

Reference: Submission IPART Rural Water Pricing



16 April 2021

Review of Water NSW's Rural Bulk Water Prices
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, Sydney NSW 1240

Dear Sir/Madam

Draft Report - Review of Water NSW's Rural Bulk Water Prices

This is Lithgow City Council's submission in response to the Draft Report of the Review of Water NSW's rural bulk water prices. The submission raises issues which are not considered in the Draft Determination.

Council has reviewed the cost impact of the Draft Determination and the impact to the typical residential bill (TRB). The effect is that we will reduce the amount of water purchased from WaterNSW. This will mean that Council will supply increased volumes of water to the areas that are normally supplied by WaterNSW. It will also result in Council supplying water to WaterNSW and their customers. In this instance Council should be able to recover the cost of the water provided to WaterNSW. Council asks that there is provision in the Determination to recover the cost of the water provided to WaterNSW. This ensures that Council is fully recovering its costs.

The reduction of treated water purchased from WaterNSW will also impact on the service to the minor consumers. Reducing the demand on the system results in the degradation of water quality and their ability to supply potable water that meets the Australian Drinking Water Guidelines.

The Fish River Water Supply Scheme has been operated by various NSW Government agencies with financial surplus from the scheme being returned to the NSW Government general revenue. Any investment into the scheme is and has been paid for by the customers. There has been little capital investment in the scheme and as noted by WaterNSW ageing infrastructure is problematic. Had Government maintained funds in reserve from surpluses the current financial impact would be reduced. Council believes that there should be a material investment from the NSW Government to support current and future capital upgrades/improvements.

Council has experienced extended periods where water has not been available or access is limited due to pipe failure or the water quality is so poor that we cannot supply it to consumers. Currently, there is no provision for fee relief from the fixed access charges when water is not available for the purposes for which it is purchased. Council requests that provision be made within the Determination that when water supply is unavailable or of poor quality that the fixed access charges (or some other form of financial offset for the consumer) are waived for the period that

supply in unavailable. Council would then be able to pass on these savings to the consumer.

As discussed with both WaterNSW and IPART, Council seeks to amend the water allocation of water under the Maximum Annual Quantity (MAQ). Council currently has an MAQ of 1778 ML/a for treated water. Council wishes to amend this to 1678ML/a of treated water and 100ML/a of raw water and asks that this change be reflected in the determination.

Please contact Daniel Buckens, Director Water and Wastewater if any of the above requires further explanation.

Yours sincerely



Craig Butler
GENERAL MANAGER