

Dear Mr. Bounds,

Re: TasWater-Economic Regulator's Suggested Price Changes.

I applaud the Economic Regulator's recommendation to TasWater that "Customers above their respective target fixed tariffs as at June 2015 will immediately move to their respective target fixed tariffs as from 1 July 2015." I only hope TasWater will agree to it.

The basis of water and sewerage tariffs has been unfair since the takeover from the councils in July 2009. The reason given for the takeover was that some councils had been setting charges that did not reflect the true cost of services and had thus made insufficient provision for the proper upkeep of infrastructure, resulting in health and environmental standards not being met.

This was not true of Glenorchy Council, which passed on the full cost of the services to its ratepayers, *and* made a small profit, which it used in other council projects. In 2008-2009, water and sewerage charges constituted just over 50% of my total rates. (\$729.33 of a total of \$1,447.55) At the takeover, I understand that the municipality's water service was in very good order, and the sewerage service needed minor maintenance, which would have been attended to when the next lot of rates came in.

Once water and sewerage were made a State-wide concern, to be strictly fair, the rate-payers of those councils which had been undercharging should have been billed so as to make up their respective short-falls. As this would certainly have resulted in considerable "bill-shock" for them however, it would also have been acceptable to have put everyone on an equal level straight away. The way it has worked out in practice, though, is that while those in the underpaying municipalities have been protected from "bill-shock", the inhabitants of those which did the right thing and charged proper water and sewerage costs, have not only had no protection from "bill-shock", but in paying above the target water rates for six years now, have contributed far more than their fair share towards the improvement of the State's water. To put it another way, some municipalities have been rewarded for previous undercharging, while others have been punished because their Councils did the right thing.

If Glenorchy fixed water charges are reduced to target price on 1st July 2015, it will go some way towards mitigating the sense of injustice felt by many in this district.

The variable water charge of 97.74 cents per kilolitre for 2015-2016 is fair enough, so long as *everyone* pays it.

Thank you for this opportunity to comment. I have appreciated it.

Yours sincerely,

Jill CARINGTON-SMITH