

13th November 2010

Dear Committee Secretary,

I would like to proffer two points for consideration by the Inquiry into the Ecological Carrying Capacity of the ACT under paragraph 1b of the Terms of Reference.

First that a major component of this consideration will be water supply, that over recent years we in the ACT have learned the hard way how variable that can be and consequently that we should take any reasonable measure that we can take to optimise consumption. In particular we should seek to avoid the need for a new reservoir which would be an obvious extension of the ecological footprint and complicate the overall situation in the Murray-Darling Basin.

I suggest that one such measure would be a shift in pricing method from the present mixture of fixed and consumption charges to wholly consumption charging. I notice from my recent water bills that my consumption charge is circa 15-20% of the total. There is not much incentive there for me to reduce consumption in order to reduce my costs. The ostensible reason for fixed charges is to give the provider an adequate return on capital - but that reasoning is not sound. A parallel is available from the oil industry of which I have been told that 80% of cost is in finding and extracting – i.e. is capital expenditure – only 20% in transporting and refining. But the oil industry charges its customers by the quantity supplied – so much per litre – there is no fixed charge. But the oil companies must be getting an adequate return on capital or they would no longer be in business. Other parallels are available. I suggest that what others can do so also could do the water industry – though it may need a more specialised type of financial accounting than it currently has available. There would also need to be some amelioration for certain welfare cases – single mothers with young families for example. Given adequate coordination between territory and federal governments that could be provided via the social security system. A precedent already exists there – some pensioners receive an allowance to offset telephone rentals. The same mechanism should be adaptable to provide a water allowance to appropriate beneficiaries.

My second suggestion is that if it be within their resources, the inquiry conduct a poll of ACT residents to ascertain their feelings as to what the territory population should be. I am prompted by learning from occasional media reports that our birth rate is below reproduction rate – that as a community we are seeking to reduce, not increase, population. But the federal government is working to increase population via the skilled immigration programme while, I understand, there are substantial numbers of young unemployed who could be trained to provide those skills. Increasing population obviously extends the ecological footprint, reducing it to some optimum level would reduce and perhaps stabilise that.

Yours sincerely,

Keith Sayers