

Mr Joe Dimasi

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Submission on ICRC Draft Report on Icon Water's Water & Sewerage Tariffs in the ACT

Background

We have written a number of submissions on past ICRC issues papers, draft reviews, and final determinations regarding the water tariff structures and charges in the ACT. We have also made submissions to the Industry Panel established by the ACT Government in 2013-14. As well as these submissions, we have participated in public forums on water matters. Our views were informed by knowledge and experience gained as members of an Owners Corporation of 35 separate townhouses serviced by only one water metre.

Concerns and inadequacies

The greatest concern to ratepayers in this review is the lack of public information and failure to implement genuine open and informative public consultation processes. The public notification, the structure of this public forum and the deadline for public submissions were poorly advertised and did not provide adequate notice or opportunity for a considered response or feedback from the ordinary ratepayer.

There are also grave concerns regarding objectivity and fairness. There appears to a clear conflict of interest between the ACT Chief Minister as a voting shareholder in Icon Water and the ACT Treasurer as the other voting shareholder, and the Minister responsible for the provision of water and sewerage services in the ACT. This means that multiple roles are held by one person - the Chief Minister - for a publicly owned utility. How can this guarantee that the interests of all ACT residents and ratepayers are considered?

Both the ICRC and Icon Water have an obligation to inform the residents of Canberra about water prices in language and ways that they can understand so that what is being proposed and what impacts the proposed water charges will have on these people are clearly enunciated. A 'plain English' version with clearly defined impacts on residents should be mandatory as is the case with legislation.

However, this is not the case with the Draft Report. The Report is presented with technical details best understood by public servants and industry experts in the field of water and sewerage and is not easily understood by residents and ratepayers. The whole issue of water prices has been developed behind closed doors by the cognoscenti with no concern about how it will affect families and the individual ratepayer.

Using a sole ad in The Canberra Times with its fast diminishing circulation, does not pass the test of providing genuine public information and consultation.

This review process appears to be designed to make sure that people are not fully informed so that the ACT Government and Icon Water can manage without any concern for the major impacts on the ordinary mid-to-lower income ratepayer and having to consider their responses.

The ICRC suggestion that low income households should incur increased water rates during the early years of the 10-year 'transition' is unacceptable, unfair and inappropriate. There are also a number of unacceptable, offensive and unsubstantiated statements about low-income households users behaviour regarding water consumption. This shows that there is no proper understanding of the potentially serious impacts of steep increases in water supply charges on these consumers and ratepayers.

Confused statements and objectives

The ICRC Draft Report's Foreword refers to '*providing incentives to customers to use Icon Water's infrastructure and water resources efficiently*'. As there is only one supplier and ACT residents do use water wisely, the ICRC's objectives are confused, inappropriate and a nonsense. *Who are these customers* and *what are the incentives* are questions that need to be answered.

Even Icon Water's stated objectives include reference to water charges that are '*fair and equitable*', assuming this is for all customers/consumers and ratepayers.

On another matter, Icon Water as a publicly-owned water utility should not set the water prices. Nor should it be directed by ActewAGL's commercial partnerships and joint ventures, including those associated with overseas energy and water agencies. This surely compromises its monopoly position as a publicly-owned water utility.

Recommendations

Icon Water and the ACT Government should be concerned about keeping the ratepayer and water user better informed – after all, they provide the funds (in the millions \$ per annum) that allow Icon Water to operate (as well as the ACT Government).

Therefore it is strongly recommended that the ICRC

- extends the deadline for submissions on the *Draft Report on Icon Water's Water and Sewerage Tariffs in the ACT* to at least **Friday 3 February 2017**, or later.
- provides residents with information that they can understand, and
- advertises the review more widely to encourage more residents to participate.

After all, this would not impinge on the 1 July 2018 implementation date.



Suzanne Vidler

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