



CITY OF KALGOORLIE-BOULDER

SUBMISSION ON THE

**“INQUIRY ON COUNTRY WATER AND
WASTEWATER PRICING IN WESTERN AUSTRALIA”**

MARCH 2006

INTRODUCTION

The City of Kalgoorlie-Boulder urban area is serviced by the Water Corporation for its potable water needs and by the City for its wastewater needs. With this in mind, the City's submission is limited to findings 1 to 12 and to Residential Water Pricing and Commercial Water Pricing only.

RESIDENTIAL WATER PRICING

Finding 1

The lack of a formal policy that sets out the objectives of the uniform pricing policy is surprising and should be remedied. Any policy should also address water quality.

Finding 2

The application of economic pricing principles on a town-by-town basis would be difficult to administer and would generally disadvantage smaller and remote towns.

Finding 3

Without clearly establishing and recording residential and commercial cost for water supply, it would be difficult to achieve a more efficient water pricing. How pricing for future upgrades (to meet demand or quality improvements) is allowed for (if allowed for) would need to be considered.

Finding 4

The principle that the uniform pricing policy means consumers pay the same rate throughout the State to achieve the same standard of living is logical and recognises that to achieve the same standard of living in different locations throughout the State, different volumes of water are required. On this basis the City supports the setting of a uniform price for the average usage within set town groups (the groupings being based on climate, town size etc) plus or minus a percentage. Continuing the uniform pricing policy would see a similar percentage of consumers in each grouping paying a lower cost for usages below the average (to encourage efficiency) and similar percentages of consumers paying a higher (but still uniform) cost for usages above the average (to discourage inefficient or excessive water usage).

Finding 5 & 6

To retain the principle of uniform pricing policy, the grouping of Towns should only depend on factors which affect the volume of water required in that town to achieve a uniform standard of living. Economic supply factors should not be considered.

Finding 7 & 8

The City agrees with the findings related to concessions.

COMMERCIAL WATER PRICING

Finding 9, 10 & 11

The finding relating to the existing charges highlights the need for some direction in future pricing of commercial water usage.

Finding 12

The argument that water should be treated like any other input is short sighted, as it ignores the commercial and social flow on benefits from having affordable water for commercial usage in rural and remote areas.

An expansion of the uniform pricing policy to include commercial customers would have significant flow on effects, while the introduction of a full user pays system would severely disadvantage regional and remote users and this would impact adversely on the total economic performance of the State.