

Mr Graham McPherson

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The Economic Regulatory Authority
P O Box 8469
Perth Business Centre
PERTH WA 6849

Submission in response to the Draft Report: Inquiry on Country Water and Wastewater Pricing in Western Australia

I have perused the Economic Regulation Authority investigation into the pricing of water, waste water use Draft Report.

I submit that the real costs of the water use resource rates need to be calculated on the basis of consumer consumption use of the resource, not by the current method. **The current method is a guess work strategy and irrational, because it cannot be assured what income people are receiving by estimating the GRV of a property.** With the ongoing aging population there will be increasing substantial numbers of people such as myself who have a property, but receive a low income (ie casual or part time income) or Centrelink benefit. As with other utility costs governments can provide rebates or subsidies for low income people and pensioners with the costs being distributed proportionately to consumers in relation to their level of use of the resource and their income levels. Consumers' level of income can be confirmed by Centrelink HCC or an annual group certificate and ATO annual income tax confirmation document. The latter proposed pricing method of the water use resource is most likely to act as a deterrent for consumers to reduce excessive, unnecessary waste of the resource.

It seems an estimated median reasonable level of water consumption and wastewater use needs to be developed based on household numbers in the major country regions in relation to revising the uniform pricing policy. Costs and prices of water and wastewater can then be developed for the major regions As the escalating costs of oil and petrol continue, people may review any ideas of moving to live in country regions. Thus, it is quite important that customers in country regions benefit from a revised uniform pricing policy as other living costs are generally greater than in the urban areas eg housing, petrol and food costs.

We are living in the 21st century and expect to have a rational approach to most matters. The current method of water resource annual rate pricing is like pricing petrol to consumers on the basis of the estimated market value of the vehicle. There is no real rational or just relationship for pricing the use of a resource in the current manner. As an active Christian I advocate that the annual water consumption and rate costs need to be proportioned to consumers' level of income ie Centrelink beneficiaries and low waged people, not just aged pension income rebates.

A progressive level of rebates of 20% at each level up to a reasonable household income amount such as a level just under average income wages automatically indexed every one to two years.

To assist with the prospect of increasing costs of the rebates provided to customers can be offset as the Draft Report notes there is capacity for businesses to pay more for the real costs of their water and wastewater use. The real costs of water and wastewater use can be reviewed in say two years to amend and adjust the pricing methods as proposed in this submission if they are adopted by the Government.

The Government still needs to develop a rational and just method to proportion the costs of annual water resource rates for consumers in relation to real levels of income, including consumption levels.

Yours sincerely

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