

Submission To: Independent Pricing and Regulatory Tribunal (IPART)  
Review of Water, Wastewater and Stormwater Prices for Gosford City Council and  
Wyong Shire Council

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This submission focusses on one assumption in the *Issues Paper*<sup>1</sup>, which, should it not eventuate, would flaw the results of IPART's determination. There is an assumption [page 14] stating 'Given that Tillegra Dam is now going ahead...' As far as the author knows, Tillegra Dam has not been approved and the planning process has not run its course.

This submission relates to the following issues comprising the scope of IPART's Review [IPART 2008 p43]:

- a) the cost of providing the services concerned
- b) the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services
- c) the appropriate rate of return on public sector assets, including appropriate payment of dividends to the Government for the benefit of the people of New South Wales
- d) the effect on general price inflation over the medium term
- e) the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers
- f) the need to maintain ecologically sustainable development (within the meaning of section 6 of the *Protection of the Environment Administration Act 1991*) by appropriate pricing policies that take account of all the feasible options available to protect the environment
- g) the impact on pricing policies of borrowing, capital and dividend requirements of the government agency concerned and, in particular, the impact of any need to renew or increase relevant assets
- h) the impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body
- j) considerations of demand management (including levels of demand) and least cost planning
- k) the social impact of the determinations and recommendations

Specifically, this submission wishes to comment on the paragraph of the *Issues Paper* [IPART 2008 p27] which states:

"Given that Tillegra Dam is now going ahead, and that there has been a recent augmentation of the Hunter to Central Coast water pipeline, a potential consideration for this review is whether expenditure on the Mardi-Mangrove Link is necessary (and hence efficient) at this time, or whether it would be more efficient to delay construction of this link until the next major supply augmentation measure for the Hunter and Central Coast region is required."

Tillegra Dam has not been approved. As far as the writer knows, no Environmental Impact Statement has been exhibited for public comment, nor is the planning process complete.

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<sup>1</sup> IPART Independent Pricing and Regulatory Tribunal 2008 *Review of prices for water, wastewater and stormwater services for Gosford City Council and Wyong Shire Council From 1 July 2009: Water — Issues Paper* July

Following the recent, severe, years-long drought when the Central Coast was perilously close to running out of water, Gosford and Wyong Councils devised a plan to upgrade the Mardi Dam, link the Wyong River to Mangrove Creek, institute demand management, pipe some water from the Hunter area, and by various measures to secure their water into the future, even with projected increases in population. \$80 million was committed by the Federal Government for this purpose.

Insufficient attention has been given to recycling (for example, rainwater tanks), and demand management more closely resembling that of other parts of Australia.

Although dams have served Australia's European settlers well in the past, there were disadvantages in altering the hydrology of vast areas: we now have salinity and land degradation, and our historic waste of water has degraded our rivers to a dangerous and alarming condition. Planners tell us not to render productive land useless with overdevelopment.

To proceed on the basis of building a dam whose geotechnical stability is controversial and whose price is therefore undetermined and undeterminable, when the decision was made hastily and with some controversy; a dam that will displace generations-old families, homesteads and productive dairying and recreational land; a dam that will further endanger Australia's appalling reputation for species extinction; a dam that is demonstrably unnecessary to secure either Hunter Valley or Central Coast water supplies; is unthinkable.

To proceed in this straitened, uncertain period of global finance, when the New South Wales Government is undergoing substantial change and cost-cutting, is unimaginable.

In conclusion, considering criteria of cost, protection of consumers, return on investment, inflation, borrowing, demand management, social impact and particularly ecological sustainable development, IPART must either remove considerations of Tillegra Dam including foregoing the Mardi-Mangrove link, or postpone consideration until the issues of the construction of Tillegra Dam are resolved.