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## **CONNOLLY SUTHERS LAWYERS LEGAL ALERT CONSUMPTION BASED WATER PRICING - WILL IT AFFECT YOU?**

### **A new water pricing system for rate payers in Townsville**

The Townsville City Council is in the process of phasing out the current water pricing plans and implementing a new Consumption Based Water Pricing Plan. The changes are due to amendments by the Queensland Government to the *Local Government Act* 1993 and are intended to promote water conservation.

The changes will affect all rate payers in Townsville.

### **The old water pricing plans**

Townsville rate payers have previously had the option to pay for their water under the Standard Pricing Plan or the Water Watcher Plan.

The Standard Pricing Plan enabled rate payers to pay a fixed annual charge for the service connection and then be entitled to the use of water up to a fixed consumption level. Only excess water was paid for by the rate payer when water consumption used by the rate payer was in excess of the fixed consumption level. The fixed annual charge for the 2009/2010 year was \$638.00 with a water allocation of 772 kilolitres.

The Water Watcher Plan enabled rate payers to pay a reduced annual charge of \$331.82 and then pay 69 cents for each kilolitre of water used up to 772 kilolitres. Higher charges applied after 772 kilolitres.

### **The new Consumption Based Water Pricing Plan**

Under the new Consumption Based Water Pricing Plan, the rate payer will be required to pay an annual fixed charge and then a certain fee per kilolitre of water used. The new Consumption Based Water Pricing Plan is not considerably dissimilar from that of the previous Water Watcher Plan.

### **When will the changes occur?**

The new Consumption Based Water Pricing Plan commences from the date of the rate payers water meter reading during the period from 27 April 2010 to 30 June 2010. The exact date is dependent on the rate payer's annual water meter reading date.

There is a transitional period that runs from the date of the rate payer's water meter reading during the period from 27 April 2010 to 30 June 2010, until the date of the rate payer's next water meter reading during the period from 1 July 2010 to 30 September 2010. There is approximately 3 months in between the water metre readings.

Townsville City Council will freeze the water consumption charges during this transitional period at a rate of 69 cents per kilolitre used. Rate payers will be required to pay this rate for water used during this transitional period.

### **What will it cost me after the transitional period?**

The fixed annual connection charge and rate of charge for each kilolitre of water used has not been determined by Townsville City Council at this stage. It will be confirmed by Townsville City Council prior to receipt of the rates notice for the next rating period from 1 July 2010 to 31 December 2010.

All rate payers should receive a letter from the Townsville City Council advising them of the changes to water pricing.

### **What this means for you**

If a rate payer was previously under the Standard Pricing Plan and paying an annual charge of \$638.00 for the use of 772 kilolitres, then there could be a significant increase in costs for water usage. This will of course be dependent upon the amount of water used. For example, if all allowable 778 kilolitres were used in or an excess water account was received from Townsville City Council, then there could be significantly higher water charges under the new Consumption Based Water Pricing Plan.

If a rate payer was previously under the Water Watcher Plan then there may not be a significant difference in the transition to the new Consumption Based Water Pricing Plan, other than perhaps higher charges for water used.

### **Is there an option to use this system?**

No. All rate payers will be transitioned to the new Consumption Based Water Pricing Plan.

Please feel free to call Brendan Gaeta on 4771 5664 or email him at [brendan.gaeta@connollysuthers.com.au](mailto:brendan.gaeta@connollysuthers.com.au) if you require more information about this important change

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