



"Robert Sartori"

01/05/2009 10:59 PM

To <water@esc.vic.gov.au>

cc

bcc

Subject

Draft decision on Water Price Review 2009

1st May 2009

Dear Sir/Madam,

I wish to offer my submission on the Metropolitan Melbourne Water Price Review 2009 (draft decision), and in particular where I consider that it will be unfair.

As the owner of a block of apartments serviced by Yarra Valley Water, I have a particular interest in the review.

The issue which concerns me is that the **water and sewage service charges are fixed for each titled property, not for each property connected to the water retailer.**

The block of eight apartments which I own are currently on a single title and I intend to strata title them so that there would then be eight separate titles. The problem is that if I do this Yarra Valley Water have told me that I would then be required to pay eight water and sewage service charges, one for each title. This means that Yarra Valley water will be able to conveniently collect eight times as much in service charges **with absolutely no change to the services they provide.** Each apartment has its own water meter and each occupant will be charged for his/her consumption- this stays exactly the same.

From my understanding of responsibilities, the water retailer is responsible for repairs and maintenance to the water pipes up to the main meter for each property connected. Any repairs to piping on the "property side" of the meter is the responsibility of the property owner(s). Similarly, any repairs to sewage pipes within the boundaries of each property are the responsibility of the property owner(s).

Why then, if a connected property happens to have several titles on it, does the water retailer charge the same water and sewage service fees for each title as for the whole property if it happened to be on one title? The only explanation I can think of is that this is a convenient rort designed so that water retailers can collect greater revenue without the slightest increase in their costs of providing the service. In fact it even runs against the principles of common law.

What is most important is that, according to your own website, the ESC is required to assess water plans against the principles in the WIRO. In particular, charges must "reflect costs and provide incentives for sustainable water use", must "take into account the interests of customers" and "customers must be readily able to understand the prices charged or how they have been calculated". On all these counts, the current (and proposed) system of charging service charges per title fails to meet the WIRO stipulations.

Consider an analogous situation. When one buys a grocery item (such as a can of beans) the supermarket does not charge different prices depending on how many people intend to share it. This would be regarded as blatantly illegal and yet, when it comes to water supply, it is currently legal for some reason. What makes it even worse is that water supply is a monopoly so that the poor old customer doesn't have the option of switching to another supplier.

Let's face it, the current (and proposed) system of charging water and sewage service fees **for each titled property** is ridiculous, runs against the WIRO guidelines and principles of common law and serves only to increase the water retailers' revenues without providing any additional services. Service fees should rather be charged **for each connected property.**

I hope that my submission will be considered and look forward to the draft water plan being modified to account for my concerns.

Yours sincerely,

Lino Sartori