



Community Environment Network Inc.

An alliance of community and environment groups from Lake Macquarie, Wyong and Gosford.

29 September, 2005

Review of Backlog Sewerage Services
IPART
PO Box Q290
QVB Post Office
NSW 1230

Re: IPART Review of Gosford Backlog Sewerage Services

Dear Sir,

CEN is an alliance of community and environment groups from Gosford, Wyong and Lake Macquarie. We are a not-for-profit, non-government organization that works *for* ecologically sustainable development and *against* threats to it. Currently, our membership is over 300 including over 80 groups with an extended membership of 5,000.

In regard to the Tribunal's consideration of the connection of the sewerage backlog CEN raises the following issues:

1. CEN accepts the veracity of the assessments conducted by the Environment Protection Authority and Department of Energy and Utilities which revealed a high priority should be given to connecting the areas covered by the inquiry to protect the environment.
2. Equity for all residents in the Gosford Local Government Area is an important consideration, particularly as existing residents outside the target areas have been paying higher charges to cover capital costs.
3. Impact on low income households affected by having to pay higher lump sum charges to connect if the backlog is to be cleared.

CEN has no opinion or advice to indicate the government is likely to change the current format of the Town and Country Water Subsidy. Therefore, we believe a determination needs to be based on the points raised above.

Advice to CEN and the IPART Issues Paper supports the claim that there are a large number of undeveloped blocks in the areas subject to the inquiry. Concessions should not apply to these blocks and the determination should provide that at the stage where a DA or BA is submitted to council to subdivide or build on the lands the full cost of sewerage should be paid. While this may seem harsh, the lands in question have increased in value substantially in recent years. A cost of approximately \$12,000 on lands valued at over \$500,000 per block is not onerous.

In regard to existing residences an approach is needed which resolves the outstanding issue of protecting the environment as identified in the studies by the EPA and DEU. The studies identified there were issues regarding human health and ecological health of the lower Hawkesbury and these need to be addressed. The Status Quo (Option 1) is not an adequate response.

CEN is not aware of how many low income households are affected by the backlog, however, a part subsidy at least should be provided to households to connect. This cross subsidy should be designed to have minimum impact on existing ratepayers. Two methods would appear to be available; use of Section 94 contributions or repaying funds to council over a 20 year period.

Lastly, there is a need to have an Operating license applying over the Gosford Water and Sewerage Services. The current system where reporting is included in council annual reports is inadequate and not serving the customers well.

Yours sincerely,

Jane Smith
Executive Officer