



Property Owner's Association of NSW Inc.

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Correspondence on this subject to

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Gosford Wyong Water Draft Determination Submission.

The Property Owners' Association NSW Inc wishes to express concern about the draft determination of water, sewerage and drainage charges for the Gosford and Wyong areas

The POA notes that it is the property owner that will continue to pay the account for water use, sewerage and storm water drainage. There is no other household service that is discriminated in such an unfair and unreasonable manner.

We again ask IPART to recognise and acknowledge that only in very restricted circumstances does the landlord have the ability to pass on the cost of water use to tenants and that there is no mechanism to pass on fixed charges and levies.

In practice the landlord will have to attempt to absorb those costs as the Residential Tenancy Act provides no legal mechanism to pass on the cost to tenants.

The Property Owners' Association strongly believes that the most serious issue relates to water management. With the tenant or dwelling occupier having no responsibility for the efficient, safe or sustainable use of water any pricing mechanisms put in place to provide a water conservation signal are totally ineffective.

A third issue the POA wishes to raise in the pricing structure in the draft a determination is that it makes no reference to the costs incurred and activities involved by the landlord in carrying out a function that is basically the responsibility of the water supplier. As pointed out in the Associations presentation at the hearing landlords are responsible for the accounting costs of collecting water use payments were permitted from tenants. Landlords are also fully responsible for debt collection /and have to absorb the cost of all bad debts. Further they are penalised by the tenancies tribunal if the exact process is not followed.

The Association was hopeful that the water authority would be made responsible for providing the billing service or as an alternative to provide the landlord with a discount for commission for water on sold to tenants.

It also seems that IPART continues to not understand the position of pensioners. The facts are the current pensioner pricing policy does not apply to dwellings that are not occupied by the property owner.

Our Association agrees that there should be a standard set of charges for all residential customers regardless of the type and ownership structure. We certainly do believe that the ownership structure extends to leases, rentals or other tenancy arrangements.

The downfall in the current system relates to the inability of people in possession of a property other than the landlord / owner being able to hold a customer contracts or sub contract.

We noted that in the draft determination that IPART has provided no details of the number of households in the Gosford / Wyong water areas where the occupier is not the customer contact holder. We suggest this could be as high as 50% of households.

The POA also notes that in the pricing structure approved there is no incentive to increase the percentage of households with individual water

meters. We also note that there is no price incentive to encourage properties to be equipped with discharge meters.

Whilst the Property Owners' Association NSW Inc acknowledges the great importance of viability for water suppliers the POA is very disappointed with the failure of IPART to set price points and structures and encourage the conservation and efficient use of water and their associated discharges.

The Property Owners' Association is a strong believer in the 100% user pays model.

That model strongly encouraged the wise use of water, conservation and research and development of new technologies that greatly reduce or even eliminates the use of water. The "User Pays" also provides a very strong signal to encourage recycling and the harvesting of discharges from households and properties.

The Central Coast has only recently been able to remove very strong water restrictions measures. With those demand management signals now gone there is now absolutely no incentive for the high proportion of households that pay no water, no sewerage and no drainage charges to resume their extremely wasteful habits. The POA feel this is unacceptable and will simply lead to a growth in the water supply empire.

We urge IPART to adjust the draft termination to ensure that those parties that use water and generate discharge are responsible for their own actions and have strong signals for conservation and efficient use. We believe this approach will assist the Metropolitan Water Directorate to find a way forward in finding future water supplies without having to factor in large volumes of water use to simply supply wasteful uses (especially by those who pay absolutely nothing.)

We thank you for the opportunity is to provide this input

Rick Banyard

Vice president

Property Owners Association NSW Inc