

SOME OF THE QUESTIONS THAT THE ERA WILL BE CONSIDERING INCLUDE:

- what are the best options for securing Perth's future water supply?
- should a greater proportion of your water bill be related to your water usage?
- do current water prices adequately take into account the environmental impacts of water usage?
- is water pricing an effective way to reduce the need for water restrictions?
- to what extent are consumers willing to accept water restrictions to avoid paying higher prices?
- do current prices adequately provide for the future funding of water services in WA?
- are standards of water and wastewater services commensurate with the charges for these services?
- how do WA water and wastewater services and prices compare with other States?
- to what extent do current prices involve cross-subsidies and are they equitable?
- is there a better method of charging for wastewater services?
- should water prices be charged on a seasonal basis?

www.era.wa.gov.au

WHERE CAN I GET MORE INFORMATION?

You can download a copy of the Terms of Reference and the Issues Paper from the ERA website...

www.era.wa.gov.au

or call the ERA on (08) 9213 1900.

LODGING A SUBMISSION

Submissions should be in written and electronic form (where possible) and addressed to:

**Inquiry on Urban Water and Wastewater Pricing
Economic Regulation Authority
Level 6 Governor Stirling Tower
197 St Georges Terrace
PERTH WA 6000**

Email: watersubmissions@era.wa.gov.au
Fax: (08) 9213 1999

Where an interested party wishes to make a confidential submission, it should clearly indicate the parts of the submission that are confidential. For more information about the ERA's submissions policy, see the ERA website.

Submissions must be received by

Monday 3 September 2004.

Further information regarding submissions to this inquiry can be obtained from:

Mr Greg Watkinson,
Manager, Projects
Email: greg.watkinson@era.wa.gov.au
Ph: (08) 92131965

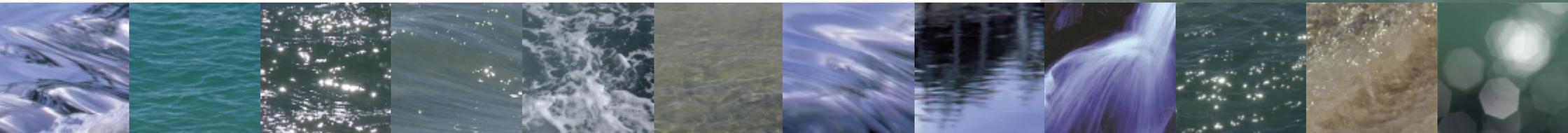


Economic Regulation Authority

Inquiry on Urban Water and Wastewater Pricing

Information Pamphlet

www.era.wa.gov.au



WHAT IS THIS INQUIRY ABOUT?

The State Government of Western Australia has directed the Economic Regulation Authority (ERA) to conduct an inquiry, with direct input from the public, into water and wastewater (sewerage) prices in urban Western Australia.

The inquiry is focussed on the cities and towns in Western Australia serviced by the Water Corporation, Bunbury Water Board (Aqwest) and Busselton Water Board (Busselton Water).

The inquiry does not cover other water service providers, rural water prices or the pricing of drainage, trade-waste and developers' contributions.

WHY IS THE INQUIRY IMPORTANT?

This inquiry is the first independent evaluation of water prices across the State and provides an opportunity for Western Australians to have direct input into the process of determining water and wastewater prices.

Water is one of Western Australia's most important natural resources. Two day per week water restrictions have been in place in the Perth metropolitan area since 2001.

Water pricing is important to ensure that Western Australia's current and future water resources are managed in a sustainable way.

HOW WILL THE INQUIRY BE CONDUCTED?

The ERA is an independent statutory authority established, on 1 January 2004, to regulate access to gas pipelines, electricity networks and rail networks and licenses the gas, electricity, rail and water industries in Western Australia.

The ERA is calling for all interested persons to prepare and lodge written submissions by no later than 3 September 2004.

Submissions posted on the ERA website will be available to the public.

The ERA is required to release a draft report by 18 March 2005.

Public Forums will be held in Bunbury, Busselton and Perth during April 2005, to discuss and receive feedback on the draft report recommendations and invite further submissions.

The final report, including recommendations, will be delivered to the Minister by 12 August 2005 and must be tabled in Parliament within 28 days.

The government will take the considered recommendations into account in determining water and wastewater prices to apply from July 2006.

HOW ARE WATER PRICES DETERMINED?

The Minister for the Environment has the statutory authority to approve the water and wastewater prices that are proposed by the Water Corporation, Aqwest and Busselton Water.

In WA your water bill has two parts – a Usage Charge, which varies with the amount of water you use, and a Fixed Service Charge.

The Fixed Service Charge represents just over half of a water bill for a typical household in Perth using 260kL per year.

The price per kilolitre (kL) increases in steps as more water is used.

The prices for usage up to 350kL per year are similar throughout WA. Three quarters of households in Perth use less than 350kL per year.

Current water prices do not cover the costs of administering licences and catchment management. WA taxpayers currently meet these costs.

HOW ARE CHARGES FOR WASTEWATER SERVICES DETERMINED?

Household wastewater (sewerage) charges are based on property values.

Wastewater charges to individual households are not directly related to the costs of providing the service.

Current charging can result in customers with similar volumes of wastewater paying significantly different amounts, depending on the value of their property.

