

---

**SHIRE OF SHARK BAY**

65 Knight Terrace  
Denham WA 6537  
PO Box 126 Denham WA 6537

---



---

Telephone (08) 9948 1218  
Facsimile (08) 9948 1237  
Email admin@sharkbay.wa.gov.au  
All correspondence to the  
Chief Executive Officer

---

Your Ref  
Our Ref WA 102 JMCK:KML  
Enquiries Jim McKechnie

16 March 2006

Inquiry on Country Water and Wastewater Pricing  
Economic Regulation Authority  
PO Box 8469  
PERTH WA 6849

Email [watersubmissions@era.wa.gov.au](mailto:watersubmissions@era.wa.gov.au)

Dear Sir

**SHIRE OF SHARK BAY SUBMISSION ON COUNTRY WATER AND WASTEWATER PRICING**

**Response to issues identified by the Water Authority**

- *What factors should the Authority consider in recommending a threshold below which the charge per kL of water is discounted? In most country towns households currently pay a discounted price for the first 450 kL/year of water, while in others the first 650 kL/year is discounted.*

The discounted charge per kL of water should be the same for all country towns if this basis for cost recovery continues.

However, the town of Denham in the Shire of Shark Bay appears to have a different scenario related to kL used and cost structures. Typical example pr quarter of a residential household -

51 Durlacher Street Denham Lot 152 -

*How Your Water Use Charges Have Been Calculated*

Water Usage	28 kL at \$0.460	\$12.88
	4 kL at \$3.380	\$13.52
	34 kL at \$10.532	\$358.09
	<b>Total for Desaline Usage</b>	<b>\$384.50</b>

Your average daily usage for the current reading period was 0.56 kL at a cost of \$3.26 per day.

There is also another charge per quarter for saline water with another cost structured charging regime.

The town of Denham has been applauded by the Water Corporation for its limited water usage. However, the fact is that the whole town could be a "green belt" if it could afford to

utilise its water supply. The community is "too frightened" to utilise excess water for fear of the high cost involved.

- *Should the charge for using more than an average amount of water reflect the costs of providing it?*

There needs to be a broad based approach that accesses each community and its ability to pay based upon demographics and economic factors.

- *To what extent and for what reason should business water and sewerage customers receive services at a discounted price?*

Same as above demographics and economic factors.

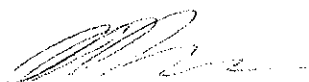
- *Should household sewerage charges be based on property values even though it doesn't cost any more to take and treat sewerage from a higher-valued property than a lower-valued property?*

No. Should be based on an overall percentage recovery basis for the total services as determined by the State Government based upon sound economic reasoning.

- *Should business sewerage charges be the same regardless of where a business is located in the State, even though costs differ substantially between locations?*

There needs to be a more broad based approach to cost recovery and it should not be tunnel visioned or only from a Water Corporation viewpoint. It has significant economic implications for the State and should be addressed broadly and not in isolation of other Government goals and objectives.

Yours sincerely



K J Matthews  
CHIEF EXECUTIVE OFFICER