



The Chairman
Independent Pricing and Regulatory
Tribunal
PO Box Q290,
QVB Post Office NSW 1230

Contact: John Booth
Our Ref: EN 161/9 Pt 15
(1/2001/8342)
Your Ref: 01/369

Attention: Mr. Michael Sedwell

Dear Sir,

REVIEW OF HUNTER WATER CORPORATION'S OPERATING LICENCE

I refer to your letter dated July 19, 2001 requesting stakeholder input to the issues paper provided under cover of that letter.

Council has resolved at its meeting of August 2001 to "make a submission to the annual audit of the Hunter Water Corporation's objectives, detailing the poor quality of service being provided by the Corporation in relation to the general condition of the water and sewerage infrastructure in the Cessnock Local Government Area".

One of the primary functions as set out in Section 13 of the *Hunter Water Act 1997* is to:

- "provide, construct, operate, manage and maintain efficient, coordinated and commercially viable systems and services for supplying water, providing sewerage services and disposing of waste water, and
- "provide, operate, manage and maintain a drainage service".

Under the "Principles for Operating Licences" Hunter Water Corporation is supposed to provide "customer protection and adequate service delivery" with respect to the above primary functions.

The main concerns with service delivery in the Cessnock Local Government Area (LGA) is in the inaction of Hunter Water Corporation (HWC) in providing sewer infrastructure to the villages and towns of Ellalong, Millfield, Pelton, Mulbring, North Rothbury, Kitchener and Wollombi.

Many of these villages have small urban allotments of approximate area 450 m², which is too small to efficiently maintain a septic system. However there appears to be no plan by HWC to sewer these villages, despite population increasing. The extension of sewer infrastructure to such areas has fallen victim to "economic rationalism" with no concern for the welfare of these communities.

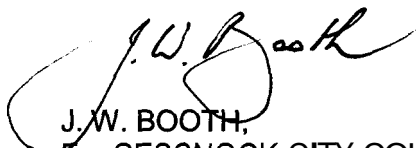
Cessnock City Council also has concerns about the deterioration of HWC's existing infrastructure within the LGA. Leaking water mains installed under both State Roads (for which the RTA is the "road authority") and Council's local roads, cause continuing damage to the road asset. Many of the watermains consist of lead jointed cast iron and steel pipe, which is 60 to 80 years old. These joints move and crack under the traffic volume and axle loads now using these roads. The repairs undertaken by HWC weaken the structural integrity of both RTA and Council pavement assets.

There appears to be no program undertaken by HWC to replace or relocate these watermains from within the road pavement to their agreed utility allocation in the footpath, unless subsidized greatly by charging road authorities to undertake such relocations in conjunction with road works. The recent examples of Cessnock Road, Neath and Cessnock Road Weston are cases in point.

In addition HWC maintains an extensive network of concrete stormwater channels through Cessnock. This infrastructure is vital for the management of flooding in the Bellbird, Lavender, Black and Kearsley Creek systems, which flow through the Cessnock urban area. This infrastructure requires ongoing maintenance and upgrading. Council requires assurance that Hunter Water Corporation will give these assets the attention they deserve, given that they produce no revenue for the Corporation.

Should you have any queries please contact me (Council's Roads, Bridges & Drainage Manager) on telephone 4993 4258.

Yours faithfully,



J.W. BOOTH,
For CESSNOCK CITY COUNCIL.

September 20, 2001