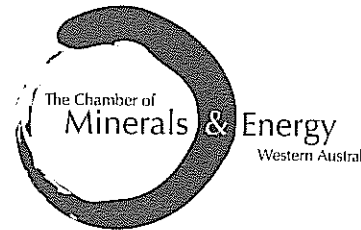
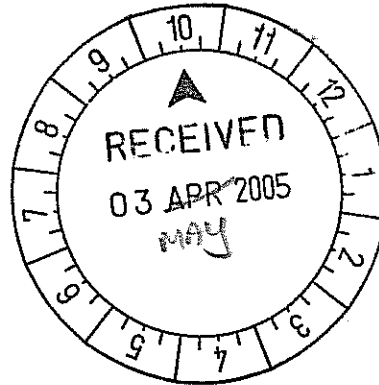


Ref: et2149

28<sup>th</sup> April 2005

Mr Lyndon Rowe  
Chairman  
Inquiry on Urban Water and Wastewater Pricing  
Economic Regulation Authority  
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Dear Mr Rowe

**ECONOMIC REGULATORY AUTHORITY DRAFT REPORT: INQUIRY ON URBAN WATER AND WASTEWATER PRICING**

The Chamber of Minerals and Energy WA (CME) notes the opportunity to comment on the draft report released as part of the inquiry on urban water and wastewater pricing.

CME agrees that a greater focus on water resource management is essential to secure a sustainable water future for the Western Australian resources sector and the community alike.

The resources sector is cognisant of the value of water and the need to use it in an efficient and effective manner. Companies are aware of water use efficiency objectives and the need to account for all water used. The sector publicly supports the sustainable use of all natural resources and a triple bottom line assessment for access to new resources.

The resources sector provides the overwhelming proportion of its own water needs (approximately 95 per cent). The remainder is sourced from licensed water providers.

The sector already contributes significantly in exploring for, identifying and quantifying the resources it requires and then invests substantially in infrastructure to obtain and store the water.

A recent survey carried out as part of the Regional Minerals Program study reveals that the sector provides in excess of \$700 million in water discovery and development. Ongoing operating and management costs almost certainly exceed \$100 million per annum, paid for by the resources sector.

CME believes that the State's water supply must be capable of being maintained and be sufficient to meet growth.

Western Australia's capacity to meet the current and future water needs of its population and businesses depends primarily on ensuring that it has the capital necessary to collect and deliver water and receive and process wastewater. To this end, CME supports the inquiry process and anticipates that it will lead to reforms to enhance opportunities in the market place, without impacting on the competitiveness of water supply to the State resources sector.

Looking more closely at the draft report, CME believes that while there is South West focus in the document, there is also scope for the inquiry to examine issues faced by water users located in areas outside of the South West and 'urbanised belt'. For example, water service providers supply townships, commercial enterprise and the resources sector in the North West. As such, the report has an opportunity to consider the security of water supply in these areas, and investigate price related issues. In particular, CME is interested to learn how dramatic price shifting may be avoided in this region of the State.

Should you have any queries, please contact Shannon Keane on 9220 8507.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tim Shanahan', with a long horizontal flourish extending to the right.

**Tim Shanahan**  
Chief Executive