

NOTICE

INQUIRY ON THE WATER CORPORATION'S COUNTRY WATER AND WASTEWATER PRICES

The State Government of Western Australia has directed the Economic Regulation Authority (Authority) to conduct an inquiry, with direct input from the public, into the Water Corporation's country potable water and wastewater (sewerage) prices.

The Treasurer issued [terms of reference](#) to the Authority on 20 October 2005 to undertake this inquiry and report, in accordance with section 32 of the *Economic Regulation Authority Act 2003*.

The Inquiry is the first independent evaluation of Western Australian country water prices and provides an opportunity for Western Australians to have direct input into the process of determining country water and wastewater prices.

The Authority has recently completed an inquiry on urban water and wastewater pricing (Perth, Bunbury and Busselton), which was provided to the State Government on 4 November 2005. However that inquiry did not extend to prices in country areas.

The matters that the Treasurer has requested the Authority consider in undertaking this inquiry include examining the appropriateness, efficiency and effectiveness of the current approaches to country water and wastewater pricing, and the merits of potential alternative approaches, with respect to:

- the water usage threshold for households under the State's uniform pricing policy;
- the Water Corporation's five town class charges;
- water service charge structures for businesses;
- residential and vacant land rates for country sewerage;
- the maximum rate in the dollar gross rental value wastewater service charge; and
- uniform Statewide major fixture and volumetric wastewater charges for businesses.

In proposing alternative prices and pricing structures, the ERA will consider:

- the impacts on Water Corporation's costs, revenues and payments to and from the Government;
- the principles of the Government's uniform pricing policy;
- demand management targets; and
- other social, economic and environmental policy objectives.

The Authority will publish an issues paper later in November providing background information and outlining the issues to be investigated. The issues paper will invite submissions from industry, government, other stakeholder groups and the general community.

The Authority will publish a draft report on or before 31 January 2006 for further public consultation on the basis of written submissions. The Authority will also hold public forums as part of this process.

The final report for the inquiry will be delivered to the State Government by 28 April 2006, and the Government will then have 28 days to table the report in Parliament.

Further information regarding this inquiry can be obtained from:

General Inquiries

Mr Greg Watkinson
A/Director, References and Research
Economic Regulation Authority
Ph: (08) 9213 1965
E-mail: greg.watkinson@era.wa.gov.au

Media Inquiries

Mr Paul Byrne
Byrne & Byrne
Corporate Communications
Ph: (08) 9385 9941
Mb: 0417 922 452

LYNDON ROWE
CHAIRMAN

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