



HEATH CONSULTING ENGINEERS

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8 June 2010

The Hon. Phillip Costa MP
Minister for Water
Level 34
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Attention: Mr Phillip Costa

Dear Sir,

RE. BATHURST REGIONAL COUNCIL – SEWER ACCESS CHARGES 16 VALE ROAD, BATHURST

I refer to your letter dated 23 September 2009 to Mr Ray Carter regarding the above matter. We act as Mr Carter's hydraulic consultants and were responsible for the preparation of the hydraulic report for this property.

We note in your letter that Bathurst Regional Council have opted to disregard the recommendations in our report where we advised that a 25mm diameter water meter should be installed for the above property. Our calculations showed that the site only required a 20mm diameter water meter but as a fire hose reel may be required for future shed extensions a 25mm diameter water meter was recommended.

The increase in the water meter size is to ensure compliance with the relevant Australian Standards and Building Code of Australia which sets out the minimum size of water meters for fire hose reels. The increase in water meter size to comply with these requirements does not in any way reflect the peak load which can be placed on the sewerage system.

It is understood that Council resolved to accept reports from experts which determined the peak load (in equivalent tenements (ETs)) that is actually placed on the sewerage system. Our report identified that based on actual water usage the peak load was significantly less than 1 ET. Notwithstanding this the Probable Peak Instantaneous Flow Rate (PSFR – the method recommended by AS3500.1 for the sizing of water services) for the site only required a 20mm diameter water meter. One (1) ET is generally accepted to be the same as one residential household which nearly always have a 20mm diameter water meter installed.

We are very frustrated that it appears Council have completely disregarded our report and taken it upon themselves to change the water meter to 32mm. We have not received any feedback or been provided with any information as to what sections of our report they did

not agree with, nor has the owner been provided with any justification as to how Council arrived upon the 32mm size. It would have been expected that Council would have consulted with the owner or us as the hydraulic consultant prior to changing the water meter. Council have basically dictated what service is required, which we believe is not their role or responsibility.

We have previously carried out a report of a similar nature on behalf of Bathurst Council to down size an existing water meter. This report was accepted by Council and not questioned.

The Department of Water & Energy's (DWE) "Best Practice Management of Water Supply and Sewerage Guidelines" states that:

Best-practice sewerage pricing involves a uniform annual sewerage bill for residential customers. For non-residential customers an appropriate sewer usage charge is required for the estimated volume discharged to the sewerage system, together with an access charge based on the capacity requirements that their loads place on the system relative to residential customers."

The pricing checklist contained within the guidelines suggests that the sewer usage charge per kilolitre reflects the long-run marginal cost of sewerage business whilst the sewerage access charge for non-residential customers is reflective of the customers peak load on the system.

Typically Councils base the access charge on the size of the water meter connected to the property. For non-residential properties the water meter is more often sized to accommodate fire hose reels or fire hydrants installed on the property. The majority of Council's require fire hose reels to be connected to the metered supply. This is typically done, as fire hose reels are often used to wash down hardstand areas and as such Councils wanted to ensure that customers paid for the water that was used. This water typically does not and would have great difficulty entering the sewerage system and can not place any load on the sewerage system.

In the spirit of true user pays principles some Council's have adopted a policy of either reducing the sewer discharge factor (SDF) or allowing the "nominal" size water meter to be adopted when levying the sewerage pricing for non-residential properties. This is to account for the properties where larger water meters are installed for fire services. This enables the principles of best practice sewerage pricing to be adhered to by ensuring that the access charge applied to the property reflects the true capacity requirements that the property places on the Council's sewerage system. It also ensures that sewerage charges are applied in an equitable manner and are not penalized by having to comply with building code requirements.

We note from your letter that Bathurst Council are moving to "*appropriate sewer usage charges for the 2010/11 financial year...*" and that their "*tariffs substantially comply with the Best-Practice management of Water Supply and Sewerage Guidelines*". These statements indicate to us that perhaps the charges levied against non-residential properties since the implementation of the sewer access charges in July 2004 may not have been completely in accordance with the best practice guidelines nor entirely appropriate.

We would appreciate some clarification as to what has happened in this case and request that a review of how Bathurst Council and other Councils across New South Wales impose sewer access charges on properties with a view to standardising the method across New South Wales.

Yours faithfully

Heath Consulting Engineers

A handwritten signature in black ink, appearing to read 'R.A. Heath', is written over a light blue rectangular background.

Per:

ROGER HEATH

CC Mr Ray Carter
Mr Gerard Martin MP