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Submission: Submission regarding Changes to Water Management Charges

Proposed pricing structure and activities of the Office of Water for 2016-2020

Bathurst Regional Council wishes to lodge a formal submission to the proposed changes to water management charges as proposed by the Department of Primary Industries – Water.

Council considers it to be entirely wrong that DPI Water has a significantly different pricing regime in regards to availability and consumption charges than Local Water Utilities (LWU), which it regulates. For a number of years now, LWU in NSW must meet the requirement that 75% of residential water revenue must come from consumption charges, and only 25% from availability (fixed) charges.

Historically - Prior to the 75% requirement, Council has for many years been able to ensure that fixed costs in providing water were covered by fixed (availability) charges, and operational costs were covered by consumption charges. With changes in weather and rainfall between years, there have and will continue to be times where things such as cooler and/or wetter summers result in a substantial reduction in water fund income.

In addition, the need to change the availability and consumption charges (often significantly) each year, leads to the common feedback that Council continues to charge people more for doing the right thing and using less water. This could be ameliorated if the 75% requirement could be amended.

Objection- Council strongly objects to the different approach available to DPI Water but not made available to LWU.

Bathurst Regional Council requests the ability to vary the percentage requirement according to calculations conducted as part of the annual Management Plan process, as these are subject to both community and Council scrutiny and feedback prior to adoption, and would allow for greater certainty in ensuring income levels always match fixed costs and cover operational costs.

Council reserve the right to set its own tariff which will aid in the forward planning of water provision and maintenance which will alleviate variable income associated with the current model.

Council believe this is another example of cost shifting by the State Government onto Local Councils which is unjustifiable.

Yours Faithfully
Bathurst Regional Council