



Your Reference:  
Our Reference:  
Contact Person:  
Hours:  
Telephone:  
Fax:

02/39  
151/0059  
Mr R McPherson  
8.30am to 5.00pm  
9847 6708  
9847 6598

18 July, 2002

Mr Chris Spangaro  
Program Manager, Water Pricing  
Independent Pricing and Regulatory Tribunal  
P O Box Q290  
QVB Post Office  
NSW 1230

Dear Mr Spangaro,

**Re: *Issues Paper – IPART Review of maximum prices charged by the Metropolitan Water Agencies***

Thank you for a copy of the Issues Paper on the PART Review of maximum prices charged by the Metropolitan Water Agencies.

As requested, Council has reviewed the Issues Paper and would like to submit the following comments:

2.2 When considering service provision to “customers” the Tribunal should also consider the environment as a “customer”. The community and the environment are inextricably linked and any decision on pricing and management must be considered in this context. For example, environmental flow volumes will need to be considered when calculating supply and demand.

7.1 Demand management should be a major goal of this review. While it is accepted that pricing might not be a strong driver towards lessening demand it is still a tool which should be applied along with a number of other tools, such as, technology enhancements, planning instrument development and education. The concept that current pricing projections will have only a small impact on demand might also indicate a pricing structure completely out of step with customer expectations and the importance placed on the supply of a quality product.

Funds raised with the outcome of demand reduction in mind could be redirected to projects involving technology, planning and education methodologies for demand management. In this way the price increase would indirectly cause demand reduction.

(CLAUKE-H:WATER/Letter/2002/Jul04.doc)



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7.4 It should be emphasised that the major current impact on the quality of stormwater in urban areas is the reticulated sewage system.

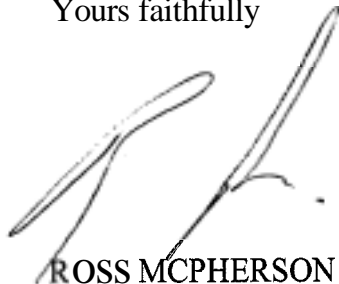
One method by which better stormwater management outcomes could be achieved would be to grant stormwater licencing rights to Local Government, this could be on a connection and annual rental basis or modeled on a volume discharged basis. This would supply increased resources for stormwater management independent of the “input” price of reticulated freshwater.

An alternative arrangement could be for the Water Authority to have a charge built into the freshwater supply structure which is dedicated to stormwater management and supplied to Local Government for this purpose. It is problematic as to the administration of such a scheme, would it involve the Water Authority alone, the EPA alone or a combination of the two?

In either senario the water authority should not be made completely responsible for stormwater.

I hope the above comments are useful to you.

Yours faithfully



**ROSS MCPHERSON**  
Manager, Water Catchments  
Environment Division