

Alfredton Resident

1-05-2013

Central Highlands Water Customer

Response to ESC: - Price Review 2013: Regional Urban Water Businesses Draft Decision

Acronyms:	<b>CHW</b>	Central Highlands Water
	<b>ESC</b>	Essential Services Commission
	<b>ABS</b>	Australian Bureau of Statistics

I do not wish for my name and address to be made public but have put those details within my email so that the Commission can verify if they wish my existence as an Alfredton Resident therefore a real person.

Why is that there's the option to choose your retailer in other essential services like, electricity, natural gas, phone & insurance to name a few, but with water, we are locked into a situation of one supplier only?

I am a customer (Residential) of CHW.

I am disappointed that CHW were not to become the 7<sup>th</sup> out of the 12 businesses to be forced by ESC to reduce water costs, not increase costs.

I **applaud** the ESC for the draft restriction of 2.9% increase to water services, as under CHW's draft plan, I would have experienced an increase of 15% for my annual water bill for 2013-2014 period based on my current water usage of 242kL per year, as billed for period 17-12-12 to 14-04-13. I hope you are not persuaded to change your view on this issue.

Public meetings either organized by ESC or CHW, have not been well advertised in my opinion.

I only know that a public 'invited' meeting of ESC and CHW took place in Ballarat as it was covered as news item on Win news (8). It no doubt took place during working hours!! It was poorly advertised and Win News reported that only two members of the public were present. One of those persons was John Barnes. John if I am not mistaken is a former Chairman of the board of CHW (1) and has somehow impressed the ESC enough for you to mention his personal feedback on page 171 of your draft report (2)

I quote ESC (2) – 'A customer submission supported Central Highlands Water's IBT.<sup>56</sup> It stated a single variable tariff allows wealthier households to purchase water at reduced rates. The submission also stated that Central Highlands *Water did not provide modelling demonstrating the winners and losers from the proposed reduction in tiers.*

I make comment on the above to say that the wealthier households would be able to afford the water regardless of the change, however families like my own under this 2 Tier IBT will face increased water costs of 6.5% + CPI(3) above 2012-2013 rates.

I will also comment on the Average water consumption figure in CHW's report (4) of 125kL per annum per connection. CHW have forecasted an estimate of 65,884 (5) connections for 2013-2014 to serve a population base of 130,000(6) residents and Businesses, which equates to an average of 1.97 persons per connection. Therefore With a family of 3 children (young & in school etc.) and two adults, it is any wonder my water use is 1.9x higher than this average. I also make reference to that average figure being modelled during a period of drought and in our Case Stage 4 Water restrictions. Evidence of this drop due to those conditions can be seen on CHW's Graph (6) we demand drops steeply until 2010, where it starts to increase again as Water restrictions are lifted (slowly) due to significant increases in rainfall totals throughout 2010-2011.

Unfortunately future periods were modelled during this time. CHW fails to mention the lifting of water restrictions in their modelling for future demand.

I know there are a lot of families in Ballarat, It's a great place for families, and these families are now going to be hit harder by these increases. When you consider Ballarat's population to be 93,700 (7) approximately, that's 72% of CHW's customer base that I predict will face above average water use. I made a point in my letter to CHW of proposing the question (incorrectly at the time), I should have put it this way. *CHW, have you excluded from the average those whom live on rural properties whom have a metered connection but water usage is considerably below average owing largely to use of dam, bore or tank water on their properties?*

Based on my above I am extremely disappointed that you have not opposed CHW's proposal to change to a two Tier water use Tariff.

I wish to inform the commission that I am an electrician, so perhaps I earn an income that is more than many other customers in Ballarat, but I would also like to point out that I am water conserving as best we can in this house. We have installed low flow shower heads, use ½ flush on the toilets, use the water level control on the washing machine and water our garden as much as we can using tank water, yet still we use 242kL/annum based on our last bill.

*Below – are in extract form (relevant feedback) from a letter to CHW in August 2012 that I would like the Commission to read in conjunction with the above.*

I do not accept CHW's proposition. CHW has stated itself that it is a government funded and controlled organization which is therefore tax payer funded. AS I am also a tax payer, I implore CHW to obtain the funding they require for the scope of project works from the Government, not from increasing the water supply and discharge costs from tax payers. What your organization is proposing here is to hit the consumer not once, not twice but three times. We already pay taxes to the government, then your proposal increases the water costs to us as house owners, then on top of that we will find an increase in the cost of water based activities like swimming as the providers of these water based activity businesses will pass on their operational costs when their water costs increase also.

I am extremely disappointed at your lame attempts of community consultation and use your own data to prove how lame this is. You interviewed through a 'contractor' 420 residents by phone (I agree with the idea of a phone survey as you will get to speak to a human, and this still remains the most effective means of communication) however out of a stated supply population of **130,000 residents and business customers which means just 0.32% of the population were asked any questions, relevant or not!!**. This is an extremely low percentage from which you might expect to plot a trend. Worse still, estimating the population of Ballarat to be at 93,700(7) people, **you have therefore only interviewed 0.09% of the city which houses the majority of your customers. In fact 73% of your customers live in the Ballarat and District.** We will never know whether or not the questions you asked those 420 customers had any significance to them or were specifically designed to obtain muted responses. *Is the reason for that to avoid the obvious, that people are automatically opposed to a price rise?*

It is very prudent to note that 49% of my bill cost is for Waste Water access fees. 17% fresh water access and 33% is water itself. That is an amazing statistic in itself.

As far as services go, I have been a resident of Ballarat and district now for just over 5 years, and other than deliver and collect from this resident all you have done is flushed the pipes. I know there is a lot more behind the scenes and that is exactly your problem here, it's all hidden away, which makes it very hard for me to allow you to take extra money from my pocket, when I never get to see where that money was buried.

“The financial Stability of CHW is maintained” (9). You make it sound like you are a private company publicly owned!!!

I would like to finish by appreciating that even though your document is a draft, a lot of time and resources have been consumed in making this document so it is highly likely that it will be endorsed by the ESC regardless of my comments, despite the fact that I the customer, paid directly for this report to be prepared, yet very little if any of it favours my position or that of my family.

As a rate’s paying resident of Ballarat and have the right to vote, I am strongly opposed to this water plan.

References:

1. Ballarat Courier Nov. 19, 2012.
2. Price Review 2013: Regional Urban Water Businesses Draft Decision Volume 1. Page 171
3. CHW Draft Water Plan 2013-2018 Page 25 Figure 18 Proposed Tariff Structure Water Plan 3 Excl'd CPI.
4. CHW Draft Water Plan 2013-2018 Page 19 – Section 7 Demand Average 125kL/Household
5. Price Review 2013: Regional Urban Water Businesses Draft Decision Volume 1. Table 9.1
6. CHW Draft Water Plan 2013-2018 Figure 14 – Historic and projected water Total retail Water demand page 20.
7. Ballarat Courier & ABS.
8. Win News(Win Television Network Australia) Nov. 18, 2012
9. CHW Draft Water Plan 2013-2018 Page 5 Last Dot Point

Yours as a customer,

Alfredton Resident.

**PS: We do not drink water supplied by CHW.**