



Economic Regulation Authority

Promoting fair prices, quality services and choice

# CONSULTATION

## Inquiry into the Efficient Costs and Tariffs of the Water Corporation, Aqwest and the Busselton Water Board

### ISSUES PAPER

The Treasurer of Western Australia has requested that the Economic Regulation Authority (**Authority**) undertake an inquiry into the efficient costs and tariffs of the Water Corporation, Aqwest and the Busselton Water Board.

The inquiry was referred to the Authority on 10 January 2012, under section 32(1) of the *Economic Regulation Authority Act 2003*, which provides for the Treasurer to refer to the Authority inquiries on matters relating to regulated industries.

In accordance with the inquiry's [Terms of Reference](#), the Authority must consider the efficient costs required by the service providers in order for them to meet their required standards of service. The Authority is also required to make recommendations on the level and structure of water storage charges to the South West Irrigation Management Co-operative (Harvey Water).

The Authority must give consideration, but not be limited to the following:

- the efficient operating and capital costs of providing services, with a focus on:
  - cost effectiveness in the supply of services;
  - appropriate service standards and the resources required to meet them;
  - resources necessary to meet the required standards for service and security of supply;
- the method used to determine the revenue requirements of each service provider;
- the value of the service providers' assets, and the appropriate rate of return on those assets;
- the impact of the recommendations on each service provider's net financial position and financial performance;
- the impact of the imposition of the Clean Energy Future Package (carbon pricing) by the Commonwealth Government;
- the impact of the recommendations on the Government's financial targets, in particular, Public Sector Net Debt, dividends, tax equivalent payments and the level of Government funding (particularly through Community Service Obligation Payments); and
- the social impact of its recommendations.

The Authority has published an [issues paper](#) to help interested parties understand the issues under review and is seeking public comment on the inquiry.

Interested parties are invited to make submissions, preferably in electronic form, on any matter related to this inquiry, including any matter raised in the issues paper or by the Terms of Reference, by **4:00 pm (WST) on Monday, 12 March 2012**.

Inquiry into the Efficient Costs and Tariffs of the Water Corporation, Aqwest and the Busselton Water Board

Email address: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

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## **Confidentiality**

In general, all submissions from interested parties will be treated as being in the public domain and placed on the Authority's website. Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed, and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the provisions of section 55 of the *Economic Regulation Authority Act 2003*.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

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**CHAIRMAN**

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