



EHB-00139
R Theobald 9388 4967

Inquiry on Competition in the Water and Wastewater Services Sector
Economic Regulation Authority
PO Box 8469
Perth Business Centre
PERTH WA 6849

Dear Sir

Inquiry on Competition in the Water and Wastewater Services Sector.

The Department of Health (DoH) wishes to submit the following comments in relation to the recommendations and findings made by the Inquiry.

Bulk Water Procurement

In general the DoH agrees that synergies exist between elements of the existing structure within the Water Corporation that are beneficial to the provision of a safe and robust water service. DoH is concerned that any separation between bulk and reticulated water supplies in any water provider will add to the level of operational and administrative complexity. Multiple service providers will require additional administrative resources to ensure compliance. In addition experience has shown that service providers below a critical size do not have the capacity to attain or maintain the expertise to fulfil the health related compliance requirements to adequately protect public health.

While an independent procurement entity may be of benefit, the DoH considers that the development, maintenance, operation and protection of catchment areas should reside directly with the water provider. The 2004 Australian Drinking Water Guidelines operate from catchment to consumer as it has been internationally recognised that the water quality within a catchment area has a direct impact upon the product that is consumed. As mentioned above any separation between the catchment and reticulation system has the potential to place existing governance structures under stress which may adversely impact upon public health.

Water Trading

DoH agrees that additional sources of bulk water are available from Harvey Water, Gnangara Mound, Wellington Dam and a number of alternative natural and man made resources. However, DoH is concerned that any water supply that is accessed is 'fit for purpose', and that it will be utilised in such a manner as not to pose a risk to public health. The development of suitable governance structures is required before trading occurs.

Environmental Health

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Third Party Access

DoH supports competition however; caution should be exercised to ensure that any organization or utility entering into the provision of a water service has both the capacity and competency to deliver a safe product to the Western Australian public.

Regional and Remote Operations

DoH has no objection to the evolution of multi utilities. However, the provision of a water service is unlike any other essential service provided to the community. Water distribution systems are dynamic environments where the substance and nature of the product can change during collection, confinement, distribution and supply. Accordingly, the competency and capacity of monitoring and management structures within a multi utility will have to be able to respond to this form of service system.

I trust these comments are of assistance to you should you require any further information regarding this matter please contact the undersigned on 9388 4967.

Yours sincerely

Richard Theobald
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Water Quality Branch
Department of Health

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