

Comments on Coliban Water's Water Plan 2013-2018 pricing submission to the ESC.

Of the examples of typical bills included in the above submission, that for a medium residential water user (annual consumption 155kL) is closest to our usage (120kL pa). The first year increase for such a user is listed as 15.7%, with remaining year increases of 3% pa (to give a 5 year total increase year of 30 %.).

BUT! These percentage increases are based on water AND sewerage charges, and we (along with hundreds of other residential users in Bendigo) are not connected to the Coliban Water sewerage service (in our case, all waste water is treated and then distributed via dripper lines to plants).

SO ! When the sewerage charge is taken out of the above example bill, our first year increase for fixed and variable water charges (from \$400 to \$524) is 31%, and the total increase over the 5 year period is 47%.

AND ! If we adjusted water usage charges to reflect our 120kL usage as opposed to the 155kL in the example bill (ie 22% less), then the first year increase would be 35% approx, and the 5 year increase would be 52% approx.

The Water Industry Regulatory Order 2012 para 14 (1) (a) (v) (A) requires the ESC to be satisfied that prices provide appropriate incentives and signals to customers about the sustainable use of Victoria's water resources. Years of such incentives and signals (for example via stepped pricing) are now being thrown overboard. For example, if in 2013-14 we were to **REDUCE** our water usage by 20% below our current 120 kL pa, then our bill would **INCREASE** by approx 21% !