



Local Government Association Tasmania

MEDIA RELEASE

16 May 2011

Future Water and Sewerage Pricing Discussed at Forum

A forum to discuss future water and sewerage pricing was held between the Local Government Association of Tasmania and the Tasmanian Water Corporations in Launceston on Friday, 13 May.

Mr Miles Hampton, Chair, Tasmanian Water and Sewerage Corporations, advised the forum that with a view to starting the process of removing current cross subsidies in water pricing, the Corporations had proposed to the State Government that the Interim Pricing Order be changed to remove the 5% price cap from 1 July 2011 and that the maximum price increase in 2011/12 for residential customers be capped at \$100 or 10%, whichever is the greater.

Mr Hampton said that under the proposed plan not all residential customers would pay an increase. "Those customers who currently pay above the target tariff would remain at their current tariff level for 2011/12," he said.

"It has been legislated that the Corporations introduce equitable pricing between customers. The Corporations have determined that a uniform price across each region is the most appropriate basis, where all customers receiving the same service pay the same charges," Mr Hampton said.

"When the Corporations were established, they were required to continue the basis of pricing previously applied by councils and as a result, this has continued the enormous diversity in charges."

"In 2010/11, Southern Tasmania residential customers will pay an average \$807 but the range is below \$100 to over \$8,000. Northern Tasmanian residential customers will pay an average \$729 but the range is \$442 to \$2,163. North-West Coast residential customers will pay an average \$780 but the range is \$608 to \$2,165," Mr Hampton said.

"In moving to equitable prices those customers presently paying below the target tariff will pay increased charges, whilst those paying above the target tariff will over time benefit from reduced charges. In order to minimise the price shock for those customers who will incur higher charges, the Corporations have proposed that the maximum increase payable by an individual residential customer in 2011/12 be \$100 or 10% whichever is the greater," he said.

On behalf of LGAT, Mayor Deidre Flint said that while the plan presented to it by the Water Corporations would result in significant increases to some customers, the move to equitable pricing was necessary.

"The Council Owners of the Water Corporations call on the State Government to abandon the 5% price cap and implement the proposals for 2011/12 put forward by the Water Corporations," she said.

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For interviews, please contact Allan Garcia - LGAT CEO on 0419 123 201, or Miles Hampton - Chair, Tasmanian Water and Sewerage Corporations, on 0418 120 163.