

Meter and volumetrically charge to manage water demand

More councils should be using metering and volumetric charging as tools for managing water demand, says Murray Gibb, chief executive of Water New Zealand.

Commenting on water restrictions on Northland, Mr Gibb noted that charging customers directly for their water consumption was proven as the most effective tool for managing demand.

“It leads to more efficient use of water. The average daily domestic water use across councils that volumetrically charge for water is 200 litres per person per day, and Aucklanders have got their use down to 170 litres. This contrasts with the daily domestic consumption figures of 300 litres quoted in drought stricken Northland,” he said.

“Introduction of metering and volumetric charging typically reduces overall domestic consumption by up to 25 per cent, and peak summer demand by up to 40%, said Mr Gibb.”

“At the moment only 11 of the 73 councils are metering across their whole customer base, with a further 8 metering in some parts of their jurisdictions.”

“A recent report from the Auditor General put the per person domestic consumption figure from one unmetered town at 1169 litres. The same report made a number of recommendations to local authorities to improve their planning round managing forecast demand for forecast demand for drinking water. The current Northland situation reinforces this need.”

“Metering and volumetric charging brings significant benefits. It drives behavioural change. Both suppliers and users are more likely to fix leaks if they know how much water is being lost from pipes and where losses are occurring.”

“Because its price is not readily visible in rates demands, public awareness and appreciation of the value and cost of the supply of water is low. Some see water as a free and plentiful commodity, with an endless supply available as long as it rains occasionally. Reticulated supplies aren't free and it doesn't always rain.”

If the price and use of water were directly connected, as they are for other private goods that attitude would change,” he said.

“The use of uniform annual charges to supply water services also produces inequitable outcomes. High volume users watering their gardens and topping up their swimming pools are being cross subsidised by low use householders, which is patently unfair.”

“On environmental, economic and social equity grounds the case for metering and volumetric charging is compelling, and more councils should be using these tools,” said Mr Gibb.

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