

PUBLIC NOTICE

INQUIRY INTO WATER AND WASTEWATER PRICING PROCESSES (SA WATER CHARGES FOR 2007/08)

The Treasurer of South Australia has referred to the Essential Services Commission (the Commission) an Inquiry into the processes that led to Cabinet deciding on the prices that SA Water will charge for water and sewerage services in 2007-08 and beyond. The Commission is to examine the “pricing processes” in relation to the Government’s obligations under certain CoAG agreements and the National Water Initiative, as set out below.

The Commission now calls for submissions from any person on these matters.

The Commission will conduct the inquiry as per the following requirements set out by the Treasurer (as per Part 7 of the Essential Services Commission Act 2002 (the Act)):

TERMS OF REFERENCE

- (a) The Commission is to inquire into price setting processes undertaken in the preparation of advice to Cabinet, resulting in Cabinet making its decision on the level and structure of SA Water’s water and wastewater prices in metropolitan and regional South Australia in 2007-08 and an in principle revenue direction to June 2012 having regard to:
 - a. the adequacy of the application of 1994 CoAG pricing principles taking into account the recommendations, conclusions and proposals of the National Water Commission in its *2005 NCP assessment of water reform progress*;
 - b. the National Water Initiative, specifically, Clause 65 with respect to the continued application of pricing principles to urban areas, Clause 66(i) with respect to water and wastewater pricing in the metropolitan area and Clause 66(v) with respect to water and wastewater pricing in regional (urban) areas: and
 - c. the accredited *South Australian National Water Initiative Implementation Plan* with respect to Clause 65, 66(i) and 66(v)
- (b) In undertaking this inquiry, the Commission is to consider the *Transparency Statement Metropolitan and Regional Water and Wastewater Prices in South Australia 2007-08 (Part A)* dated January 2007;
- (c) In considering the processes undertaken for the preparation of advice to Cabinet, the Commission is to advise on the extent to which information relevant to the 1994 CoAG pricing principles and the National Water Initiative was made available to Cabinet.

REQUIREMENTS FOR INQUIRY:

The following requirements are made pursuant to section 35(5) of the Act:

- (a) I require that the Commission undertake its inquiry and submit a Draft report to the Treasurer and the Minister for Government Enterprises by no later than three months after receipt of these Terms of Reference;
- (b) I require that the Commission submit a Final Report on the inquiry to the Treasurer and the Minister for Government Enterprises by no later than six weeks after submitting the Draft Report.
- (c) In conducting the inquiry, the Commission is not required to hold public hearings, public seminars or workshops but may receive and consider any written submissions as it thinks appropriate and it must advertise to call for written submissions to be lodged no later than 28 days from the date of publication of the Notice of Inquiry;
- (d) If the Commission wishes to seek further information or guidance in relation to the conduct of this inquiry, it may contact the Director, Economic Regulation, Revenue and Economics Branch, Department of Treasury and Finance.

DIRECTIONS:

The Commission has been directed that in undertaking its inquiry the Commission must preserve the confidentiality of any information, material or documentation provided by the Government to enable the Commission to undertake its enquiry and stamped "Strictly Confidential".

CALL FOR SUBMISSIONS:

The *Transparency Statement Water and Wastewater Prices in Metropolitan and Regional South Australia 2007-08* is available from the Commission's website at www.escosa.sa.gov.au.

Anyone can make a submission. Written submissions are due Friday, 9 March 2007.

Interested parties are invited to make written submissions. Submissions should address the Terms of Reference and, where possible, should contain relevant data, documentation and explanation to support the views expressed.

Please send written submissions to the Commission via mail or electronically to:

Essential Services Commission of SA
GPO Box 2605
ADELAIDE SA 5001
E-mail: escosa@escosa.sa.gov.au
Fax: (08) 8463 4449

All submissions received may be made publicly available via the Commission website except where a particular submission or part of a submission contains information provided on a confidential basis and about which notification has been given.