt there. Presumably that's not part of the regulated price?

SENIOR COMMISSIONER DIMASI: No, I don't believe so.

MR SACHSE: You're talking about Lower Molonglo Sewerage Treatment Plant?

MR SUTHERLAND: (Indistinct)

MR SACHSE: Yes. There is a very small customer base that is attached to that pipe, so there is some non-potable use of that pipe.

MR SUTHERLAND: (Indistinct)

MR SACHSE: Really that's 75 per cent of the potable water price, so that's struck and I believe that's been in place for quite a while. I'm not sure it's in the ICRCs deposition but it is a framework that's generally accepted across the industry.

SENIOR COMMISSIONER DIMASI: All right. Any other questions or comments? Last chance. All right. Well, in that case, that you all for your attendance. Thanks to Icon for your response. We look forward to the details of the presentation. We look forward to any other submissions that might come based on our draft, and we will be working to finalise our draft into a final decision by the timeline that we indicated there. So, thank you all and I declare the meeting closed.

MEETING ADJOURNED **[3.49 pm]**