

# **INQUIRY INTO WATER RESOURCE MANAGEMENT AND PLANNING CHARGES**

## **TERMS OF REFERENCE**

I, TROY BUSWELL, Treasurer, pursuant to section 32(1) of the *Economic Regulation Authority Act 2003*, request that the Economic Regulation Authority (ERA) undertake an inquiry and provide the Government with a range of options and recommendations for:

- the recovery of the planning and management expenses incurred by the Department of Water for the sustainable management of the State's water resources; and
- the most appropriate regulatory arrangements for the setting of service standards for the resource manager, the setting of the charges and the subsequent recovery of those charges from water users.

The options are to include:

- the implementation impacts for various types of users, including a sensitivity analysis on capacity to pay assumptions; and
- opportunities for implementation under both the existing legislative responsibilities of the Department of Water as well as those specified by the National Water Initiative.

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

- the tasks or activities undertaken in the efficient management of the State's water resources, by the Department of Water, that would appropriately be recovered from water users;
- the most appropriate level (or percentage) of cost recovery from water users; and
- the most appropriate allocation of costs between licence holders and other water users (licensed entitlement or actual use).

In developing its recommendations, the Authority will have regard to:

- the Government's social, economic and environmental policy objectives;
- the Government's obligations as a signatory to the National Water Initiative Intergovernmental Agreement; 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 ERA will complete a final report no later than nine months after receiving the Terms of Reference.

**TROY BUSWELL MLA  
TREASURER, MINISTER FOR COMMERCE;  
SCIENCE AND INNOVATION; HOUSING AND WORKS**