



Conservation Council of the South East Region and Canberra (Inc)

Kingsley Street, Acton
GPO Box 1875
Canberra ACT 2601
AUSTRALIA

Tel: (02) 6247-7808
Fax: (02) 6248-5343
Email: ccserac@ecoaction.net.au

The Commissioner
Independent Competition & Regulatory Commission
PO Box 975
CIVIC SQUARE ACT 2608

Dear Commissioner,

Re: Investigation into prices for water and wastewater services in the ACT

The Conservation Council of the South East Region and Canberra is Canberra's peak non-government, environment organisation. As an umbrella organisation, the Council represents the interests of over 35 community and conservation organisations in the ACT and Australian Capital Region as well as the broader environmental interests of all citizens of the ACT. The Council's mission is to achieve the highest quality environment for Canberra and the surrounding region. In this capacity, the Council is concerned with reducing the use of water in the ACT, including through the effects of pricing structure.

The Conservation Council provided comment to the Investigation into prices for water and wastewater in the ACT in August last year, and appreciates the considerable analysis of the issues as reflected in this ICRC draft report. We then went on to develop a joint position paper with the ACT Council of Social Services (ACTCOSS) outlining equitable and sustainable policy on water conservation and social justice issues for the ACT. Please find attached a copy of this paper, released in October last year. We urge you to consider this document in conjunction with the following comments;

Water Pricing

The Conservation Council is pleased with the ICRC's modelling of the 3-tiered pricing schedule as demonstrated by Proposal A. The Council advocates this more progressive pricing structure, if it incorporated the lower fixed water supply charge of \$70.00 and believes it would be a fairer system for low income earners, people living in flats and townhouses, and those with water efficient gardens and household appliances, while discouraging excessive water use.

We do, however, wish to reiterate the need for complimentary initiatives, such as concessions and rebates that recognise hardship for low income earners, large families, or other disadvantaged people. In this instance, we refer you to our joint position paper '**Saving our water Resources and equitable and sustainable policy for the ACT**', which discusses this issue in further detail, outlining fair and equitable solutions to three components of water pricing in the ACT (Fixed 'supply' charge, the Water Abstraction Charge and the tariff for water usage).

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The Council also sees an opportunity for a 4th and higher tier for the volumetric charge to apply to consumption greater than 500 kilolitres per annum. This may provide financial incentives for higher water users to move into the alternative use of retained stormwater or recycled water, thus reducing the demand on tap water for irrigation.

Unmetered Properties

Once again, in addressing this issue, the Council has concerns that the use of price will have little or no influence on behaviour to encourage prudent water use, where individual metering and billing does not occur. The Council notes the exorbitant costs associated with metering currently unmetered properties. All effort should, however, be made to ensure the future metering of all occupancies if pricing if we are to have any influence on the water consumption of the population who increasingly choose to reside in flats, units and townhouses.

Thank you for this opportunity to provide further comment on this issue. The Conservation Council looks forward to reading the Commission's final report and price direction when they become available.

Yours sincerely

Trish Harrup
Director

February 2004