

NOTICE

Inquiry into competition in Western Australia's water and wastewater services sector

DRAFT REPORT – CALL FOR SUBMISSIONS

The Economic Regulation Authority has published a Draft Report on its inquiry into competition in Western Australia's water and wastewater services sector.

The Draft Report presents the Authority's preliminary views, with the major finding being a recommendation to establish a new body to identify, rank and procure new water sources that could be set up, owned and operated by the private sector.

An Independent Procurement Entity would be responsible for ensuring that new water sources were developed in time to meet growing demand. The level of security thought necessary would be set by Government.

Lyndon Rowe, the Authority's Chairman, said the draft recommendations, if implemented, would increase competition by creating greater opportunities for private enterprise to supply water and wastewater services and, so, potentially improve outcomes for consumers.

"Their introduction would not lead to radical reforms that would dramatically alter how these services are currently provided," he said. "However, in an uncertain climate it is more important than ever to ensure that the water industry is structured in a way that is as innovative as possible."

The inquiry also found that:

- a State-based third-party access regime should be implemented in WA;
- retail contestability was currently inappropriate for small customers but should be considered for large customers;
- on the Gnangara Mound, finalisation of the Statutory Water Management Plan and Gnangara Mound Sustainability Strategy is critical;
- there are synergies between the Corporation's bulk water operations and distribution functions which indicate it may not be appropriate at this time to separate these functions; and
- individual members of irrigation cooperatives should be able to trade with others outside their area if they wish.

The Draft Report can be downloaded from the ERA [web site](http://www.era.wa.gov.au) or obtained from the Authority on (08) 9213 1900.

The inquiry was carried out in response to a written request to the Authority from the Western Australian Government on 6 July 2007.

The ERA invites submissions from stakeholders, industry, government and the general community on the matters raised in the Draft Report. Submissions must be received by 1 February 2008 and can be emailed to watercompetition@era.wa.gov.au or mailed to:

Inquiry on Competition in the Water and Wastewater Services Sector
Economic Regulation Authority
PO Box 8469
Perth Business Centre
PERTH WA 6849
Fax: (08) 9213 1999

Submissions made to the ERA will be treated as in the public domain and placed on the ERA website unless confidentiality is claimed. The submission, or parts of it, for which confidentiality is claimed should be clearly marked. Any claim of confidentiality will be dealt with under section 55 of the *Economic Regulation Authority Act 2003*.

LYNDON ROWE
CHAIRMAN
3 December 2007