

Independent Competition and Regulatory Commission
Eclipse House
London Circuit
Canberra City ACT 2601

Dear Sirs,

I believe that there can be no justification for a price increase of water supplied by the ACT government to citizens of the Territory when another source of revenue is available to the government. Indeed a decrease in charges is warranted.

The water manager, ACTEW, acknowledges that over 94% of ACT water is supplied without cost to NSW. It is used and paid for by irrigators and others in that State which means that the ACT government has for long been subsidising their operations. The cost of water charged to ACT residents far exceeds that charged to NSW irrigators whom we are subsidising.

Because ACT water is traded in NSW it is reasonable to expect that our government should seek recompense for the water supplied to these users. However, it has not elected to adopt this course of action.

Quite recently the ACT government announced that water is to be supplied under agreements with NSW. Why should we be expected to subsidize Yass or Goulburn and excuse the almost criminal neglect of water supply by the NSW Government?

If we are expected to supply water elsewhere then the recipients should be made to pay at the top water rate of \$1.78 plus 25 cents per kl, so long as we have to pay this excessive monopoly price.

Looking at the water problem more broadly, another major issue is the degradation of the urban environment in the ACT caused by unnecessary water rationing. The loss of thousands of trees and the damage to recreational areas is well known as is the deleterious effect on household gardens. Increasing rates, a tool previously used to reduce water consumption, will not help to restore our environment.

Finally, I note it is absurd that we should be expected to pay more to compensate ACTEW for profits lost due to the unnecessary water restrictions. That was dictated to ACTEW by the ACT Government – the ACT Treasury should be made to wear the consequences of government ideological folly.

Yours faithfully,



27 March 2006

Maxwell H Mills
B Com. AASA. MACS

Mail - PO Box 1524 Tuggeranong ACT 2901
.Residential - 23 Collocott Cresc. Oxley ACT 2903
Telephone - 02 62318624