

David Langsam

25 April 2009

Submission to: The Review of Metropolitan Water Prices 2009-'13

Preamble

Below is my submission based primarily on a letter to City West Water managing director Anne Barker from February of this year, which I believe sets out a clear case for charging for the use of the environment on a user-pays or polluter-pays basis rather than through anti-environmental fixed charges.

I have not gone into any detail on welfare subsidies, but believe that any system needs to recognize hardship and there should be a discount for all legitimate welfare recipients.

There also should be both a recognition of and encouragement for reduced public water consumption by creating subsidies and/or tax breaks for households recycling water to their gardens as well as the installation of mosquito-proofed water tanks.

Submission

The State of Victoria can lead the way on water saving by incorporating service charges into the cost per litre for water use. To have relatively high service charges is an incitement to customers to use more water.

In our particular case, my family of five people (two adults and three young boys who need to be washed a lot) are well below the State Government target of 155 litres per person per day at 141.6 L/p/d.

The more we economize on water the bigger the relative size of the service charge and the bigger the disincentive to save. If the service charge is incorporated into the per litre cost, then water saving is a benefit and water wasting is a disbenefit.

It is far more obvious with motor vehicles where registration and insurance typically cost about \$1200 a year. If one does not drive one's care, one feels rather foolish. One might think, "I'd better go for a drive and burn up some cheap petrol just to make it worthwhile."

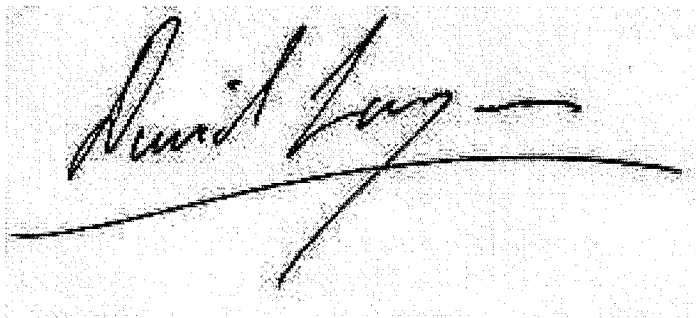
Far better would be to divide that cost by say 12,000km/year and charge 10c per kilometre. This can be done by sophisticated road taxing, but can also be more easily done by charging for the environmentally damaging petrol. Cars typically get 100kms for 10 litres so at 10c/km, it would add \$10/100kms or \$1 a litre.

People would think about their petrol consumption, as well as have their cars registered and insured. It might even encourage V/Line use!

The same principle should apply to all environmentally damaging activities. The polluter and user should pay.

Water conservers should not be charged the same as water wasters.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Langsam", with a long horizontal flourish extending to the right.

David Langsam