

Water

Summary conclusion

Questions

1. Two questions were put to members of the AEG
 - (a) Do you agree with the proposal to amend the wording of para 6.24 to ensure there is consistency on the classification of water as a good and its transport as a service but without changing the existing convention on including the carrying of water within the production boundary?
 - (b) Do you agree that
 - i. if a payment to discharge water is a fine intended to inhibit discharge, it should be treated as a fine;
 - ii. if a limited number of permits is issued with the intent to restrict discharges, the payment should be treated as a tax if the medium into which the water is discharged is not regarded as an asset in the system;
 - iii. if the discharge medium is an asset; and the necessary conditions are met concerning the terms on which discharge is permitted, then the treatment of the payment for the permit should be in the same way as a licence to use the radio spectrum is used for mobile phones; if the charge is linked to remedial action, this represents a payment for a service unless the amount levied is out of all proportion to the costs involved in subsequent water treatment in which case the payment should be treated as a tax.
2. The AEG members participating in the e-discussion overwhelmingly supported all proposed recommendations.
3. The AEG was pleased to note the agreement revealed by the e-consultation.