



**GREAT SOUTHERN
DEVELOPMENT COMMISSION**

Our Ref: U5:0785
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Dr Ursula Kretzer
Inquiry on Country Water and Wastewater Pricing
Economic Regulation Authority
PO Box 8469
Perth Business Centre
Perth, WA 6849

Dear Dr Kretzer

INQUIRY ON COUNTRY WATER AND WASTEWATER PRICING

The Great Southern Development Commission (GSDC) thanks you for the opportunity to comment on the Issues Paper and assist in notifying relevant stakeholders of the Inquiry.

While not explicitly discussed in the Issues Paper, GSDC notes that high headworks connection fees in rural areas for larger blocks is an important issue. As a result of the Water Corporation's current fee structure, development costs sometimes exceed market value and impede regional development in the Great Southern.

For example, an owner of a property zoned 'Rural Residential' in Frankland recently sought to sub-divide a 1 hectare block from his property. The price required to provide water services was calculated at full cost or \$52,000. If the block was less than 1 hectare, the cost would have been approximately \$2,500. GSDC supports a more flexible approach in applying the standard headworks contribution to blocks larger than 1 hectare.

Relating to water and wastewater pricing, GSDC sees merit in aligning the Great Southern's pricing structure to metropolitan areas. Where possible, prices for essential services in regional areas should be comparable to what metropolitan residents pay.

We also note general concern regarding the transparency of the pricing structure. It is not clear in the Issues Paper how some pricing schemes are derived. We recommend that additional detail be provided in the draft report.

GSDC looks forward to the release of the Authority's draft report and notification of the public forums. An information forum in the Great Southern would be recommended.

Thank you.

Yours faithfully

BRUCE W MANNING
CHIEF EXECUTIVE OFFICER



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