

Rising productivity is usually defined as an increasing supply at a falling cost.

Around 1990, our water bill from ACTEW in the ACT was around \$797 for 1,297 kilolitres of water.

Following water restrictions, supply has been constrained to around 900 kls and we are paying \$4.01 per kilolitre. The same amount of water as in 1990 would now cost us \$5,200, a figure which bespeaks extortionate taxation. As a result of water restrictions we have lost 3 trees, the garden has been trashed and its value severely diminished (both in terms of use and thousands of dollars in restoration costs).

I request that:

1. the Commission, being a Productivity Commission, compute and publish the declines in productivity in the Australian urban water supply sector; and
2. compute the deadweight losses inflicted on the community by water restrictions and prices in excess of short-run marginal cost of supply.

Yours faithfully

Dr Terence Dwyer