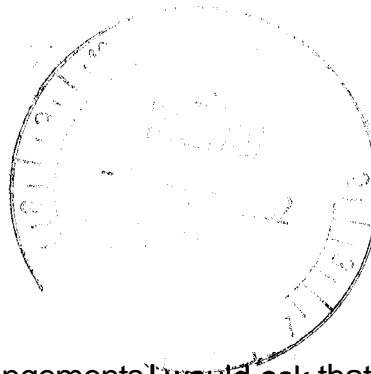


The Manager
Hunter Water
Newcastle



Dear Sir,

When next you change your water charging arrangements I would ask that you take into account the following.

- 1 Your organisation is a supporter of the user pays principal however your billing procedures do not reflect this.
 - Customer charges involve a very significant service charge which bears no relationship to the usage.
 - The service charge discriminates between a dwelling and a flat or unit. If the users are a family then they are users no matter what type of residence they occupy.
- 2 Your organisation is a supporter of the user pays principal however your supply contract procedures do not reflect this.
 - Where the house is a tenanted property the user of the water is the tenant not the landlord. Your water charges do not make the user, ie the tenant responsible for the cost of the water.
- 3 Your organisation is a supporter of efficiency principals however your billing procedures do not reflect this.
 - Your procedures bill the landlord and then the landlord is required to collect from the tenant their share of the account. This incurs the landlord extra expense and paperwork. The landlord also does not have the option of refusing supply if the tenant has a poor history or outstanding debts.
- 4 Your organisation is a supporter of environmental principals however your customer charges do not reflect this.
 - Your charges include an "environmental improvement levy" That levy is imposed on the account holder not the water and sewerage user. There is therefore no incentive for a tenant to think if the environment or act responsibly.
- 5 Why is your organisation treated differently to all other suppliers to a household?

- The supply of electricity, gas, landline phone, mobile phone, fuel oil, pay TV, Internet and many other services are all billed directly to the user. Water and sewage should be no different.

Recommendations

- All water and sewage charges to be based 100% on use.
- The supply contract to be between the user and Hunter Water.
- The land owner to be charged a connection fee at the time initial supply is made available to the property.
- All levies applied to be the responsibility of the user.

I trust this approach will be far fairer to all concerned.

When implemented

- The method will be much fairer
- costs savings could be passed on to users or used to improve Hunter Waters margins.
- The environmental levy will be more effective
- The billing for water and sewage will be inkeeping with the supply of other services.

Conclusion

I look forward to your comments and implementation.

Rick Banyard

Copy to I.P.A.R.T.