

WATER PRICING REFORM INQUIRY

Is there a better way to price water costs

It seems that there has to be a balance between encouraging better management of water and making costs affordable for everyone. There is no point increasing costs to landlords as these costs are passed on to tenants directly or indirectly. Perhaps one option is to make the first 160kl of water much cheaper and amounts above 160kl dearer – this should be considered on an annual basis, not quarterly as it penalizes those who use less than 40kl water in one or 2 quarters and more in summer. If the total consumption for the year is less than 160kl, they will save money – those who use more will pay more but there has to be a reasonable allowance, not like the current situation.

SWIMMING POOLS

It seems unfair that public pools only pay 30c/kl up to 13 fills pa. The people who use the service should pay the costs at the going rate of water just as any commercial enterprise. It is unlikely that pools need to be completely filled 13 times a year and hence the additional costs to pool users would be minimal.

Multiple users on one meter

It is incorrect to say that strata owners are charged on one tier – they are charged like everyone else. The total consumption is divided amongst the units and charged at the relevant tier levels.

Commercial car parks

It seems unfair that commercial car parks are charged at 50% supply charge. The cost to provide the water and maintain the meter is the same and therefore, they should be charged the same.

Option to price water according to region

We do not agree with this option as it discriminates against our country cousins. Water is an essential commodity and service and needs to be available at the same price for everyone just like electricity.

Volumetric Consumption Charging

We believe that this option has many variables and is subject to abuse by successive governments in the future. This has happened with electricity charges where available power can be manipulated to force a shortage thereby increasing costs. The government can decree a shortage at any time and change the rules on what constitutes a shortage in order to manipulate higher costs. We have paid for a desalination plant and theoretically, there should not be any shortages.

Current block tariffs

As previously stated, tier levels are applied so land owners do not have an advantage

Separate meters for units to determine individual consumption.

We believe that this be an optional choice for unit groups. There are some groups that have opted for this choice, mainly because some units use substantially more water than others. However, some groups have assessed that the additional costs incurred in

having separate meters far outweighs the additional costs one might incur for an inequitable system. Is it better to spend \$50 per year to save \$25 if you had a separate meter. Further, in addition to the installation cost and reading costs, there may be a legal requirement to calibrate regularly as it is used for charging. Also, in many cases, the rear taps are on the common line so would not be covered by individual meters. Such meters would only apportion internal use properly – the option to have individual meters installed to units should be an option for each complex to determine at their own cost, not mandatory. It is not clear by your paper who would bear the cost of installation and monitoring.

Smart Meters

It appears that this will be the way of the future, but it is felt that existing meters should be replaced at the end of their life, not as a general roll out. There is no point disposing of good working meters before their end life – this would also spread the cost over a longer period thereby reducing the financial impact on customers. Is this why Victorians pay an extra \$80pa for their smart meters. As all Australians are feeling the pinch of the higher cost of living each year, it is important to minimize the impact of new technology **unless it can provide reduced costs that are passed onto the consumer**. We have the incentive to install solar panels because it reduces our electricity bill – similarly, people may be more inclined to accept the smart meter if it saves them money rather than act as “big Brother”. If the smart meter does not do this, then there is a case to retain the existing meters. There is nothing that the smart meter can do that we cannot do ourselves – it is just easier. What is not clear from the paper is how the project will be funded – a one off levy or increased supply charges.

Billing Tenants directly

This has been requested by Landlords over many years. It has a number of advantages for tenants such as stated in your paper – concession benefits, reducing RTT applications and hearings, disputes settled by an unbiased party, tenant access to Ombudsman, tenants would receive a bill much sooner than what is supplied by a landlord. What is not clear in your paper is what happens when a tenant vacates – does SA Water take a reading (If so, is there a meter reading fee and who pays?) or rely on the landlord to advise. If the property is empty for a few weeks, is the supply charge apportioned with a separate account to the landlord? Whilst there may be some debts to SA Water, they are in a far better position to recover costs as the tenant will have to reapply to them for service in their new home. Further, SA Water could ask for a bond to just like electricity and gas supply firms.

The option to only implement this proposal if landlords install water saving devices is not entirely feasible. Instantaneous hot water services require a minimum water pressure and even gravity fed units are affected by water saving shower heads. The slower flow rate can result in fluctuating temperatures in the shower and possibly scalding. Any build up of calcium or other substance in the line can slow an existing water rate and thereby affect the hot water supply. As the landlord is required to provide effective services, water saving devices can affect such services and create a conflict involving the Tenancies Tribunal. Dual toilet cisterns would be acceptable as eventually, all cisterns will be replaced by dual cisterns. Apart from a shower, I am not sure how slowing the flow rate to internal taps would significantly reduce water consumption – whatever the flow rate, it takes the same amount of water to fill a dishwasher, toilet cistern, washing machine or sink – for washing hands, it means turning the tap on slightly.

We also believe that tenants should be liable for sewer charges and Save the Murray levy – these charges are attributable to the tenants' own use and should be paid by the tenant.