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Dear Sirs,

## Water & Wastewater Annual Price Reset

Thank you for the opportunity to comment on ACTEW's request to pass through costs for Cotter catchment remediation and costs associated with the Cotter to Googong Bulk Transfer Scheme.

I do not dispute any of the costs nor the viability of the schemes.

I simply would like to point out:

- The ACT abstraction charge, levied several years ago, is part of our water charges. It was supposedly levied to enable management of the catchment. On this basis it is highly suspicious that ACTEW (also part of the ACT Government would consider additional charges to carry out similar works). This is awfully close to double dipping.
- I note the basis of ACTEW water tariffs is CPI plus. In most other utilities such as Telecoms the regulators use a formula that is CPI minus. This is based on the advantages that the utilities gain from technological developments. ACTEW may not receive the same benefits but actually has made large savings due to technological benefits, therefore some of the same formula should be considered for application to their tariffs. ACTEW is getting more efficient and using modern SCADA and similar technology. There should be some offset for consumers.
- ACTEW is a service utility not a profit generator. Its shareholders should receive the benefits, not the Government as such. When ACTEW needs additional cash there should be an offset by reducing dividends. These are commercial realities not just social responsibilities.
- The ACT has responded well to the draught and significantly reduced its use of water. Its time that the community was rewarded for its efforts. There should not be any allowance for ACTEW to be able to charge pass throughs because they lost revenue from lower water usage last year.
- There is a fundamental flaw in ACTEW's economics if they continue to argue for increased tariffs due to lower usage. They argue that we need an adequate water storage (so do we all).

However if we save water to ensure this (also reducing their running costs and putting off the time when extra infrastructure is require) they need higher tariffs to ensure their cash flow. Surely if we save to preserve water, ACTEW is obligated to also make savings.

- Have they done this? I am unsure. However ACTEW and ACTEWAGL are partially subsidizing operations such as Transact and they do seem to spend a lot on advertising. It does not seem to be an organisation(s) very focussed on savings.

Regards

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