

Attn: Chief of Staff; News Editor; News Producer

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For immediate release

## Media Release

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### **Early transition to fairer pricing structure welcomed by water corporations**

The Chairman of the Tasmanian Water Corporations, Mr Miles Hampton, said the budget announcement removing the requirement for the water corporations to use, as a base, the same fees and charges as those applied previously by local councils, was a significant move towards achieving fairer pricing for customers.

“The inequities in the current tariff system – where some customers are paying thousands for the same service while others are paying less than a few hundred dollars – have been a major concern for the Water Corporations.

“We welcome the opportunity to begin the transition to fairer pricing a year earlier than provided for under the previous schedule.

“The Government’s decision to remove the 5% price cap in 2011/12 was important in enabling the water corporations to commence the transition to fairer pricing.

“We are also pleased that the State Government has endorsed our recommendation that price increases be limited to \$100 or 10%, whichever is greater. If a customer only receives one service – either water or sewerage – their increase in next financial year will be limited to \$50 or 10%, whichever is the greater.

“However, we already have a number of customers who already pay more than their fair share. Fixed charges for these customers will not increase in 2011/12.

“For customers who already have water meters, the maximum increase on volumetric tariffs will be capped at 10%.”

“While the water corporations have a major task to both improve water quality and overcome the environmental damage caused by ageing waste water treatment plants, we have been determined to keep annual price increases to an absolute minimum.

“It is our view that an increase for most customers of around \$2 per week is reasonable.”

Mr Hampton said the corporations also were moving to quarterly billing in the 2011/12 financial year, in line with the practice of other utilities, such as electricity companies.

“Concession payments to eligible customers will be spread across each of the four quarterly accounts.”

He said the corporations provided flexible payment plans and a range of payments options to assist customers experiencing short term financial problems due to illness or unemployment.

Information on the new charges will be available on the corporations’ websites from 1 July 2011.