


4 April 2012

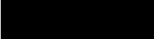
D.W.LOCKYER


The E.R.A..
PO Box 8469
PERTH BC W.A. 6849


Dear Sirs re INQUIRY INTO WATER CORP. COSTS etc.

Submissions to the above inquiry were due to close on March 12th 2012 but Mr. John D'Arcy from the Water Corporation advises that you have agreed with the Minister to hold open submissions until the 13th. April 2012.

On that basis I enclose a small submission re the above.

Should there be anything I can do to assist please phone on .

Sincerely.



INQUIRY INTO THE EFFICIENT COSTS & TARIFFS OF THE WATER CORPORATION
(W.C.) Agwets & Busselton Water Board.

re SECTION 4.6 (23) "CHARGES FOR DRAINAGE SERVICES".

BACKGROUND:

Separate charges for drainage services in designated areas by the W.C. date back to 1932 in an Act but the reason why it was started seems to have been lost in the mists of time.

It was the height of the Great Depression and maybe was a means to an end.

Currently the situation re Drainage Charges are thus:

1. There are 1.1 million homes & businesses in the metro area and surrounds.
2. 347,000 of these are charged an additional tax for drainage of storm water.
3. Average cost is \$86.32 the each of the 347,000 (approx. \$30m p.a..)
4. Local Councils look after 3½ times more drains than the W.C. and include this cost in the normal Council rates (even if the W.C. charge also in the same area)
5. Residents living in a Designated Drainage area thus pay two lots of charges (Council & W.C.) to cater for the same storm water.
6. The extra charge by the W.C. adds about 10% extra onto the Council rates.
7. Many households included in a designated area are arguably not affected but are still charged by the W.A..
8. There is a considerable incurred to check these complaints.

IT IS SUBMITTED THAT THE SEPERATE CHARGE FOR DRAINAGE IN DESIGNATED DRAINAGE AREAS CEASE AND BE INCORPORATED IN THE ONE RATE FOR ALL WATER CORPORATE CLIENTS.

ADVANTAGES OF CHANGE (PRO.)

1. W.C. not having to do "surveys" to identify individual properties: saves time & money.
2. Considerable savings by not having to identify and process 347,000 items in the accounts. This would run to thousands of dollars.
3. One rate allows the W.C. to do whatever they consider necessary to fulfill their public service be it drains,dams,bores,wells,tanks,windmills or whatever under one umbrella.
4. Drainage costs simply become a normal budget item. Present system is archaic and haphazard.
5. The average cost to the stakeholders would be approx. \$27 p.a. each.
6. The big advantage to the W.C.,and ratepayers,is a large reduction in administration cost and flexibility in budgetting.

DISADVANTAGES (CONS.)

1. Possible complaints by those who were not paying a seperate drainage rate.

* This is hardly likely with an annual charge now of \$1050 per household: \$27 on this would hardly evoke comment.

On the other hand there would be 347,000 happy ones!

2. Unfair to the 700,000 who aren't paying now.

* It is normal business practice to keep the account simple and spread costs (cross subsidising).

*It is no more unfair than the people in ,say,Kunnunurra having to help pay for a football stadium in Perth.

Re COUNTRY:

I have done no research on the situation with country drainage but I believe the same principles apply as above unless there is some very particular situation. The Water Corporation is a public service and one should not be penalised just because one doesn't live in Perth.



Fourth April 2012