

## WATER RATES CAMPAIGN

### WACRA MOTION

The following motion was passed unanimously at the May 2011 General Meeting of the West Adelaide Coastal Residents' Association.

West Adelaide Coastal Residents Association is concerned that the present SA Water billing practice is not reflective of water and sewerage usage and offers little incentive for householders to be conservative in their water use. To address this problem we plan to undertake an advocacy campaign which will include: promoting awareness of the issue through media releases; commencing a petition to be forwarded to SA Water; seeking the support of Charles Sturt Council and our local State member of parliament.

### WACRA SURVEY

A small survey was conducted among WACRA members. Minister Paul Caica agrees that these results are probably an accurate reflection of water rates within our area.

### SA Water Accounts May Quarter 2011

<i>X</i>	<i>Water Supply</i>	<i>Water Use</i>	<i>Sewerage</i>	<i>Levy</i>	<i>Total</i>
1	35.60	74.01	520.08	9.00	638.69
2	35.60	58.44	542.05	9.00	645.09
3	35.60	34.56	314.98	9.00	394.14
4	35.60	66.85	213.89	9.00	325.34
5	35.60	114.82	222.68	9.00	382.10
6	35.60	36.31	373.58	9.00	454.49
7	35.60	87.10	152.36	9.00	284.06
8	35.60	47.24	351.60	9.00	443.44
9	35.60	56.32	114.27	9.00	215.19
10	35.60	0.00	125.99	9.00	170.59
<b>Mean</b>	<b>35.60</b> <b>9.0%</b>	<b>57.57</b> <b>14.6%</b>	<b>293.15</b> <b>74.3%</b>	<b>9.00</b> <b>2.3%</b>	<b>395.32</b> <b>100.0%</b>

A significant result from this survey is that over 85 percent of the rate bill comprises fixed charges. Water use is the only component of the bill over which consumers have any control and, for most of us, even that is limited.

Sewerage, which is linked to property values, makes up about three quarters of the total bill for most rate payers.

### OTHER CAPITAL CITIES

Adelaide is the only mainland capital to base any part of its water and sewerage rates on property values. Typically other cities charge a fixed water supply rate and variable water usage at around the same figures as Adelaide. But, sewerage charges are then fixed at about 60 to 70 percent of the supply rate. SA Water cost estimates for the year 2011-12 are \$649 million for water supply

and \$320 million for sewerage and waste water. Yet our small survey shows that West Coast residents pay three times as much for sewerage as they do for fresh water supply. This represents a six-fold variation in prices for the two services.

### ***WATER INUSTRY ACT***

The WIA is currently before State Parliament and likely to pass through the lower house in August. Whatever the outcome of this act, SA is bound to the National Water Initiative and previous COAG agreements. The essence of these is that SA agrees to “consumption based prices” and supports increased “real” charges for water. Compliance with the NWI is interpreted by the SA Government in item 1.1.4 of the 2011 Regulatory Statement as “fully recovering the efficient costs of supplying SA Water’s drinking and sewerage services”. The same document foreshadows increases for 2011-12 of 65 percent in the fixed supply charge and an average 23.6 percent in the water usage charge. You may already have noticed on your most recent quarterly account that the supply charge has increased from \$35.60 to \$58.65. WACRA disputes that “full cost recovery” is the same thing as “consumption based pricing” and believe the SA Government may be in breach of its NWI and COAG agreements.

### ***WHAT ARE THE BENEFITS OF A USER PAYS SYSTEM***

There are two main benefits. The first would be to bring the onus of payment more directly on those who use the resource, which, we believe, is the intent of the NWI. The second would be to encourage the conservation of water. This latter should occur naturally if users face larger charges for excessive use. Higher charges for fresh water would also encourage more recycling of water. WACRA is aware of the social responsibility to those less able to pay, but believes a pricing structure can be found which protects these users so long as they are not profligate with water. We believe that water conservation should be a responsibility of all users whether they be rich or poor. In practice we would anticipate that a more “user pays” approach to billing policy would leave most users paying about the same amount with conservative users paying a bit less and profligate users paying more. Importantly, though, all individual users would have a degree of control over their bill.

### ***ACTIONS SO FAR***

WACRA has conducted the small survey listed above and researched water billing policy in SA and other States. We have met separately with minister Paul Caica, Tim Kelly from the Conservation Council of South Australia, John Caldecott from the Water Action Coalition, and together with representatives of the South Australian Council of Social Services and Council of the Aging. These meetings have been very informative and helpful as we continue to develop the campaign approach. All individuals and organizations have invited further dialogue.

### ***WHERE TO FROM HERE***

1. We have written to the Essential Services Commission of South Australia (ESCOSA) expressing our concerns about the present water rates policy and questioning whether it complies with Government commitments to the National Water Initiative. We intend to follow this up with SA Water and the National Water Commission.
2. We will continue to meet with politicians from all sides along with other people and groups with an interest in water rating policy.
3. With the assistance of our local Councillors we hope to make a presentation to Charles

Start Council later in the year.

4. A media campaign and resident petition remain on our agenda.

***WHAT CAN YOU DO TO HELP***

For the moment the best thing that you can do is make those you meet aware of the inequities of the present SA Water pricing policy and let people know that WACRA is running a campaign to do something about it.