

NOTICE

Inquiry on Competition in the Water and Wastewater Services Sector

FINAL REPORT TABLED IN PARLIAMENT

Treasurer Eric Ripper today released the Economic Regulation Authority's [Final Report](#) on its inquiry into competition in Western Australia's water and wastewater services sector.

The inquiry's major recommendation was for the State to establish a new body to identify and procure new water sources that could be developed, owned and operated by the private sector.

Lyndon Rowe, the Authority's Chairman, said that under the recommendation an Independent Procurement Entity would be responsible for ensuring that new water sources were developed in time to meet growing demand.

The level of water security required would be set by Government while the Department of Water and the Environmental Protection Agency would ensure water resources were sustainable.

Mr Rowe said the recommendations, if implemented, would increase competition by creating greater opportunities for private enterprise to supply water and wastewater services. Greater competition in identifying and developing alternative options would potentially improve outcomes for consumers.

"Adoption of the final recommendations would not lead to structural reforms of the like experienced recently in the electricity industry," Mr Rowe said. "Rather, the Authority has developed a set of recommendations which acknowledge the specific characteristics of the water industry.

"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 for suppliers of water and wastewater services;
- an effective water trading regime should be developed as a matter of urgency;
- community service obligation payments should be made available to non-government entities;

- government should further investigate the creation of a multi-utility to provide electricity, water and wastewater services in regional areas as well as alternatives for providing water and wastewater services to the Bunbury and Busselton regions; and
- the introduction of a fully contestable retail market was premature at this time.

The Final Report was the culmination of a 12 month inquiry by the Authority. The inquiry included three rounds of public consultation, more than 50 public submissions, numerous meetings with key stakeholders and detailed analysis by the Authority.

The Authority would like to acknowledge and thank all those who have participated in the development of the Authority's Final Report and recommendations.

A copy of the [report](#) is available on the Authority's web site.

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