



Economic Regulation Authority

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NOTICE

Inquiry into Water Resource Management and Planning Charges

DRAFT REPORT – CALL FOR SUBMISSIONS

The Economic Regulation Authority today published a draft report on its inquiry into water resource management and planning charges, a copy of which can be obtained from the Authority's [web site](#).

The Authority invites interested parties to make submissions on the draft recommendations in the report. Submissions are due by 26 February 2010. The Treasurer has amended the reference to extend the due date for the delivery of the final report to 29 October 2010.

The Authority has not proposed any indicative fees or charges to recover the costs of water resource management and planning activities carried out by the Department of Water in the draft report, as further information is needed from the Department on its efficient costs before fees and charges can be determined. The Department has indicated that it will be in a position to provide this information by the end of May 2010. The Authority would then produce a second draft report, setting out fees and charges for public comment.

However, the draft report presents the Authority's preferred approach for recovery of water resource management and planning costs. Based on the principle that the efficient costs of services provided by the Department should be recovered from those for whom the services are provided, the Authority recommends that:

- Water licensing costs be recovered from licence holders. The Authority favours an approach in which fees reflect the different costs incurred by the Department in processing licence applications (through up-front application fees), and in ongoing monitoring and planning (through an annual charge).
- Costs that are incurred for both private parties and the wider community be shared between them.
- Separate charges be levied on particular large licence holders or projects where it is possible to identify the costs incurred.
- The costs of water source protection plans be recovered from public drinking water suppliers.
- The costs of assessing subdivision applications be recovered from the Western Australian Planning Commission.
- The costs of water metering be recovered from metered licence holders.

The Authority also considered the setting of service standards and regulatory arrangements for the Department. The Authority's draft recommendations were that:

- Appropriate service standards and performance indicators be developed that could allow benchmarking with other water resource managers. This would be best achieved through a water industry committee comprising representatives of the Department and stakeholder groups, which would also monitor performance against the standards.
- The Authority would have an ongoing role in undertaking periodic efficiency reviews and independently determining water resource management and planning charges.

The Authority's Chairman, Mr Lyndon Rowe, said that the Authority welcomed comments on the draft recommendations in the report.

"The draft report sets out the Authority's views on what sorts of water resource management and planning costs should be recovered, and from whom. It is important that we receive feedback on this proposed approach," said Mr Rowe.

"The focus of the Authority in the next phase of the inquiry will be to establish that any costs that would be recovered by the Department are incurred efficiently."

Earlier in the inquiry, the Authority published an [issues paper](#) and a [discussion paper](#), also available on the Authority's web site, and held a public forum.

The inquiry is being carried out at the request of the Treasurer in April 2009. The final report for the inquiry is due to be delivered to government by 29 October 2010.

For further information contact:

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LYNDON ROWE
CHAIRMAN

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