

5 August 2004

**Review of Metropolitan Water Agency Prices**  
Independent Pricing and Regulatory Tribunal (IPART)  
PO Box Q290  
QVB Post Office NSW 1230  
Email: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Sir/Madam,

**Re: Submission on Metropolitan Water Pricing Structure**

This submission to the IPART responds to the public invitation appearing in the **PART Issues Paper DP75** dated July 2004 and is further to my earlier submission dated 21 December 2001. My conversation earlier today (5 August 2004) with Mr Greg Perrett also refers.

I have studied the IPART Final Report on Investigation into Price Structures to Reduce the Demand for Water in the Sydney Basin and note that no provision for size of land holding appears to have been included in the report. Once again, I hereby request the IPART take account of the variability of residential block size in its determination of a revised pricing structure for water consumers in the Sydney Basin.

Water consumption on residential properties is generally a consequence of household use and lawn/garden maintenance. Larger residential blocks (as defined by individual Title Deeds) generally have larger lawns and gardens, the maintenance of which generally require larger quantities of water. It would be grossly inequitable to property owners not to make an allowance for such lawn and garden maintenance. The introduction of higher water pricing without allowance for residential block size, will mean a rapid and sustained decline in the capacity of owners of larger blocks to care for their asset. From a city-wide standpoint, as lawns and gardens die, the ambience and beauty of the city will be diminished. In the long run, householders will adjust to the hostile water price environment in any number of ways. One possible outcome could be the widespread substitution of high maintenance lawn and garden areas with concrete and plastic. Another could be the widespread collapse of property values as large numbers of owners, no longer able to afford to look after their gardens and lawns, sell their properties in a market with few buyers. It should be a relatively straight forward matter to model the impact using basic economic models. The city must be saved from such a prospect. A tiered price structure must be struck which accounts for residential block size.

Implementation should not be a complicated matter. Sydney Water consumption records could be linked quite easily to Council rate data bases detailing residential block size to determine the price factor for each dwelling.

Yours sincerely,



Peter Hayes

