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1 May 2023

Water Team  
Essential Services Commission  
Level 37, 2 Lonsdale Street  
Melbourne VIC 3000

Dear Sir/Madam

### **Coliban Water price review 2023**

Thank you for the opportunity to provide feedback on the ESC's draft decision in regard to Coliban Water.

My comments are directed at Coliban Water's roll out of digital meters. Coliban Water euphemistically refers to these as 'digital data loggers' in its [Frequently Asked Questions](#). In other jurisdictions these are referred to as smart water meters.

#### **Substantiation of digital meter cost savings**

The Water Team is to be commended on its request, outlined in the draft decision of 12 April 2023, that Coliban Water 'quantify the cost savings to customers delivered from its digital metering project rollout across the current period, and demonstrate how these savings are reflected in its financial model and passed through to customers'.

Large IT projects typically overstate potential benefits and underestimate costs. Cost benefit analysis undertaken by Deloitte in 2011 on behalf of Victoria's Department of Treasury and Finance, in respect of the roll out of electricity digital meter infrastructure, concluded that the program would '[result in net costs to customers of \\$319 million \(NPV at 2008\)](#)' (my italics). This, despite earlier analysis promising \$775 million in net benefits. It is also readily apparent that benefits to customers were grossly inflated; this is especially true when the [social costs](#) of exposing the community to increased levels of pulsed manmade radiation as a result of the rollout are taken into account. Social costs are also incurred in the roll out of digital water meters, albeit this infrastructure may affect a smaller proportion of the population.

The environmental costs of introducing additional electro-pollutants into the environment as a result of Coliban Water's adoption of digital metering infrastructure have also not been factored into cost benefit analysis. According to the invitation for an expert webinar being held this week on the environmental impacts of electromagnetic radiation, a landmark three-part review, entitled [Effects of non-ionizing electromagnetic fields on flora and fauna](#),

‘documents 1,200 studies indicating a myriad of harmful effects to wildlife even at very low exposure levels. The authors found that all animal species were affected’.

The ESC’s [previous water price review](#) of Coliban Water stated that Coliban Water had ‘committed to undertake an independent peer review to confirm whether the project should proceed’. Presumably the results of that review (which I have been unable to locate) have informed the ESC in its current scrutiny of Coliban Water’s digital metering project?

It is to be hoped that Coliban Water will make a full and frank disclosure of how cost savings from its digital metering project – above and beyond the identification of residential leaks, which is something customers might already have worked out for themselves – are being realised by customers.

### **Clarification required**

The ESC’s final decision of 19 June 2018 stated that in response to concerns raised in submissions Coliban Water was ‘developing a policy for the conditional optout from digital meter installation for customers with genuine health concerns and for the voluntary take-up of time-of-use tariffs’. Based on personal experience, optouts from digital meter installation have indeed been honoured. However, there is a lack of transparency in regard to this policy as it has not been articulated in the online information provided by Coliban Water to customers.

Furthermore, Coliban Water states in its 2023-2028 price submission that ‘All new meters will include digital metering devices...’. Does this signal that Coliban Water is proposing to abandon its policy of accommodating customers with genuine health concerns if their current manually read meter fails? If so, this policy represents a potentially significant cost for customers rendered vulnerable, in consequence of their sensitivities.

Clarification is also required in respect of the special meter read of \$20.55 (with ongoing increases in future periods) for manually read meters. Is this a fee that only applies for one-off reads (for example, on vacating a property)? Or is Coliban Water contemplating charging customers who have a manually read meter for all reads?

### **Concluding comments**

It would be helpful if greater transparency was provided in regard to Coliban Water’s digital metering project. However, choose what, it is unfortunate that social and environmental costs stemming from increased levels of pulsed electromagnetic radiation (from individual digital meters along with the infrastructure supporting them) are not being considered in the evaluation of Coliban Water’s digital metering rollout project.

Yours sincerely

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