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Our Ref:

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

by email: watersubmissions@era.wa.gov.au

12 January 2006

Dear Madam/Sir

Inquiry on Country Water and Wastewater Pricing

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit law and policy organisation that identifies public interest issues and works co-operatively with other bodies to advocate for individuals and groups affected. PIAC has established the Utility Consumers' Advocacy Program (UCAP) with funding from the NSW Government. The work of UCAP includes developing policy and advocating for the interests of residential consumers, particularly low-income consumers, in the NSW energy and water industries. Broad policy direction for UCAP comes from a community-based Reference Group.

In 2005 PIAC engaged the Institute for Sustainable Futures to undertake research into the equity outcomes of country water pricing policies in NSW. The research uses three case study communities to investigate the impact of new country town water pricing guidelines introduced in 2004. Some of the issues raised in the Economic Regulatory Authority's *Issues Paper* are explored in this piece of research.

The NSW Government introduced country water pricing policies that increased significantly the residential usage component relative to the fixed component of water bills and use price to drive demand management. The report uses qualitative research methods to consider the equity impacts of these pricing strategies and makes a series of recommendations to improve equity outcomes.

While we note the substantial differences in approaches to country water pricing in NSW and Western Australia, many of the issues around identifying and assisting vulnerable customers are similar. The report makes specific recommendations about the use of residential price caps, emergency assistance programs and targeted demand management programs to ensure that essential water services remain affordable and accessible.

Enclosed is a copy of this research report, *NSW Water Pricing Guidelines and Country Town Communities: Assisting vulnerable residents*. We hope the report will be of use to your investigations into country water and wastewater pricing.

Yours sincerely
Public Interest Advocacy Centre Ltd

A handwritten signature in black ink, appearing to read 'Elissa Freeman', with a long horizontal flourish extending to the right.

Elissa Freeman
Policy Officer

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Encl: *NSW Water Pricing Guidelines and Country Town Communities: Assisting vulnerable residents*