



Inquiry on Country Water and Wastewater Pricing  
Economic Regulation Authority  
PO Box 8469 Perth Business Centre  
PERTH WA 6849

To Whom It May Concern

**SUBMISSION TO "INQUIRY ON COUNTRY WATER AND WASTEWATER PRICING"**

Thank you for the opportunity to comment on the inquiry into country water and wastewater pricing.

The Commission applauds the inquiry as an important evaluation exercise of the State water and wastewater service system. We feel, however, that the focus of the inquiry could have been improved. Most of the terms of reference are too technical and go beyond of what we, or the public in general, are able to knowledgably comment on. Consequently, the Commission's comments are of general rather than specific nature.

The Commission feels that the current pricing structure is sufficient, and does not require major changes. Should any modifications, however, be considered, the aim of those should not only be to simplify the price system. Simplification would probably benefit the current management model of the Water Corporation (WC), but we fear it would not serve the regions well. The current pricing structure could instead perhaps profit from adding to it a regional aspect e.g. prices could also reflect whether a town is declining or growing.

Our local experience suggests that the price of water and wastewater services to rural business communities is of lesser importance than availability and the access costs. Consequently, we feel that more of the Community Service Obligation (CSO) should be directed to regional headworks and regional infrastructure related projects. Some form of cross-subsidisation should also be considered as a philosophical rationale for maintaining adequate levels of services and infrastructure in regional areas.

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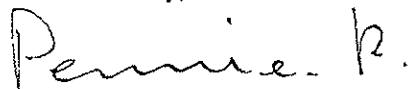
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We are also concerned that the terms of reference did not include aspects of sustainability i.e. proposed mechanism to make users more water-wise, water efficient, and encouraged to engage in alternative, sustainable water-supply options.

Thank you again for the opportunity to comment on this important inquiry.

Yours sincerely,

A handwritten signature in black ink that reads "Pennisie R.". The signature is written in a cursive style with a large initial "P" and a distinct "R" at the end.

Robert Panasiewicz  
**Senior Regional Officer**

23 March 2006