



# HEATH CONSULTING ENGINEERS

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The General Manager  
Bathurst Regional Council  
PO Box 17  
BATHURST NSW 2795

**Attention: Mr David Sherley**

Dear Sir,

## **RE. DRAFT 2011/2012 MANAGEMENT PLAN**

We wish to formally lodge a submission for the 2011/2012 Bathurst Regional Council Management Plan. This submission relates to the sewer access charge for non-residential properties.

We note that the draft management plan has again increased the usage charges for both sewer and water. Unfortunately for the last 6 years Bathurst Regional Council have had very high water and sewer access charges which is generally against the Department of Water & Energy's best practice guidelines and the true principles of user pays.

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 key part of the above guideline is outlined.

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 was typically done as in the past fire hose reels were used to wash down hardstand areas or used to wash vehicles 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.

In the spirit of true user pays principles many 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.

To ensure that there are no cross subsidies the sewer usage charge would therefore be higher. This is much more consistent with the true principles of pay for use, ie. the more water that is used by the property the more that is paid. Bathurst Regional Council appear to have adopted a much higher access charge with a low water usage charge. We have noted that many other Councils have similar pricing structures to that of Bathurst Regional Council but the majority either offer a reduction in the SDF or levy the sewer access charge based on the "nominal" water meter size that is required by the property assuming no fire services are installed.

To better reflect DWE's best practice guidelines and the true principles of pay for use a better approach would be to adopt a lesser sewer access charge or base the access charge for a property on the nominal water meter size required but increase the sewer usage charge. This means that the more water that is used the more that is paid in sewer usage charges. With the correct pricing structure Council would still ensure that there is no cross subsidy between residential and non-residential customers.

For this reason we request that Bathurst Regional Council seriously reconsider allowing the nominal water meter size be adopted for the levying of their water and sewer access charges.

We trust that this information satisfies your requirements, however, if you require further information do not hesitate to contact the undersigned.

Yours faithfully

**Heath Consulting Engineers**



Per:

**ROGER HEATH**