

Water Price Review submission

Mineral springs are the basis for a number of regional towns' tourism culture.¹ AirBnB investors from all over the country have been making a fortune from the mineral springs folklore in towns such as Stanley, Musk and Daylesford. Such communities should be **receiving a dividend** from these resources.

At present, water utilities claim only **0.64 of one cent** from water harvesters. These are publicly owned resources where the community deserves a fairer return.

With wholesale mineral water likely selling for 50c a litre, this is a significant mark up, **indicating that monopoly rents are present.**

Companies like Black Mount Spring Water are **paying in the thousands of dollars, but raking in the millions.**

We believe the Essential Services Commission needs to review the pricing from a monopoly rents perspective.

A resource rent should be charged for access to Victoria's mineral springs water. Their returns should be related more closely to an 8% return on capital invested, rather than a profit centre based on the privilege of accessing publicly owned resources.

This revenue should be hypothecated **between affordable housing and health costs** in that region. Such a fee would help rebuild the social contract if the communities affected by all day trucking were to receive some return for the inconvenience of traffic, pollution and gear crunching noise. A closed loop mechanism will help offset local concerns.

When analysing the [GVW pricing schedule for 23-24](#), concern arises out of the pricing disparity between Bulk Water charges for Bullarook and Campaspe. Only 30kms from Daylesford and 64km from Kyneton, one wonders why there is a 94% pricing differential to the Campaspe water pricing? Both regions have similar rainfall, but Bullarook enjoys substantially higher pricing.

With regards to the water table, we encourage the government to ensure that data collection of groundwater depths be made public. This should be part of the licensing arrangement with water utilities such as Goulburn Valley Water providing the necessary oversight. DEECA should make **water harvesting practices more transparent**, and ensure that water harvesting revenues are sufficient to fund effective water table monitoring. What is happening to surrounding springs once bore licences increase in an area?

¹ Hepburn Shire, [Mineral Springs](#)

I know natural springs and seeps on our Pudding Bag Rd have dried up since the Daylesford Polo Club started pillaging the aquifer. Are data points monitored for bore depth extensions?

Victoria should review its concerns with the Murray Darling Basin on this basis of water rents. We need a better understanding of water trading licences, how long they are held for and **what economic rents are received**. With many anecdotal reports occurring of real estate offices being replaced by water trading offices, the fervour is there. But who would know? What data is available in this space? The ABS should detail much more thorough data points highlighting the asset value and capital gains enabled via water trading. The ATO on the capital gains present.

The Essential Services Commission should be tasked with reviewing all the services it presides over in terms of the existence of monopoly rents. It is exasperating that government fails to employ economic futurists who can predict where monopoly rents will pervade when new markets or technologies open up fresh revenue streams.

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