

My submission is made as a member of the public with a strong interest in the campaign to “Close the Gap” between health outcomes experienced by non-Indigenous and Indigenous Australians. Provision of essential services (such as drinking water and wastewater sanitation) to towns and their communities forms a crucial foundation on which residents’ health outcomes are shaped.

Within Western Australia there are numerous remote communities which are not served with water services by a licensed water utility. These remote communities look like towns in the country yet are not gazetted as Country Towns. As a result their water services are not regulated in the same way that services are regulated for gazetted Country Towns. Some of these remote Western Australian communities are larger in population terms than some Western Australian Country Towns provided with regulated water services by a licensed water utility.

The fact that a community may be very small and remote from a secure water source has not been a barrier to the provision of regulated water services in the past. The Goldfields & Agricultural Water Scheme supplies a number of very small communities to regulated Country Town levels of service. Some of these communities receiving regulated water services have a population so small that the Australian Bureau of Statistics does not collect separate data for the town and counts the town as part of the surrounding area. The secure water sources for the Goldfields & Agricultural Water Scheme are the desalination plants, groundwater treatment plants and dams that supply the Perth Metropolitan Area. This means a number of very small communities receiving a regulated water supply have their water delivered to them from up to 400 kilometres away. The precedent of supplying small communities with a regulated water supply from a distant water source is repeated in the Great Southern Towns Water Scheme.

Now is the time for the Economic Regulation Authority to act and make a profound contribution to the “Close the Gap” health campaign. While unregulated water services remain in remote communities the potential exists for children born into these communities to carry forward significant, adverse health outcomes for one or more generations.

As the Economic Regulation Authority inquires into the efficient costs of the Water Corporation, Aqwest and Busselton Water Board my submission is that their costs are influenced by the fact that none of these licensed water utilities serve hundreds of remote Western Australian communities. The cost of providing regulated water services to remote communities is relevant in considering the following questions (using the numbering shown in your Issues Summary document):

(2) Service Standards. A remote community that looks like a town in the country should receive the regulated Service Standards of a Country Town.

(5) Capital Expenditure. Currently the provision of capital to provide assets and replace assets for essential services to Western Australian remote communities is heavily rationed by the Australian Federal Budget. My personal assessment of the current provision in the Federal Budget is that the amount is grossly inadequate compared to the capital investment program that would develop and be managed under Western Australian regulated services protocols.

(6) to (8) Operating Expenditure: Looking only at operating expenditure efficiency targets appears invalid while operating costs associated with adequately serving remote communities are ignored. Serving remote communities is likely to impact significantly on operational efficiency. Serving remote communities needs to happen. In many locations, the unserved remote communities are situated in between Country Towns served by the Water Corporation, which points to a geographic overlap of operations and potential operating efficiencies.

(11) Community Service Obligations. The existence of Community Service Obligations demonstrates that regulated water services have been and are provided to remote Country Towns on terms that are seen as non-commercial from the perspective of the water utility. An existing mechanism (Community Service Obligations) exists to enable provision of regulated services to remote communities under uniform tariff policies.

(12) Rate of Return: A water utility rate of return is flawed in the situation where water utilities are not required to provide essential water services to remote communities. This flawed rate of return potentially passes a proportion of the costs of adverse health outcomes in these communities onto the

budget of health departments, private medical services and community welfare organisations working in these areas.

Without expanding the inquiry to consider remote communities how does the Economic Regulation Authority propose to consider the needs of all parts of Western Australia and all Western Australians?

If the Economic Regulation Authority believes that the Water Corporation, Aqwest or the Busselton Water Board will not supply regulated water services to remote communities, which competent, licensed water utility will and when?

Yours faithfully,

Mr Chris Vigus