

Hunter Water's Price Review

To - Mr. Scott Chapman - Principal Analyst.

I do appreciate the chance to submit some comments on that topic and would hope for a positive outcome of that exercise.

The main goal is to achieve some fairness and equity to all the parties involved in that process.

Residents are quite appreciative of any Institution, whether Public or Private, which would deliver any services and contribute to the welfare of the community.

Water is very precious and our endeavor to preserve our resources is not fully evaluated or taken into consideration.

The hefty charges of Water and Sewer usage bills, regardless of the amount of water consumption, are definitely a vital factor in discouraging many people to save water.

People need incentives to save such vital resource and not just occasional reminders or sporadic awareness.

1 - To the sole advantage of Hunter Water, the proposed increase, over the next few years, have 'assumed' or 'anticipated' a high figure of inflation regardless of the actual figures of inflation for each year.

2 – In my conversation with an Operative at Hunter Water, the following facts were mentioned.

- Hunter Water, from its revenue of nearly 14 Million Dollars a year, is subsidizing the NSW State Government.
- The State Government is benefiting from the surpluses in these revenues.
- Such surpluses could indicate that Hunter Water is overcharging the residents beyond the actual cost of operation.
- As a Public Institution, Hunter Water has failed to reinvest that extra return in its own operations which would have, over time, increased the efficiency as well as the long term reliability of its network and an ensuing reduction of cost for the residents.

3 – Sewer Service Cost.

In my case, in that last term, Sewer Service of \$218.20 with a Water Usage of only \$ 16.45 is another indication of a huge and unproportioned cost which has also been inflicted on many other residents in a similar situation.

In the past, Hunter Water charges for Sewer Services were related to the actual water consumptions but Hunter Water has decided to charge the present hefty 'flat rate'.

The obvious purpose was to achieve higher permanent revenues for Hunter Water Corporation and establish more substantial and steady returns with the new system.

The pretext or excuse cited for that change was that many residents had complained about the original system, but Hunter Water has failed to fully acknowledge that many residents have also complained about the present system.

The Hunter Water Operative could not give me a definite or even an approximate figure of the number of complaints for the 'for and against' implementation of such change.

A fairer and more viable option would be to have Sewer Charges calculated as two increments.

The first component will consist of a basic or minimum, but also, reasonable charge, not related to and independent from the Water Usage.

The second part would be proportional to the Water Usage and could be added to that basic charge.

It will show as a single figure which would vary, pending on Water Usage, but with a minimum threshold.

4 – Environment Improvement

This is again an extra charge which should have been part of the NSW State Government obligations, to carry out and implement.

We have been promised that the GST would save us paying any other unnecessary taxes.

In reality, on top of the GST, people pay all sort of other taxes, income taxes, levies, stamp duties, fees, etc.

It is an undeniable fact that both level of Governments whether Federal or State are taking advantage of Public Institutions to carry a substantial part of their obligations but do not fully reimburse them with the incurred cost.

The end result of such maneuvers is penalizing the residents who would have to forfeit these charges.

In this particular case the State Government is not only denying its obligation for the Environment but benefiting from Hunter Water subsidies.

Kind regards

Fred Rizk