

To Essential Services Commission. Level 2, 35 Spring Street,  
Melbourne. 3000.

Dear Sirs.,

Re. 2008 Water Price Review. Issues Paper December 2007.

I make this submission to the Review as a consumer of North East Water's Wangaratta Urban Supply.

The 109 page Review is too long and too complex for the average water user to have the time or knowledge to understand (if it is read at all), so my remarks are confined to;--

1. The principle of Two Part Tariffs
2. A general proposal for the appointment of a User's Advocate to study the Review on behalf consumers.

### **Two Part Tariffs.**

I understand the need for an Authority to have an assured minimum annual revenue and of course this can most easily be achieved by way of a fixed Service Charge per residence/ business etc.eg:- Page 64,- North East Water proposed for 2012-2013- Fixed Charge \$146.68 and Variable Charge \$1.9508 per Kl.

However, while this allows a lower price for water used it is counter-productive in that

- (a) it does not encourage consumers to use water carefully and hence in times of shortage of water (as at present) to use a minimum,-
- (b) it is not a 'User Pay" philosophy, which also achieves the same type of saving as in (a),-
- (c) it means that small,, and therefore efficient consumers are subsidising large consumers,
- (d) it does not emphasize the value of the water component, and
- (e) it irritates customers thinking that they are paying every year for something that has always been there and nothing has changed! It is noted on Page 59 that some Authorities show concern for large users , but do not appear to have the same concern for low or careful users. Since "in-door use" can be seen as more essential than "outdoor use" there would appear to be a good argument for a separate charge for 'indoor use".To be fair and accurate it would require an additional meter to record the "indoor" use to allow it's separation from the total flow registered through the normal meter.

I therefore believe that the Fixed Service Charge should be abolished , the cost incorporated in the WATER charge determined after accurate consumption

estimates made annually by the Authority to as nearly as possible, equate to revenue that would otherwise have been received from a Service Charge.

**User's Advocate.**

Since this is a complex Review covering practically all aspects of water use and chargings in Victoria, there appears to be, as part of the Review process, a need for the appointment of a truly independent expert/s to act as advocate for consumers interests (in all categories) and to provide a submission to the Commission for consideration prior to a final Review being drawn up.

I trust that you will give due consideration to my submission, acknowledge same and in due course, advise of the outcome.

Yours faithfully

Harry Kilminster.