



Lyndon Rowe
Chairman,
Economic Regulation Authority
Level 6, Governor Stirling Tower
197 St Georges Terrace
Perth WA 6000

Via e-mail
watersubmissions@era.wa.gov.au

Dear Mr Rowe,

RE: Public Submission to the Economic Regulation Authority

The Esperance Chamber of Commerce & Industry was disappointed that the ERA's draft report into the Goldfields Water Supply Project did not address the economic benefits offered by the project to Esperance and the surrounding region.

Esperance appears to have been largely overlooked in the draft report.

At the Goldfields-Esperance Development Commission forum on the report held in Esperance on July 23, Ursula Kretzer, of your office, assured the public that this would be rectified in the final report.

The Esperance Chamber of Commerce seeks your undertaking that the economic benefits of the project to the Esperance region will be recognised and taken into account in the ERA's final report in line with Term of Reference No. 5 of the Treasurer's reference to the ERA.

Infrastructure projects in Esperance such as the port upgrade and construction of the Burns Roe Worley gas-fired power station have created an enormous economic boost to the community, despite advice from Western Power that a new power station was not required and would not be viable.

The economic activity generated by these infrastructure investments has had a flow-on effect that has benefited businesses throughout the community.

In response to your letter in the Esperance Express (21 July 2005 Authority's role misunderstood) that people have to provide their views supported by evidence, properly quantified, for the Authority to take them into account, it would be our view that the community is only capable of listing the potential benefits of the project. Surely, it is up to the ERA with its resources and skills to quantify those benefits.

What can be clearly quantified is that of the \$440 million investment in the Goldfields Water Supply Project, 65 per cent of this will be spent in the region. When operational, 90 per cent of the \$26 million-a-year running costs will be spent in the region for the life of the project.

The project will employ 200 workers during construction and 15 permanent employees in Esperance during operation.

Apart from these direct benefits, the economic benefits flowing to the Esperance region are numerous but have not been considered in the draft report.

The Goldfields Water Supply Project would allow the Esperance region farming community to have a non-rain dependent water source for the first time. While we cannot quantify the monetary value of this opportunity it does open up the possibility of intensive agriculture within the region.

The spraying of cereal and legume crops requires significant amounts of fresh water. This project would guarantee this requirement is always able to be sustained.

The removal of the bore fields that currently supply Esperance with water will create the opportunity for the residential expansion of the Town of Esperance.

Plentiful water from this project will also allow for the expansion of the Shark Lake Industrial Park, which is currently constrained by lack of water.

As the report notes, Esperance residents will benefit from an improvement in water quality. They will also enjoy similar water quality to other WA residents and not have to endure the higher costs that are currently incurred because of the poor quality of water supplied by the Water Corporation.

Yours sincerely,

John Maxwell,
President
Esperance Chamber of Commerce & Industry

26th July 2005