



10 June 2012

The Director
Essential Services Commission
Level 2/ 35 Spring Street
MELBOURNE, VIC 3000

**MELBOURNE WATER & YARRA VALLEY WATER RATES
GOING HIGHER & HIGHER EVERY YEAR : NEED TO BE REFORMED**

Dear Sir

I wish to lodge a complaint and request to Energy Services Commission to investigate and evaluate whether Melbourne Water and Yarra Valley Water consumptions charges are too expensive and sustainable in the long-term as household bills are increasing every year and there is no competition to lower the price down in the water supply industry.

I believe Melbourne Water and other water authorities got a monopoly in potable water production and distribution through its dealers in various areas of Australia. This monopoly might need to be re-assessed and deregulated in the light of increasing water related charges similar to the telephone and power supply to the consumers.

Due to significant changes and competition in the telephone, electricity and gas supply industries Australian residents are getting good deals from various service providers which are helping the consumers to reduce their bills at a manageable level.

There was no consideration or legislative changes made to Melbourne Water and other water authorities throughout the country and its dealer's charges which are increasing every year. In average every household is paying an amount equal to the other three services (gas + electricity + telephone) for water supply alone.

Usage/Consumption Rates (Comparison):

Company	Usage	Water Price \$/kL	Sewerage Price \$/kL	Gas Price \$/MJ	Electricity Price \$/kW
Yarra Valley Water / Melbourne Water	Step 1	1.7756	1.9546		
	Step 2	2.0832	-		
	Step 3	3.0778	-		
Energy Australia	Step 1			1.2932	
	Step 2			1.0036	
	Step 3				
Energy Australia	Step 1				0.1852
	Step 2				0.1946
	Step 3				

From above it is evident that:

1. In Step 1, Yarra Valley/Melbourne Water rate (\$1.7756) is 137.3% higher than gas price (\$1.2932) and 958.7% higher than electricity price (\$0.1852).
2. In Step 2, Yarra Valley/Melbourne Water rate (\$2.0832) is 207.5% higher than gas price (\$1.0036) and 1070.5% higher than electricity price (\$0.1946).
3. In Step 3, Yarra Valley/Melbourne Water rate (\$3.0778) is 306.6% higher than gas price (\$1.0036) and 1581.6% higher than electricity price (\$0.1946).
4. For Sewerage, Yarra Valley/Melbourne Water rate (\$1.9546) is 151.1% higher than gas price (\$1.2932) and 1055.4% higher than electricity price (\$0.1852) in Step 1.

Therefore, it is evident that Melbourne Water and its dealers such as Yarra Valley Water are charging every household extreme and exorbitant price for its water and sewerage in comparison to gas and electricity.

Water, gas and electricity all are produced from natural resources and their processing also similar in terms of capital costs, plants, overhead, loss and profit.

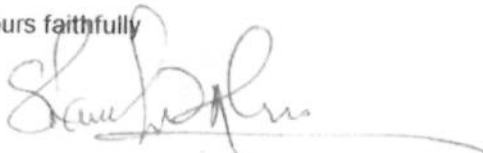
Therefore there should be similarities in pricing of these commodities although unit of measurements are slightly different. Reforms undertaken by Australian Federal and State governments during the last decade helping Australian households to reduce their gas, electricity and telephone bills to a manageable level.

Since there was no reform undertaken for water and sewerage industry, cost related to water and sewerage charges going higher and higher and will remain extremely high for millions of households who are facing hardship in paying their regular water and sewerage bills which is UNFAIR.

Therefore it is necessary that Energy Services Commission should undertake necessary steps to **REFORM** water and sewerage industry sector throughout the country and allow multiple private operators to supply water to the Australian households, which will initiate competition and thus lower the price of water comparable to gas, electricity and telephone services.

It is about time that ESC look into this matter seriously and come up with necessary de-regulatory measure so that multiple competitive water supply service providers develops throughout the country which will eventually lead to savings and sustainability.

Yours faithfully



Mohammad Chowdhury, MIEAust

Encl