

2 November 2001

Independant Pricing and Regulatory Tribunal
PO BOx Q290
QVB Post Office NSW 1230

Our Ref: 3/82/344/001
Your Ref: 01/369
ABN 81 065 027 868

SUBJECT: REVIEW OF HUNTER WATER CORPORATION'S OPERATING LICENCE

Dear Sir

Thank you for the opportunity to contribute to the review of the Hunter Water Corporation's operating license. This submission briefly outlines the areas of concern to Lake Macquarie Council.

1. Sewer Surcharges

Environmental & public health concerns are raised as a result of the continual sewer surcharges in the Warners Bay, Belmont and Swansea areas with the subsequent flow of polluted water into Lake Macquarie. Appropriate license conditions should exist to ensure rectification of this situation. Decision making must be weighted against environmental and social concerns, in particular public health, as well as economics.

2. Access to Services – Existing Developed Residential Areas

Pockets of residential developed land remain unsewered eg Dudley and Cardiff. Community concerns as to environmental & public health risks have been raised with Council. This also raises an issue of equity for these pocket communities. Council acknowledges these issues and their impact on the quality of lifestyle residents enjoy and has referred these matters to HWC for their consideration and action. HWC should be required to develop an implementation plan to progress the connection of such residential areas to the sewer over a limited time period. Apportionment of costs and alternate methods of payment must be further considered, as these unsewered areas generally exhibit a major physical constraint to servicing which cannot be offset through economies of scale.

3. Access to Services – Existing Industrial Areas

Industry land is important for the economic development of the City. Several industrial estates remain partially developed, because they are not connected to a sewer service. This has resulted in issues of environmental pollution, low levels of development, limitation of usage and a need to develop further greenfield lands for industrial purposes. This is contrary to principles of ecological sustainability. Thus, HWC should be required to develop an implementation plan to progress the connection of such industrial areas to the sewer over a limited time period. For the reasons

***Draft LEP 2001 and draft DCP Nos 1 & 2 are on exhibition from
17/10/01 to 18/01/02***

outlined above, apportionment of costs and alternate methods of payment must be further considered.

4. Review of Pricing

Development charges for public buildings are considered too high and do not reflect the nature of the use. These buildings are constructed and operated for the social well being of the community and thus are not for profit. Accordingly, this “not for profit” status should be reflect through a reduced charge.

Bulk effluent charges are considered inappropriate for the level of service provided and should be reviewed.

Pricing policy should consider the needs of the disadvantaged and low income groups and offer alternate payment methods.

5. Maintenance – Infrastructure & land holdings

The ongoing maintenance/upgrade of the HWC 's existing infrastructure is important in ensuring no environmental pollution arises from its operations. Thus the water quality of Lake Macquarie and the coastal areas will not be diminished nor air quality as a result of odour.

Land holdings should be maintained to contribute to the environmental values of the city eg removal of weeds and feral animals.

6. Principles of Ecologically Sustainable Development (ESD)

HWC should conduct its operations based on the principles ESD to ensure sustainable outcomes for the area it services are achieved. To this end, HWC should produce ESD indicators which would form part of there operating license

7. Principles of Water Sensitive Urban Design

Council has recently endorsed the Principles of Water Sensitive Urban Design through draft Local Environmental Plan 2001 and draft Development Control Plan No.1, which are currently on public exhibition, which will require all new housing, commercial and industrial developments to consider water cycle management. HWC is requested to give consideration to the implications of WSUD in the development of its future strategies.

8. HWC Obligations

Council notes that the HWC has an obligation to provide, operate and maintain a water and sewerage supply service that will provide customer protection and adequate service delivery. Such an obligation should remain. However, as raised in the above points raised, this has not always been the case. This matter needs to be further considered as part of the operating license review.

Council wishes to work in cooperation with the HWC to achieve sustainable outcomes for the City of Lake Macquarie. Should you require further information or clarification on this matter please do not hesitate to contact me on 4921 0337.

Yours faithfully

DIANE CROSDALE
MANAGER ENVIRONMENTAL PLANNING