

Submission to the Draft Report 2010/11 Interim Price Monitoring of SEQ Water and Wastewater Distribution and Retail Activities

I am a Gold Coast ratepayer and I object to the excessive price increases proposed by Allconnex.

My lay understanding of the draft report is limited due to my inability to comprehend the arcane language and acronyms peppered through the document. Individually and collectively they complicate, confuse and mask what should essentially be a simple task : informing the ratepayer how much money is collected, where it is spent and what it is spent on.

The MAR and WACC acronyms are used as though they are accepted wisdom, set in concrete and as long as the price increase fits within their parameters, it is accepted. The criteria and parameters set by these acronyms do not appear to have involved any public consultation or discussion. The ratepaying public are excluded from the setting the parameters.

According to Chart 6 in the Draft Report, Bulk Water charges are 16.9% of total costs and operational costs are 22.4% of total costs.

Accepting a 20% increase in the Bulk Water charge, over which Allconnex has no control, the increase in total costs is no more than 4%.

Operational costs should be prudently managed and increase by CPI or close to it.

Allowing for a 10% increase because of set up costs etc. the increase in total costs should be no more than 3%.

Given that these increases constitute a 7% increase in total costs, there should be no other increases above CPI permitted.

The one thing not made clear in the document is what percentage of the total costs, and how much in dollar terms, represents council 'dividends'. This should be excluded from any permitted increase because it is not 'cost recovery'. It is profiteering. It should be reduced or constrained to CPI at the most.

Although well above CPI increases, a price increase of the order of 7%-10% is the maximum the commission should allow in this report.

An increase of this magnitude translates to a \$120 increase in my annual bill. I need to set aside the money earned from an additional 8 hours work at my hourly rate just to pay the increase. Those on fixed incomes, minimum wages and many self funded retirees will be penalised unfairly.

Clean water and well managed sewerage are demanded by the community. It is an essential of life. It has become a disproportionately large impost on the typical ratepayer. Costs and charges should be controlled. Water and wastewater are straightforward engineering function. Nothing more. Any costs that are not directly related to that function should be disallowed. There is tendency to overcomplicate the management of what the Romans did successfully 2000 years ago with a minimum of fuss. It is not rocket science.

I trust the Commission will view my submission favourably.

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