

Water reform issues

It is not uncommon for reform of any sort to create controversy and concern. Water reform is no exception, but we should not lose sight what this change is all about.

Since initial studies into water management in the mid 1990s, structural reform of the sector was inevitable. It was only a matter of when it would happen and what structural model would be adopted.

We are told underlying reasons for the reform included underfunding, environmental harm; substandard water quality in some towns, operational inefficiencies and pricing reform to remove cross subsidies.

This is all very well, but what concerns me is how the new authorities are going to fund the reported backlog of water works without increasing already intolerable cross subsidies or imposing an additional crippling cost burden onto consumers.

I believe that we are also entitled to be told how these authorities intend to manage pricing reform and what the timeframe will be.

We know that higher valued residential and commercial properties subsidise the cost of water services for the lesser valued properties.

Historically, water has been priced on the value of properties which has little or no regard for the amount of water consumed.

The alternative model is expected to be more like how electricity and telecommunications are priced. A base service charge and volumetric charge for the amount of water consumed.

Like electricity and telecommunications, all water bills will go to the actual consumer or occupier of property.

I would like to see more energy spent on thinking about how these authorities will get efficiencies and cost savings out of their substantially improved economies of scale. This includes what benchmarks will be used to allow us to gauge whether or not these authorities are achieving their efficiency and service standard targets.

It is no one's interests to simply transfer the inefficiencies we have been told were in the sector under direct Council control to the new authorities.

Damon Thomas

Alderman Candidate for Hobart City Council