

Submission to Essential Services Commission

Introduction

I have been a Coliban customer for many years, using both irrigation and town water.

The town water pressure is not sufficient to supply my house so I have connected it to a supply tank from which I pump to the house area. This is manageable, however periodic failures of supply are harder to deal with. Because of the unreliability of supply I have installed a number of water tanks and now use less town water than I would have done if the supply had been reliable.

My experience with Coliban

Years ago, when there were thirteen bailiffs employed by Coliban the irrigation water service was adequate and regular channel maintenance ensured a satisfactory supply. Since then the number of bailiffs has halved, maintenance of channels has virtually ceased and water losses from spills and poor maintenance have increased. Coliban's response to this is to encourage users on small channels to leave the system with a view to closing those channels.

The town water supply has never been satisfactory in terms of security of supply, quality of water, water pressure or Coliban's response to consumers.

A number of times over the years my town water supply has ceased without warning, usually during the hottest part of the year. One summer I had no town water for six weeks. In another year (also summer) after a week without water and the attitude of Coliban staff that they didn't know what was wrong and had no idea how to find out, I threatened to approach the Minister, whereupon Coliban brought me a tank load of water.

For years, Sebastian residents have requested improved service from Coliban. We have had a number of public meetings over the years, never without having to place substantial pressure on Coliban, usually with the aid of our local MPs.

(Jacinta Allan has been particularly helpful in persuading Coliban to address residents.) At these meetings various assurances have been delivered, mostly without follow up action and usually a repetition of what has been said at previous meetings, i.e. we'll really improve the supply very soon.

The process of commissioning the pipeline has been done with as little transparency as other Coliban activities. In the early stages of the project a community committee was formed to liaise between Coliban and the community. Reports from members of the committee state that the meetings were immensely frustrating, with Coliban unable/unwilling to provide answers to the committee's questions. Meetings ceased a considerable time before the project was completed.

The community is still in the dark about many issues to do with the pipeline. The public meetings of 17 December 2012 and 17 January 2013 brought up a large number of ongoing issues of community concern.

Outcome of pipeline to Raywood and Sebastian

As the pipeline to Raywood and Sebastian has now been finished we no longer have water tankers roaring up and down the main road, a relief and a good thing for safety, road maintenance and the environment.

However, we still know almost nothing about what may happen to our water supply from now on.

Will pressure improve? If so, what will be the effect on the very old mains attached to the pipeline?

Who can join the pipeline?

Will irrigation water be delivered through the pipeline? If so, how? How will charges be structured?

These questions have been asked repeatedly since the project began but no answers are forthcoming.

Coliban attitude and management

It seems from their statements at public meetings and published policies that Coliban management wish to drive customers out of the system. It doesn't seem to have occurred to them that the fewer customers you have the more the remaining customers have to pay to cover costs and therefore the greater will be the number of customers choosing to leave the system.

The management has also apparently not realised that unreliable supply forces customers to make other arrangements, such as buying water tanks, and therefore they will use less water.

These factors lead to an increasing spiral of fewer customers and less water use requiring ever increasing charges to a diminishing population of customers.

It is apparent from statements by Coliban staff at public meetings (17 December 2012 and 17 January 2013 at Sebastian) that no/poor records are kept of dealings with customers and current Coliban staff have little idea of past communications with customers, actually denying customer claims until confronted with written evidence.

Coliban's proposal to increase charges

Table 1, page 2 of the *Essential Services Commission: Summary of Regional Businesses Water Plans Water Price Review 2013-18* shows that Coliban's requested price increase for the period 2013-18 far exceeds that of other water suppliers. A footnote to the Table states 'Coliban Water has not provided full details for their fixed residential and non-residential charges.'

I note also that the Proposed Service Standards, compared to Actual Average 2007-08 to 2011-12* (page 3) show very little prospect of improvement, and in some cases a deterioration of expected service levels.

Conclusion

Coliban Water is a dysfunctional organisation, inept at managing its business and unable/unwilling to provide appropriate levels of service, while its communication with actual and potential customers is woeful.

It expects its customers to pay ever-increasing charges to compensate for its past incompetence, while we see no prospect of improvement in attitude or performance.

Rather than allowing Coliban to go on increasing its charges and continuing its current way of doing business, perhaps it is time to bring the company to account and demand some improvements to its management and operations.

I recognise that this action is outside the purview of the Essential Services Commission, however I feel that the charge increases requested by Coliban are unjustified and should be rejected.

Reference

Essential Services Commission:

Summary of Regional Businesses Water Plans Water Price Review 2013-18.

*Coliban Water Summary of 2013-18 Water Plan: Essential Services Commission.

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22 January 2013