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Our Ref: MW 7730/2
Contact: Mark Williams

27 September 2002

Review of Metropolitan Water Agency Prices
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Dear Sir / Madam

RE: REVIEW OF METROPOLITAN WATER AGENCY PRICES

Thank you for the invitation to make this submission to the above review.

As the Tribunal is aware, this Council is particularly concerned with the prices charged for bulk water supplied by the Sydney Catchment Authority from the Wingecarribee Dam. The submissions made by Council to the previous review, including the presentations to the public hearing on 15 March 2000, are still considered to be relevant to this review.

Council wishes to re-emphasise that only a small fraction of the SCAs operating costs and physical infrastructure relate to the supply of bulk water to our water treatment plant at Wingecarribee Dam.

In addition, Council's pre-existing dam and prior ownership of part of the area under Wingecarribee Dam should be taken into consideration in setting the charges. Not only did the construction of Wingecarribee Dam submerge Council's original dam, it removed our ability to construct a larger dam at that site, which would have been the most economically feasible means of maintaining an adequate water supply for the Shire's current and future population.

It is also re-emphasised that the SCAs catchment protection role and activities impose substantial costs on this Council. These costs include the processing of Land Use Applications in accordance with SEPP 58 and the defence of appeals in the Land and Environment Court.

Given the above factors, Council argues that there is no justification for increasing the charges that the Tribunal determined in its medium-term price path from 1 October 2000 to 30 June 2005.

The following comments are submitted in relation to the Issues Paper produced for the current review:

1. Section 5.3: It is Council's view that a 2 year price path is far too short for our planning purposes and that a minimum of 5 years is required. In addition, Council does not have the resources to make such regular submissions to pricing reviews. However, it is acknowledged that the price paths for the Sydney Catchment Authority and Sydney Water should be synchronised.



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2. Section 7.3: Council has a good working relationship with the Sydney Catchment Authority and supports its catchment management activities. We are actively involved in many environmental improvement projects throughout the Shire, some of which are jointly funded with the SCA. Council would welcome the extension of the catchment improvement funding program as it is equitable for the SCA to fund catchment improvement measures on behalf of the major beneficiaries of these works. This program is only in its infancy as many of the projects have long implementation periods with benefits that will accrue over the long term. In particular, it is argued that the funding of sewerage improvements, above the normal standards for country areas, should be funded by the SCA. Council commends the SCA for its catchment improvement funding program to date.

Yours faithfully

D J McGowan
General Manager