

Email

23rd June 2005

To: ipart@ipart.nsw.gov.au

Subject: Water Pricing

To whom it may concern,

The NSW Government and Water Authorities are requesting a substantial increase to the price of water with the only real reason being based on the fact that it is becoming scarce and hence the price should reflect this.

I believe that several factors should be taken into consideration when looking at the revision of pricing.

- a) Firstly, with water we are not looking at a luxury or a nicety, we are looking at the basic fundamentals of human existence. A person can not survive without water and when pricing is taken into consideration, it should not be made to be something that is considered a luxury.
- b) The water authorities are based around corporate structures today where they are based on making a profit for the government. Over the last 10 years, these corporations made a profit however did not reinvest adequate capital back into maintaining or increasing the infrastructure. Why now do the users have to pay more to compensate for the lack of management ability or foresight? Any privately owned business (or non monopoly) would have to either borrow or raise capital from other sources.
- c) The submission is based as mentioned previously on the fact that water is not as abundant due to the drought, so we have to make it more expensive so that people do not abuse it. Do they also say that once the drought is over and water is freely available again they will reduce the price to reflect the availability? Will they use this time of need as an excuse to increase the amount substantially, only to leave it high and reap the profits again, only to find ourselves in the same position at the next drought were the profits were kept and not reinvested in better water supply.
- d) To truly use water pricing as a deterrent, the total bill should be that if you save substantial amounts, you save considerable dollars and if you abuse it, you pay substantial amounts more. Due to the standing charges on a bill e.g. Sewerage and water service etc, when water is saved in vast amounts, there is very little savings in dollars. If the plan to increase pricing of water to reduce consumption is serious, the standing charges should be dropped or reduced substantially and the price of water increased considerably so that in comparison, a bill with standard usage of around 12 months ago would be approximately the same. Then as we reduce the water usage our bill reflects this saving.

As an example, my last bill included water usage \$19.40, sewerage \$86.66 and water usage \$46.50, therefore from a total of \$152.56, my water usage is around 30%. If we

reduce our water usage by 20%, we only reduce our bill by \$9.30 being only 6% of our total bill. If the savings in water reflected the savings in your bill, more credence could be given to the higher price to save money argument being used.

- e) We and many friends have considered installing water tanks, however due to the current pricing structure, even if we did use 100% of our own water, (saving considerable amounts being what the Governments and water authorities are saying they want us to do), our bill would still be \$106.60 which shows a very small saving for an investment of around \$2000.00.
- f) The other area that shows little credence to the argument is that other privately owned companies have wanted to start a grey water reuse market, utilising all the grey water being pumped into our oceans for watering ovals, parks etc and being used in industrial manufacturing etc and they have only received knock back after knock back from the Government and Water authority as they do not want to give up their monopoly. If they are serious about saving water, they would not just want to increase prices, they would look seriously at assisting wherever possible to get the grey water market up and running as soon as possible.

We as consumers and recipients of your decisions hope that if you feel that there is an argument for increasing the price of water, you will make the relevant authorities accountable in making the state of NSW more sustainable in water usage. Make them implement or assist private companies in increasing the use of grey water etc, as well as keeping an eye on the situation so that if they do not make drastic attempts to look after this resource, (which is their argument) you will then reduce the price of water in response to show that if they do not care for water usage then it is not feasible to expect the consumer to pay for water that is being miss handled by them. I would also expect that should the drought break and water is readily available again, then the price of water should come down as situations like this should not be used to reap windfalls or to use as a sneaky way to increase taxes.

Yours sincerely

Roy Zanetti