



Economic Regulation Authority

 WESTERN AUSTRALIA

Level 6, Governor Stirling Tower
197 St Georges Terrace
Perth Western Australia 6000

GPO Box 8469
Perth Business Centre
Western Australia 6849

Telephone 61 8 9213 1900
Facsimile 61 8 9213 1999
Website www.era.wa.gov.au

Promoting fair prices, quality services and choice.

NOTICE

Inquiry into Pricing of Recycled Water in Western Australia

FINAL REPORT TABLED IN PARLIAMENT

The Treasurer Mr Troy Buswell has released the Economic Regulation Authority's [final report](#) on its inquiry into the pricing of recycled water in Western Australia.

The Authority's Chairman, Mr Lyndon Rowe, said that the report contained a set of pricing principles that could be used to gain access to wastewater from the Water Corporation's wastewater treatment plants.

"The Authority's aim in developing the pricing principles was to help create a level playing field for all proponents of recycling schemes. Encouraging participation in the development of recycling options could produce innovative solutions to securing economic new water sources and improving wastewater disposal," he said.

The Authority concluded that if a level playing field existed for access to the wastewater resource then, generally, there would be no need to regulate the Water Corporation's charges for recycled water. However, where recycled water customers do not have a choice of water sources, some regulation of price could be warranted. The Authority did not recommend regulation of prices for the Kwinana Water Reclamation Plant, as these customers have the option of scheme water as an alternative water supply.

The Authority recommended a faster transition to cost-reflective water prices for industrial and commercial customers (which would make recycling schemes relatively more attractive). The Authority also recommended a trial of a tendering process for allocating wastewater resources from wastewater treatment plants.

In examining the cost-effectiveness of rebates for recycling and water-efficient products, the Authority found many rebate products to be expensive sources of water, relative to the costs of desalination.

The inquiry followed a request from the Treasurer in July 2008 for the Authority to examine and make recommendations on pricing and other relevant factors affecting the adoption of recycled water and other alternative supplies.

In preparing the final report, the Authority conducted two rounds of public consultation, gave a public presentation, and received 15 submissions. The Authority would like to thank all those who have participated in the development of the Authority's final report and recommendations.

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

For further information contact:

General Enquiries

Dr Greg Watkinson
Director, References and Research
Ph: 61 8 9213 1900
Fax: 61 8 9213 1999

Media Enquiries

Mr Paul Byrne
Byrne & Byrne Corporate Communications
Ph: 61 8 9336 2081
Mb: 0417 922 452

LYNDON ROWE
CHAIRMAN

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