

**PROPERTY OWNERS' ASSOCIATION OF N.S.W. INC.**

*Established 1950*

*Incorporating: Private Hotel & Boarding House Division*

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Review of Metropolitan water prices  
Independent Pricing & Regulatory Tribunal

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PRICES OF WATER SUPPLY, WASTEWATER & STORMWATER SERVICES  
DRAFT REPORT & DRAFT DETERMINATION.

The Draft Report & draft Determination (about 10 cm thick) was received on 8th July. It is not possible to review such a volume, let alone prepare a detailed reply within the timeframe suggested, i.e. by the 15th July.

It seems necessary, however, to reiterate the Association's position on the subject, which was already stated on previous occasions over the past years. e.g.

## 1. WATER PRICING.

It is basically unfair, illogical and ineffective to increase water rates when a very high % of water users does not have to pay for the water used and hence have no incentive to conserve water and reduce their water consumption. Price is the main incentive to reduce water consumption, but is only effective when ALL water users are charged for the water they use or waste. Surveys carried out by IPART itself confirmed that the two factors determining water use are (a) whether the users have to pay for the water and (b) the size of the consuming unit (number of people)

Sydney Water admitted that in their calculations 40% of consumers do not have to pay for the water they consume. However, the definition of "consumer" by Sydney Water, as used in the Act, is a customer connected to a water meter. Thus the number of users connected to one meter are classified as one consumer. Hence, the real number of users, not paying for the water (because they are connected to a single meter) must be very much higher, at least 70-75%. Some of the new residential blocks, seen in many parts of the Sydney area, may have 100, even 300, individual residential users, who do not pay for the water they use. Hence these water users are not affected by the price of water and have no incentive to conserve their consumption and are not affected by the pricing mechanism. See Glossary of terms p. 131 and Schedule 8 on p.37-40 where neither "consumer" nor "water user" are defined.

Thus, it is, futile and counter productive to increase the price of water in an effort to reduce consumption.

Sydney Water claims that it would be too expensive to fit water meters to all premises where water is consumed. As water is becoming a scarce commodity, such a measure is necessarily irrespective of the cost of installing the meters. Electricity and gas are individually metered and charged to all users. The same should apply to all water users. There is absolutely no reason why water should not be treated the same way.



It is also claimed by Sydney Water <sup>that</sup> no meters suitable for installation in individual residential premises, particularly those of multiple stories. These claims are patently invalid. There are now-always communication systems by satellites between continents, one sees people walking in the street talking to people by mobile phones. There would be no technical problems involved in installing water meters in all residential premises occupied by water users and the readings on these meters being transmitted by wire to a console in the lobby where the figures can be read on a "clock" by the water reader. There will be no need for the reading to be carried out in every flat or unit. No technical problems exist, only the determination to instal the meters is missing.

The above are just basic logical requirements for an universal system based on the principle that all water users should be required to pay for the water they use. This should have been adopted and implemented years ago when the "user pays" <sup>was</sup> introduced, to replace the previous land value based method of charging for water.

## 2. STORMWATER.

Stormwater is a valuable source of fresh water (so scarce now) which should be preserved and used, and not wasted by pumping it into the sea (as is done at the present). Rain and stormwater should be strained and filtered in recycling plants located at suitable locations in the Sydney area. The recently completed pipeline to the north-head pumping station, for pumping the storm water into the sea (reported to have cost some \$40 million) is a good example of such wasteful expenditure. A valuable resource was thrown away at great expense. The money spent on the pipeline should have been spent on a water purification facility so that the water could be purified and returned into circulation to augment the water supply available for reticulation.

A subsidy should be also provided to encourage householders to instal rainwater storage tanks to capture and store rainwater collected from the rooves. The rainwater from the tanks may be used for gardens and household purposes, as is generally done in country areas.

## 3. WASTEWATER SERVICES.

At the present practically all wastewater in Sydney is pumped to installations near the seashore. The effluent is strained to remove solids and is then pumped into the sea, thus polluting the coastal areas. Valuable water, which has been stored and treated to potable standards is used for a variety of purposes not needing potable standards and is discharged (thrown away) by pumping it into the sea. This is a wasteful procedure, which cannot be sustained under the present circumstances.

First of all, large users of water, such as factories, industrial plants, laundries should be required to instal their own water purification plants and thus re-use the water needed for their purposes, i.e., recycle their water requirements. This would reduce the amount of potable tap water used for industrial purposes and at the same time eliminate the discharge of polluted water into the sewerage system and also reduce the risk of polluted water being discharged into the sea by Sydney Water's pumping stations.

Similarly, the discharge of untreated sewerage wastewater into the sea should be stopped. The present system of pumping all wastewater to sewerage plants and then into the sea should be stopped. Smaller water purification, reserve cycle, plants should be established at strategic locations, starting at selected suburbs distant from the sea. This purified water will then be returned into the reticulation system for re-use. After being processed in a reverse cycle osmosis plant the water is of purer quality than that coming




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from the current filtering plants using sand and gravel as filtering agents. By using a series of such plants the wastewater (sewerage) being pumped to coastal plants and then being discharged untreated (unpurified) into the sea will be reduced and gradually terminated. It is noted on p.46 Table 6.7 that Sydney Water has budgeted some funds for water recycle projects, \$44 mil. is a good start. Unfortunately, Sydney Water's record in this area is unsatisfactory. Much should have been done to promote recycling before the current water crisis developed. The reluctance of Sydney Water to allow access to private enterprise to recycle sewerage at no cost to the authority is difficult to understand when Sydney Water itself has been reluctant to instal and operate such facilities which are essential to meet the water requirements of the Sydney area.

It is noted that the NSW government has decided to erect a recycle plant for treating seawater. The basic equipment is the same whether seawater or sewerage is being treated to potable standards. It is assumed that the government decided to recycle seawater instead of treating wastewater by the same process in order to avoid public misconception that retreated seweragewater may contain some impurities affecting health or other aspects of taste or quality.

CONCLUSION: The above are just some problems, important ones, that need urgent rectification. As mentioned in the introduction, no detailed consideration of the Draft Report and Draft Recommendations is possible in the short time scheduled by IPART. However the matters raised in this submission do not seem to be covered in the Reports, important as they are.

  
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vice president  
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