

To: water@esc.vic.gov.au
cc:
From: David Matthews
Date: 20/11/2012 11:06:19 PM
Subject: Water pricing

Attention: Essential Services Commissioner.

I will be unable to attend the Review of Victorian Water Prices 2013-18 Public Meeting - Melbourne, Monday 3 December.

This is unfortunate because the following water pricing issue needs to be on any water pricing agenda. Like other liquids such as petrol, milk or beer, water should be sold and paid for per litre or per kilolitre used. Selling water by any measure other than per litre or kilolitre is discriminatory against anyone who is frugal with water use and beneficial to water wasters and large volume users. Imagine water industry accounting methods applied to the petrol, milk or beer industries.

I have been buying water in Melbourne since the 1970s and days of the MMBW. Water was basically free and customers paid for 'pipes in and pipes out'. Accounting skills within the water industry appear to have changed little since the 1970s while accounting within the petrol, milk and beer industries are able to integrate the equivalent of water supply's 'pipes in and pipes out' charges into a per litre price. Perhaps a simple transfer to the water industry of accountants from the petrol, milk or beer industries, who know how to or are allowed to combine all of the costs of delivering a litre or kilolitre of liquid product to customers would enable a necessarily radical review of water pricing that resulted in everyone paying the same price per litre or kilolitre of water. At the moment it's possible for every water bill paying person in a street to pay a different price per litre of water.

My reference to this issue arose from a period when I was absent from home for over two months and, together with the usual, lazy accountant friendly added charges, I was charged over \$200 for 2 kilolitres of water. Someone who used or even wasted 2000 kilolitres of water would be charged much less than \$100 per kilolitre. I had been discriminated against. Yes, I must pay for water industry infrastructure, as I do when I buy petrol milk or beer. Those liquid supply industries do not charge a relatively small price per litre for their product then hit me for massive infrastructure charges when I buy only a small volume of their product.

Please ensure that the Review of Victorian Water Prices 2013-18 Public Meeting Agenda addresses the following item:
THAT LIKE OTHER LIQUIDS SUCH AS PETROL, MILK OR BEER, WATER SHOULD BE SOLD AND PAID FOR PER LITRE OR KILOLITRE USED TO

AVOID PRICE DISCRIMINATION AGAINST LOW VOLUME USERS.

Your advice regarding a meeting response to my request will be appreciated.

David Matthews