

Economic Regulation Authority

Inquiry on Water and Wastewater Pricing

The Treasurer has asked the Economic Regulation Authority, which is independent of direction or control by government, to undertake an inquiry into the prices for water and sewerage in urban Western Australia.

The water service providers that are covered by the Inquiry include the Water Corporation, Bunbury Water Board and Busselton Water Board. The Inquiry will not cover other water service providers, rural water prices or the pricing of drainage, trade-waste and developers' contributions.

This will be the first independent inquiry into water pricing in Western Australia. The request is in accordance with Section 32(1) of the *Economic Regulation Authority Act* 2003, which allows the Treasurer to refer such an inquiry to the Authority.

The purpose of the Inquiry is to inform government's decisions on the level and structure of water prices in the 2006/07 financial year (prices for the Water Corporation, Bunbury Water Board and Busselton Water Board are set by the Minister for the Environment during the budget process).

The matters that the Treasurer has requested the Authority consider in undertaking the Inquiry include:

- the efficient cost of providing water and sewerage services;
- the standards of service that apply, including standards of quality, reliability and safety;
- the need to encourage investment in the water industry;
- water supply demand management;
- the protection and development of future water sources;
- ecologically sustainable development; and
- the social impact of the recommendations.

In accordance with the <u>terms of reference</u>, the Authority will be issuing a discussion paper in July 2004 which will call for submissions from interested parties.

A draft report will be published by 18 March 2005 and will include a further call for submissions. The final report will be submitted to the Treasurer by 12 August 2005.

In accordance with Section 36(3), the Treasurer will then have 28 days to lay the final report before each House of Parliament.

Further details are available in the <u>Treasurer's press release</u> and the <u>terms of reference</u>.

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