

Essential Services Commission,
 ATTN : Mr Sean Cress,
 Director Water Regulation,
 Level 2,
 35 Spring St.,
 Melbourne VIC 3000



Dear Mr Cress,

Re : NERWA Water Plan

Water is, for domestic use and primary production, an essential item. Despite the assurances of 'The Plan', water price - volumetric - is set to rise by over 85%. Service costs now have the built in 50% assumption of wastage.

North East Water while in one breath applauding water savings by clients is also attempting to recoup financial losses incurred because of that water responsibility. Hoist by their own petard! NERWA initiated and policed restrictions, it is not as implied in the Plan, the fault of media generated restrictions. If more water had been available, restrictions would have been lifted sooner.

As a very frugal water user - I do shower, wash dishes, provide fresh water for native birds, etc - my service costs outstrip the product cost (A/c enclosed) by over 600%. I have also been 'inspected' to my certain knowledge twice (I met the Inspector) to check I wasn't 'fiddling the meter'. Doubtless I have been visited more often without my knowledge.

SUMMARY

ANNUAL WATER USE 71kls

WATER COST	WASTE SERVICE VOLUMETRIC	SERVICE	WATER SERVICE
\$ 48.10	31.05 (approx 70%)	192.94 (approx 400%)	111.90 (approx 240%)

WATER COST KLS
 \$48.10

SERVICE COSTS
 \$335.89

For an essential service, the product of which is not owned or produced by the company, this is very expensive.

A more equitable pricing would include :

- an average amount for survival charged at a more moderate fee and
- subsequent kls charged at the higher fee.
- a real review of service charges
- a real review of expenditures by independent body.

At these costs there is no incentive for average users to modify usage, and no reward for careful users.

The major incentive these prices provide a careful user is to install tanks for self sufficiency, a waterless toilet, and dispense with the services of the water board completely. Cost of doing this would be completely offset by 2011 - resulting in free and copious water thereafter, with the savings used to install solar grey water sterilisation.

It needs to be remembered that NERWA does not produce the water. This is provided, depending on your philosophy by nature or the good grace of G-d. The job of the water board is merely to collect, store and disseminate the product, and provide for its removal as required by maintaining pipes.

New developments cost NERWA very little. The developer is required to plan, have approved, provide and install the infra structure. If the development is likely or suspected by NERWA to grow, it requires the developer to install larger bore piping, and NERWA pays for the difference between standard bore and the larger bore. (Anecdotal evidence that it is 'notoriously difficult to get any money out of them')

Primary producers have for the last 7 of 10 years paid for water allocations they have not received. These costs are very high for a product not delivered. This unearned income should have been used to modify and modernise delivery systems for primary producers to improve efficiency and reliability of delivery.

Industrial usage of water is not mentioned in the plan so the assumption is that water will be provided to these premises at the domestic rate. This seems inappropriate to me as it :

- does not provide incentive to moderate usage,
- does not take into account the capacity of industry to offset cost against production costs by unit cost to consumer
- does not take into account ability to gain tax rebate/recognition of expenditure in production of goods.
- does not take into account the 'cleaning' which may be required to re use product.

Domestic water attracts no such subsidy/rebate or refund.

- In light of this it is logic to increase the cost of water to industry and maintain a reasonable cost to domestic consumers.

Thankyou for considering this opinion, and hoping for some measure of relief. I am

Yours sincerely,



Olive Lavery (Mrs)