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.