



MAITLAND CITY COUNCIL

Our Ref.

145/10 (459956)
Your Ref.

Phone Enquiries:

4934 9700



14 March 2006

Recycled Water Price Review

Independent Pricing and Regulatory Tribunal
PO BOX Q290
QVB Post Office NSW 1230

RE: Maitland Council Submission on Recycled Water Prices Issues Paper

Council has received notification of the IPART review of Recycled Water Prices for Metropolitan Water Agencies and thanks you for the opportunity to comment on the Recycled Water Prices Issues Paper dated February 2006.

Hunter Water Corporation has recently identified the provision of a recycled wastewater scheme to a greenfield residential development in Maitland Local Government Area. The system proposed is a mandated recycle water scheme meeting BASIX requirements for a reduction in house water usage.

The Recycled Water Prices Issue Paper identifies the cost of installing recycled water infrastructure for greenfield residential development, to meet BASIX requirements, will ultimately be paid for by a combination of developer charges, up-front capital contributions and fixed and volumetric periodic charges.

Council concurs with this approach and suggests that the imposition of such charges are staged throughout the development to ensure the costs are distributed equitably to the developer and end user. Council supports the levying of up-front capital charges from the developer similar to that used for the provision of water and sewer services for greenfield residential development.

The connection cost and periodic charges should be timed for collection at the dwelling construction and use stage, born by the owner of the specified lot being developed. Both these models are consistent with the existing levying arrangements for the provision of water and sewer services to residential development.

Council has no comment on the calculation of pricing recycled water schemes, however, supports the option that water agencies set prices that are consistent with a pricing methodology established by the Tribunal.

Furthermore, the issue of discounting developer charges, where recycled water schemes are installed, to reflect lower capacity costs for traditional water and sewer services is premature at this stage. There is no evidence at this stage to suggest there would be a reduction in capacity of water infrastructure. Sewer infrastructure would remain unchanged as there would be no reduction in demand on this service.

Yours faithfully

A handwritten signature in black ink, appearing to read 'BRAD EVERETT', with a long horizontal line extending to the right.

BRAD EVERETT
GROUP MANAGER
SERVICE PLANNING AND REGULATION