

INQUIRY INTO PRICING OF RECYCLED WATER IN WESTERN AUSTRALIA

TERMS OF REFERENCE

I, ERIC RIPPER, Treasurer, pursuant to Section 32(1) of the *Economic Regulation Authority Act 2003* request that the Economic Regulation Authority (the Authority) undertake an inquiry into, and make recommendations on pricing and other relevant factors affecting the adoption of recycled water and other alternative water supplies.

In doing so, the Authority is expected to consider and develop findings on:

- the circumstances in which recycled water prices should be regulated, and the recommended approach to any required regulation;
- the pricing recommendations of the State Water Recycling Strategy, including the appropriateness of faster adoption of cost-reflective prices for major industry;
- other factors that the Authority considers relevant to the adoption of recycled water and other alternative water supplies.

In developing its recommendations the Authority will have regard to:

- the Government's social, economic and environmental policy objectives;
- distributional issues, such as those between customers of recycled water services and other services in the same scheme; and
- any relevant pricing principles arising from the 1994 Council of Australian Governments water reform agreement and the National Water Initiative.

The Authority will release an issues paper as soon as possible after receiving the reference. The paper is to facilitate public consultation on the basis of invitations for written submissions from industry, government and all other stakeholder groups, including the general community.

A draft report is to be available for further public consultation on the basis of invitations for written submissions.

The Authority will complete a final report no later than seven months after receiving the Terms of Reference.

**ERIC RIPPER MLA
DEPUTY PREMIER; TREASURER;
MINISTER FOR STATE DEVELOPMENT**