

RATE ASSESSMENT

Coveport Pty Ltd
PROPERTY ADDRESS

5 Zagreb Street
Kelso

METER NO
06E019494
T000007

ASSESSMENT NO.
50340-00000-4

DP NO.
884-004

21

YEAR	WC	SHR.	SINK	BSN.	URNL	HW	STM	FHR	YD TAP	WATER MTR. SIZE	WATER USED	KL WATER CONSUMPTION	SDF	SEWER NON-RES ACCESS	WATER AVAILABILITY CHARGE	REQUIRED AVAILABILITY CHARGE		
2004-05	3	1	1	1	1	1	1	1	5	3	80	40	250	100%	4,670.20	4,000.00		
2005-06	3	1	1	1	1	1	1	1	5	3	80	40	188	100%	4,670.20	4,000.00		
2006-07	3	1	1	1	1	1	1	1	5	3	80	40	269	100%	4,670.20	4,144.00		
2007-08	3	1	1	1	1	1	1	1	5	3	80	40	356	90%	637.00	1,074.00		
2008-09	3	1	1	1	1	1	1	1	5	3	80	40	241	50%	669.00	943.00		
2009-10	3	1	1	1	1	1	1	1	5	3	80	40	257	50%	669.50	500.00		
														Totals	\$	16,016.30	\$	14,665.00

Sewer Access Charge based on Equivalent Number of ET's	1.3 ET's	20 mm	20 mm	20 mm	32 mm
\$	377.24	\$	280.00	\$	250.00
\$	377.24	\$	280.00	\$	250.00
\$	399.36	\$	307.00	\$	259.00
\$	415.67	\$	318.00	\$	269.00
\$	484.48	\$	394.00	\$	335.00
\$	653.99	\$	949.00	\$	1,388.00
\$	2,455.97	\$	1,888.00	\$	1,388.00
\$		\$		\$	3,554.00

CREDIT BALANCE \$2024.38

Calculation of Water Meter Size based on Probable Simultaneous Flow Rates as Outlined in AS3500.1

No. Per Fixture	2	2	3	1	2	8	0	8	Total
Total No.	6	2	3	1	0	8	0	24	44

Probable simultaneous flow rates for Building 0.58 L/s

Nominal Meter Size Required to cater for above flow 20 mm

Require Fire Hose Reel Flow (2 FHR's @ 0.33L/s each) 0.66 L/s

TOTAL Flow Rate Required for the Site 1.24 L/s

Nominal Meter Size Required to allow for Fire Hose Reels 32 mm

Assessment of Peak Load in Equivalent Tenements based on Average Water Consumption

Average Water Usage = 260 kL/annum (average taken on all water consumptions listed)
 Peak Load per ET = 200 kL/annum (refer to report by Heath Consulting Engineers for 15 Vale Road, Bathurst dated 2 December 2008)

No. of ET's = 1.3 ET's

Minimum ET = 1 ET

RATE ASSESSMENT

Warai Pty Ltd
PROPERTY ADDRESS

15 Zagreb Street
Kelso

METERING

07C068132

ASSESSMENT NO.

50341-00003-3

DP NO.

884404

YEAR	WC	SHR	SINK	NO. OFF	NO. OFF	UPRN	HW	STM	FHR	YD	TAP	SIZE	USED METER	KL WATER WATER MTR.	CONSUMPTION	SDF	SEWER NON-RES	ACCESS	WATER AVAILABILITY CHARGE	REQUIRED AVAILABILITY CHARGE		
2004-05	3	1	1	1	2	1	6	2	50	0	100%	\$	184.40	\$	250.00	0	100%	\$	184.40	\$	250.00	
2005-06	3	1	1	2	2	1	6	2	50	0	100%	\$	184.40	\$	250.00	0	100%	\$	184.40	\$	250.00	
2006-07	3	1	1	2	2	1	6	2	50	0	100%	\$	184.40	\$	259.00	0	100%	\$	184.40	\$	259.00	
2007-08	3	1	1	2	2	1	6	2	50	52	100%	\$	331.00	\$	289.00	17	95%	\$	496.55	\$	357.00	
2008-09	3	1	1	2	2	1	6	2	50	17	95%	\$	519.65	\$	195.00	15	95%	\$	1,760.70	\$	1,590.00	
2009-10	3	1	1	2	2	1	6	2	50	15	95%	\$	1,760.70	\$	1,590.00	15	95%	\$	1,760.70	\$	1,590.00	
Totals																						

Calculation of Water Meter Size based on Probable Simultaneous Flow Rates as Outlined in A33500.1

No. Per Fixture	2	2	3	1	2	8	0	8	Total
Total No.	6	2	3	2	0	8	0	16	37

Probable Simultaneous Flow Rate for Building 0.52 L/s

Nominal Meter Size Required to cater for above flow 20 mm

Require Fire Hose Reel Flow (2 FHR's @ 0.33L/s each) 0.66 L/s

TOTAL Flow Rate Required for the Site 1.18 L/s

Nominal Meter Size Required to allow for Fire Hose Reels 32 mm

Assessment of Peak Load in Equivalent Tenements based on Average Water Consumption

Average Water Usage =	28	kl/annum	(average taken on all water consumptions > 0)
Peak Load per ET =	200	kl/annum	(refer to report by Heath Consulting Engineers for 36 Vale Road, Bathurst dated 2 December 2008)
No. of ET's =	0.1	ET's	
Minimum ET =	1	ET	

Sewer Access Charge based on Equivalent Number of ET's on Nominal Water Meter Size	Water Availability Charge based on Nominal Water Meter Size	Water Availability Charge based on Nominal Water Meter Size	Water Availability Charge based on Nominal Water Meter Size Required for FHR's
\$ 290.00	\$ 250.00	\$ 250.00	\$ 640.00
\$ 290.00	\$ 250.00	\$ 250.00	\$ 640.00
\$ 307.00	\$ 259.00	\$ 259.00	\$ 663.00
\$ 318.00	\$ 269.00	\$ 269.00	\$ 686.00
\$ 334.00	\$ 235.00	\$ 235.00	\$ 605.00
\$ 349.00	\$ 125.00	\$ 125.00	\$ 320.00
\$ 1,888.00	\$ 1,888.00	\$ 1,888.00	\$ 3,354.00

RATE ASSESSMENT

Prefabricated Buildings Pty Ltd

PROPERTY ADDRESS

369 Stewart Street
Bathurst

MEETER NO

ASSESSMENT NO.

DP NO.

LOT NO.

52444-00000-3

270264

2

YEAR	WC	SHR	SINK	BSN	URNL	HW	STM	FHR	YD	TAP	NO. OFF	INITIAL METER SIZE	USED WATER SIZE	KL WATER CONSUMPTION	SDF	SEWER NON-RES ACCESS	WATER AVAILABILITY CHARGE	REQUIRED AVAILABILITY CHARGE	Sewer Access Charge based on Equivalent Number of ET's	Water Availability Charge based on Nominal Water Meter Size	Water Availability Charge based on Nominal Water Meter Size
2004-05	22	9	8	8	5	8	5	8	14	5	100	100	100	84	100%	7,297.90	6,250.00	290.00	1,167.00	1,000.00	1,000.00
2005-06	22	9	8	8	5	8	14	5	100	5	100	100	100	11	100%	7,297.90	6,250.00	290.00	1,167.00	1,000.00	1,000.00
2006-07	22	9	8	8	5	8	14	5	100	5	100	100	100	27	100%	7,297.90	6,475.00	307.00	1,229.00	1,086.00	1,086.00
2007-08	22	9	8	8	5	8	14	5	100	5	100	100	100	0	95%	7,567.70	6,715.00	318.00	1,274.00	1,074.00	1,074.00
2008-09	22	9	8	8	5	8	14	5	100	5	100	100	100	0	95%	7,945.80	5,886.00	394.00	1,388.00	943.00	943.00
2009-10	22	9	8	8	5	8	14	5	100	5	100	100	100	0	95%	8,509.65	3,128.00	349.00	1,399.00	500.00	500.00
Totals																1,886.00	7,574.00	5,553.00	1,886.00	5,553.00	5,553.00

Calculation of Water Meter Size based on Probable Simultaneous Flow Rates as Outlined in AS3500.1

No. Per Fixture	2	2	3	1	2	8	0	8	Total
Total No.	44	18	24	8	10	64	0	40	208

Probable Simultaneous Flow Rate for Building 1.65 L/s

Nominal Meter Size Required to cater for above flow 40 mm

Require Fire Hose Reel Flow (2 FHR's @ 0.39L/s each) 0.66 L/s

TOTAL Flow Rate Required for the Site 2.31 L/s

Nominal Meter Size Required to allow for Fire Hose Reels 40 mm

Assessment of Peak Load in Equivalent Terms based on Average Water Consumption

Average Water Usage = 41 kl/annum (average taken on all water consumptions > 0)

Peak Load per ET = 200 kl/annum (refer to report by Heath Consulting Engineers for 26 Vale Road, Bathurst dated 2 December 2008)

No. of ET's = 0.2 ET's

Minimum ET = 1 ET

RATE ASSESSMENT

Cambrune Pty Ltd

PROPERTY ADDRESS

16 Vale Rd
Bathurst

METER NO
MK71028
09D0000327

ASSESSMENT NO.

4758-50000-5

DP NO.

815734

LOT NO

2

YEAR	WC	SHR.	SINK	BSN.	NO. OFF	URNL	HW STM	FHR	YD TAP	INITIAL WATER METER SIZE	USED WATER MT CONSUMPTION	KL WATER SDF	SEWER NON-RES ACCESS	WATER AVAILABILITY CHARGE	REQUIRED AVAILABILITY CHARGE	Sewer Access Charge based on			Water Availability Charge based on
																1.0 Ets	20 mm	32 mm	
2004-05	1	1	1	1	1	1	1	1	1	40	40	21	95% \$ 1,167.55	\$ 1,000.00	\$ 1,000.00	\$ 290.00	\$ 290.00	\$ 250.00	\$ 640.00
2005-06	1	1	1	1	1	1	1	1	1	40	40	0	95% \$ 1,167.55	\$ 1,000.00	\$ 1,000.00	\$ 290.00	\$ 290.00	\$ 250.00	\$ 640.00
2006-07	1	1	1	1	1	1	1	1	1	40	40	172	95% \$ 1,167.55	\$ 1,036.00	\$ 1,036.00	\$ 307.00	\$ 307.00	\$ 259.00	\$ 663.00
2007-08	1	1	1	1	1	1	1	1	1	40	40	149	95% \$ 1,210.30	\$ 1,074.00	\$ 1,074.00	\$ 318.00	\$ 318.00	\$ 269.00	\$ 688.00
2008-09	1	1	1	1	1	1	1	1	1	40	40	30	95% \$ 1,271.10	\$ 943.00	\$ 943.00	\$ 334.00	\$ 334.00	\$ 235.00	\$ 603.00
2009-10	1	1	1	1	1	1	1	1	1	40	32	10	95% \$ 1,329.05	\$ 500.00	\$ 500.00	\$ 349.00	\$ 349.00	\$ 125.00	\$ 320.00
Totals															\$ 1,888.00	\$ 1,888.00	\$ 1,888.00	\$ 1,888.00	\$ 3,554.00

Calculation of Water Meter Size based on Probable Simultaneous Flow Rates as Outlined in AS9500.1

Total No. Of Loading Units from AS9500.1

No. Per Fixture	2	2	3	1	1	2	8	0	8	Total
Total No.	2	2	3	3	1	2	8	0	8	26

Probable Simultaneous Flow Rate for Building 0.43 L/s
 Nominal Meter Size Required to cater for above flow 20 mm
 Require Fire Hose Reel Flow (2 FHR's @ 0.33L/s each) 0.66 L/s
 TOTAL Flow Rate Required for the Site 1.09 L/s
 Nominal Meter Size Required to allow for Fire Hose Reels 32 mm

Assessment of Peak Load in Equivalent Tenements based on Average Water Consumption

Average Water Usage = 50 kL/annum (average taken on all water consumptions > 0)
 Peak Load per ET = 200 kL/annum (refer to report by Heath Consulting Engineers for 16 Vale Road, Bathurst dated 2 December 2008)
 No. of ET's = 0.5 ET's
 Minimum ET = 1 ET

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It should be remembered that the initial modelling was conducted on a revenue neutral basis. This means that the anticipated income was the same as that derived from 2003-2004 sewer rates and charges. These were used for estimates in the 2004-2005 budget. Any reductions or subsidies now granted will reduce Council's income.

The following recommended strategies from the Department of Energy, Utilities and Sustainability (DEUS) released on 27 February 2004 were:

- Phase in the increases for such customers over five years
- Downsize the connection size for customers with an oversized connection provided standards are met.
- * { Base sewerage access charges on the peak load the discharger places on the sewerage system. Such dischargers should therefore have the option of providing for Council's consideration, an expert report to establish the peak load (in equivalent tenements (ETs)) their operations place on the sewerage system. | In the absence of such a report, the Council can determine the access charge on the basis of the square of the service connection size times the discharge factor. This is the method adopted by Council.
- Assist large water users to use water and sewerage services more efficiently and reduce their demands
- Adopt appropriate measures to deal with any hardship cases
- Where a large connection size is required for fire fighting purposes a reasonable approach would be to apply a charge based on the connection size required for water supply and to allow nil or a moderate increase over this charge for provision of the fire fighting capacity.
- If Council proposes to provide a community service obligation to non-rateable properties (e.g. schools, hospitals, churches etc) it should only be applied to reduce the access charges. This will provide an appropriate pricing signal for water usage and sewage discharge to encourage efficient use of the services

The modelling presented to Council did not take into account revenue from trade waste fees or Section 64 developer charges. Best-Practice principles were chosen by Council as the alternative to the current rating system.

2 BEST PRACTICE/USER PAYS SEWER CHARGES (26.00010) - Item prepared by Bob Roach

Recommendation: That Council not amend its policy and procedures in relation to user pays sewer charges for Council's ratepayers.

Report: At Council's meeting held in June 2004 Council adopted a new best practice/user pays sewer pricing model in respect to sewer services provided to ratepayers for 2004/2005 year. These new charges were the result of an investigation carried out by Council in order to comply with the directions of the NSW Government that Councils must adopt a best practice/user pays sewer pricing system in relation to services provided to ratepayers in the former Bathurst City Council area.

These charges became effective from 1 July 2004 and have been operational since.

With the introduction of a new type of system Council encountered some problems in relation to the introduction of these sewer services. Council has been working with several of these ratepayers in respect to satisfying their requirements and making it an equitable system for all those concerned.

With the election of the new Council in March 2005, there was a request from Council to revisit the sewer charges and the method of introduction of the new system. All Councillors have been supplied with complete details and models of how the previous/former Council were informed of the necessary information needed to introduce a new sewer charge which complied with the NSW Government directions for the introduction of best practice/user pays sewer modelling.

The review included the following considerations:

- (a) There is to be no cross subsidy between classes of customers as outlined in the Best Practice/User Pays Sewer Guidelines.
- (b) The total yield or income from the Sewer Fund is to reflect the cost of operations as well as providing for the future capital replacements needed to operate the sewer operations of Council.
- (c) The access charges have again been modelled on the water meter size.
- (d) In respect to using a system of 'nominal meter access' charges to compensate for the water meter being oversized for the purpose of the fire fighting, consideration was given to addressing this matter.

As advised in points (a) and (b) above, Council needs to raise sufficient funds to operate its sewer system without any cross subsidisation. By changing to a 'nominal access' charge, this may lead to a reduction in income from the 'non-residential' section and an increase in residential charges. This may result in a cross subsidy and would not be acceptable under the Best Practice/User Pays Sewer Guidelines issued by the NSW Government.

- (e) As previously advised, Council needs to continue monitoring the affects of user

Director Corporate Services & Finance's Report to the Council Meeting, 04/05/2005.

_____ GENERAL MANAGER

_____ MAYOR

JOHN HUMPHREYS &
ASSOCIATES PTY. LTD.

CONSULTING MECHANICAL ENGINEERS

13 KABBERA BLVD., KELSO. 2795 - PHONE: (063) 31 5717

FAX: (063) 32 2107

FAX
COVER
SHEET

Fax To: BATHURST REGIONAL COUNCIL	Date: 2/3/05
Attention: MR. BOB. ROBERT.	No. of pages including this page: 1
From: JOHN HUMPHREYS	
Subject: REPORT ON SEWERAGE RATES CHARGES,	

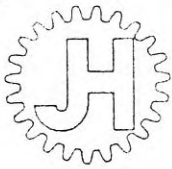
BOB,

RECORD OF OUR CONVERSATION OF 11.15 AM.

2/3/05

- I ACKNOWLEDGED THAT I WAS THE AUTHOR OF THE SUBJECT REPORT.
- YOU MENTIONED YOUR DISAPPOINTMENT AT MY DOING SUCH A REPORT AFTER DOING WORK FOR COUNCIL RE METER ASSESSMENTS.
- I STATED THAT THE COUNCIL WORK WAS IMMATERIAL TO THIS ISSUE, AS MY STANCE ON THIS MATTER HAS BEEN KNOWN TO COUNCIL SINCE MY LETTER (LELAGE PTY. LTD.) OF 23/6/0 AND WAS REITERATED AT OUR MEETING OF EARLY SEPTEMBER WHERE WE DISCUSSED MY DOWN METER SIZE ASSESSMENTS FOR THE COUNCIL.
- I EXPRESSED MY WILLINGNESS TO WORK WITH COUNCIL TO SATISFACTORILY RESOLVE THE SEWERAGE CHARGE ISSUE.

COPY: BATHURST CHAMBER OF COMMERCE,



Attachment 6 31

JOHN HUMPHREYS and ASSOCIATES PTY. LTD.
Consulting Mechanical and Electrical Engineers
and Project Managers

(INCORPORATED IN N.S.W.)

13 KABBERA BOULEVARDE,
KELSO N.S.W. 2795

A.B.N. 36 002 931 295
A.C.N. 002 931 295

TELEPHONE: (02) 6331 5717
FAX: (02) 6332 2107

1 March, 2005

**REPORT ON IMPLEMENTATION OF "BEST-PRACTICE"
SEWERAGE RATING IN BATHURST,**

In July, 2004, Bathurst Regional Council changed the basis of their Sewer Rating System from a Land Value basis to a "User Pays" basis. This was in response to the issuing of the "Best-Practice Management of Water Supply and Sewerage" guidelines (May, 2004) by the New South Wales Government Department of Energy, Utilities and Sustainability and the "Water Supply, Sewerage and Trade Waste Pricing Guidelines" (December, 2002) by the Department of Land and Water Conservation.

These Best-Practice guidelines formed part of a list of State Government requirements, which must be complied with in order that Local Government be able to source funding from the State Government, and be able to pay a dividend from the profits generated by their Local Water Utility.

This change in the Sewer Rating System to a "User Pays" basis follows the change to "User pays" water rating some years ago, where the charges now relate to the meter size and usage.

The community generally acknowledges the need for conservation of natural resources, and as such the implementation of the "Best-Practice" guidelines for Water and Sewerage Management is a step toward ensuing water availability for future generations of Australians.

EXPLANATION OF NEW SEWERAGE RATE CHARGES

The new rating scheme involves a two part charge, based broadly on the size of the meter serving the property, and the water usage registered by the meter. Via the use of a Sewerage Discharge Factor, and a cost per kilolitre of water usage as registered on the meter, the charges for each property are calculated using the following formula, the total charge being the sum of the availability and usage charges.

- 1. Availability Charge:**
(Charged based on water meter size) X (Sewerage Discharge Factor).

2. Usage Charge:

(Water usage) X (Sewerage Discharge Factor) X (cost/kilolitre as measured at meter).

where the "Sewerage Discharge Factor" is defined as the proportion of the water, as measured at the meter, that actually enters the sewerage system.

See Appendix A for the scale of charges based on water meter size.

SEWERAGE DISCHARGE FACTOR DISCUSSION

The Sewerage Discharge Factor, the usage cost per kilolitre and the charge relating to the meter size, are the three components of the sewerage charge which are open to adjustment by the Local Water Utility. As the meter charge and the usage charge are both multiplied by the SDF to get the total sewerage charge, the SDF has probably the greatest influence on the total sewerage rate charged.

The allocation of an SDF of the order of 0.95% to a residential property is unrealistic, with the Pricing Guidelines suggesting a typical value of 0.6 for a residential situation. (P28 note 21 of the Pricing Guidelines). An SDF of 0.6 would seem to be appropriate having regard for the volume of water that the average home owner puts onto his lawns and gardens over a period of 12 months.

The arbitrary allocation of an SDF of 0.95% to most non residential premises is totally contrary to any logic, except for small commercial premises where the only water usage goes to sewerage.

In a small to medium commercial/industrial undertaking, points of connection to sewerage are confined to toilet/change rooms and lunch room areas only, which for economy of construction are generally grouped together and take up approximately 5% of the total floor area, generally located in a corner at the front of the building adjacent to the Council sewer main. The existing Council approach does not reflect this understanding.

There is no basis for saying that the discharges generally from fire hose reels, and hose cocks (which are distributed throughout the building to meet BCA and code coverage requirements) can enter sewerage, because the hoses are physically too short to do so when a building is typically of the order of seventy metres long. The discharge from hose reels and hose cocks when occasionally used for cleaning down, generally finds its way to an adjacent grass/garden area, or to a grated drain or similar collection point where it enters the stormwater system.

In fact, if the discharge from washing down industrial floors/vehicles etc. was to go directly into sewerage, as contended by Bathurst Regional Council, it would have to be considered as an illegal discharge to sewerage, given its inevitable oil and solids content. This type of occurrence, if done on a regular basis, would be detected by Council and would result in the owner being forced to install a trade waste system, having its own associated system of charges.

Given the foregoing, Council should concede that the only water going to sewerage comes from the toilets and other domestic wet areas of which Council would be aware from their records. On this basis, a "nominal" water meter size should be applied in the sewer rating system, the size of which is adequate to supply the domestic requirements only of the property.

The final note in the Pricing Guidelines relating to Sewerage Discharge Factors, (Note 1, page 93), reads "The LWU should modify SDF values as necessary on the basis of measured characteristics of the wastes in its area".

IMPACT OF NEW SEWERAGE RATES ON BATHURST PROPERTY OWNERS

The financial impact on Commercial, Industrial and Educational property owners varies enormously, depending on how their incoming water supplies have been designed and installed. Some properties with small water meters sustained very little movement in their sewerage charges, while properties with large meters required for hydrant and hose reel services, as well a domestic requirements, sustained sewerage rate increases reportedly of up to 1200%. These projected increases were advised to all non-residential land owners in correspondence from Bathurst Regional Council, dated June, 2004. Many property owners wrote to Council objecting to the projected sewer rate increases, in which case Council offered to review both their water meter size and SDF.

The annual combined availability and usage charge for Domestic Sewerage within the City of Bathurst in the rates notices issued 30/7/04 was \$350.50 per block (Orange City Council combined sewerage rate component at 30/7/04 was \$273.00). This payment entitles the ratable domestic property owner to be connected to sewerage and to use of the order of 260 kilolitres/annum of which, using the domestic SDF of 0.95, would see 247 kilolitres/annum going into sewerage, and the remainder used for lawn/garden watering etc.

In Bathurst, every non residential property owner with a water meter larger than 32 diameter, with the current SDF's, is financially grossly disadvantaged by this new "user pays" sewer rating system, with its access charge based on the installed meter size with a base charge of \$307.00 for a 20 diameter, plus a usage charge based on \$0.78 per kilolitre. This compares with charges by our neighbouring Council, Orange City Council, where the base access charge is \$97.09 for a 20 diameter meter, plus the usage charge based on \$1.28 per kilolitre at the meter with much lower SDF's in place. (See Appendix A for a table of charges by various Water Utilities.) We understand that the Orange Council instructed its officers to adhere to the Best-Practice Management guidelines when formulating their "user pays" sewer charges. In Bathurst, we have examples of non residential properties where the anticipated sewer rate increase over the 2003/2004 charge, was 1100%, where in Orange, the "user pays" sewerage rate for 04/05 has remained steady, or is marginally lower in some cases where actual usage was low. (See Appendix A for a table of rates charges in different areas.)

The phrase “**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**” (P6 Best-Practice Management Guidelines) has been entirely ignored by Bathurst Regional Council, in relation to non-residential properties. One of the most extreme examples of Council’s inequitable application of sewer charges is an industrial storage property which uses 2 kilolitres/quarter (actual figures for the first two periods of 04/05 for A/N 2662-34000-5). The access sewerage charge for this property (8 kilolitres/annum going to sewerage) was \$1,167.55 with usage charges still to come, compared with a domestic charge of \$350.50 where some 250 kilolitres/annum goes to sewerage.

Clearly the foregoing example of a 40 diameter meter and a 2 kilolitre/quarter usage (periods 01 & 02, 2004) is an extreme case, where usage to sewer is low due to the premises being accessed for short periods of time by drivers to deliver/pick up palletised stock on a 24/7 basis. As the lawn sprinkler system at this property was not required during what was a wet spring and early summer, it was turned off for this period, clearly establishing the quantity of water going to sewerage each quarter. In dry times, water usage at this property has been up to 400 kilolitres per quarter, (period 04, 2004) 398 kilolitres of which would have been used by the lawn sprinkler system, which gives a calculated SDF of 0.005, a far cry from the 0.95 S.D.F. applied to this property by the Bathurst Regional Council.

Council should also realise that to find the funds to pay huge increases in rates, requires property owners running a business, in order to break even, to generate a extra \$6.66 of turnover to pay for every \$1.00 required for rate increases, based on a 15% profit margin on turnover. Given current times, this may prove very difficult for many education and manufacturing organisations.

NOMINAL METER SIZING

A large number of Commercial and Industrial properties in Bathurst have meters which are sized over and above that required to meet domestic requirements, for the purpose of providing adequate flows and pressures for fire hose reel and hydrant systems. The new availability charges for water and sewerage are based on the meter size, which in many instances does not reflect the non emergency water usage (all times when not fighting a fire) or the sewerage capacity requirement of the property.

A more reasonable approach would be to adopt a “nominal” meter size for water and sewerage rating purposes. The “nominal” meter size would be the meter size required to provide an adequate water supply to toilet, shower and lunch areas, being the only areas responsible for a load on the sewer system. Alternatively, an appropriate reduction in the SDF could be put in place (as per Orange Council) to reflect the actual potential load on the sewerage system.

CONCLUSION

The introduction of this new sewerage rating system has been detailed out and implemented at a time when there were no community elected Councillors in office with whom to discuss these issues prior to implementation.

Further questions coming out of this investigation are:

1. Why did Bathurst Regional Council adopt the financial model that they did in preference to a model which would have been revenue neutral for the non residential sector?
2. Why is it that under the current model, domestic sewerage charges did not increase for 2004/2005, when the sewerage charges for non-residential properties will have increased by many hundreds of percent after the usage charges are taken into account?

We have received encouragement in this issue from the Minister for Energy and Utilities, Mr. Frank Sator, copies of letters from the Minister are attached in Appendices B and C. The Minister states in his last paragraph (Appendix C) that he is "keen to see that all customers are treated fairly, and that Businesses in Bathurst are not faced with unwarranted access charges".

In the interests of the continued Industrial and Commercial growth of Bathurst, and the preservation of the green and leafy appearance of the city, these sewerage charges along with the Trade Waste charges must be revisited, to put our city on a similar rates cost basis to other centres where the new charges have been introduced along the intended guidelines. Council, at the earliest opportunity must look at a revised basis for their sewerage rate system, in terms of fairness of the system across all sections of the community, as recommended in the Pricing Guidelines.



J.K.HUMPHREYS. B.E. M.I.E.A. C.P.ENG.

APPENDIX 'A'

FEBRUARY 2005

LOCAL WATER UTILITY WATER/SEWERAGE CHARGE COMPARISON TABLE (NON DOMESTIC PROPERTIES)

LOCAL WATER UTILITY	WATER AVAILABILITY CHARGE	COST PER KL WATER SUPPLIED AS MEASURED AT METER	DOMESTIC SDF APPLIED INITIALLY	NON DOMESTIC SDF APPLIED INITIALLY	NON DOMESTIC SEWERAGE AVAILABILITY CHARGE (SDF APPLICABLE) 20M METER 50M METER 100M METER	SEWERAGE COST PER KL WATER SUPPLIED AS MEASURED AT METER (SDF APPLICABLE)	COMMENT			
BATHURST REGIONAL COUNCIL	\$250	\$1563	\$6250	\$0.50/KL (FIRST 300 KL) \$0.80/KL THEREAFTER	0.95	\$307	\$7682	\$0.78/KL		
ORANGE CITY COUNCIL	\$280	\$1750	\$7000	\$0.55/KL	0.95 DOWNSIDE BASED ON DEMONSTRATED WATER USAGE	\$97.09	\$606.81	\$2427.25	\$1.28/KL	COUNCIL REDUCES ALLOCATED SDF BY 0.1 IF METER O SIZED FOR FIRE SERVICES
DUBBO CITY COUNCIL	\$210	\$1312	\$5250	\$0.52/KL	NO USER PAYS SEWERAGE IN PLACE AT THIS STAGE					TO BE INTRODUCED 2005/06
LITHGOW CITY COUNCIL	\$410	\$410	\$410	\$0.51/KL (FIRST 500 KL) \$1.32/KL 500/2000 \$1.50/KL 2000/5000 \$2.02/KL THEREAFTER	NO USER PAYS SEWERAGE IN PLACE AT THIS STAGE					TO BE INTRODUCED 2005/06
HUNTER WATER	\$25	\$159	\$634	\$1.01/KL (FIRST 1000 KL) \$0.93/KL THEREAFTER	0.5	\$479	\$2992	\$11967	\$0.42/KL	
SYDNEY WATER	\$78	\$485	\$1940	\$1.013/KL	?	\$86	\$542	\$2167	\$1.146/KL	
ALBURY CITY COUNCIL	\$76	\$473	\$1890	\$0.44/KL (FIRST 275 KL) \$0.80/KL 276/19999	0.49	\$192	\$1200	\$4800	\$1.82/KL	

NOTES: 1. THE ABOVE FIGURES HAVE BEEN ADJUSTED TO THE BASIS RECOMMENDED IN THE 'BEST PRACTICE GUIDELINES' WHERE LOCAL WATER UTILITIES DO NOT SHOW SDF FIGURES IN THEIR RATE NOTICE CALCULATIONS

2. THE ABOVE FIGURES HAVE BEEN OBTAINED FROM THE LOCAL WATER UTILITIES, AND WE BELIEVE THEM TO BE ACCURATE TO THE BEST OF OUR KNOWLEDGE.

QUOTATIONS FROM THE GOVERNMENT PRICING GUIDELINES & BEST-PRACTICE GUIDELINES

"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".

PAGE 9 - BEST PRACTICE GUIDELINES

"APPROPRIATE TARIFFS ENSURE FAIR PRICING OF SERVICES, REMOVAL OF SIGNIFICANT CROSS-SUBSIDIES, AND PROTECTION OF OUR VALUABLE WATER RESOURCES AND ENVIRONMENT"

PAGE 33 - BEST PRACTICE GUIDELINES

"ANNUAL NON-RESIDENTIAL SEWERAGE ACCESS CHARGE REFLECTIVE OF CUSTOMERS PEAK LOAD ON THE SEWERAGE SYSTEM"

PAGE 36 - BEST PRACTICE GUIDELINES

"REMOVING SIGNIFICANT CROSS-SUBSIDIES SO ALL CUSTOMERS PAY A FAIR PRICE FOR WATER SUPPLY AND SEWERAGE SERVICES"

PAGE 2 - PRICING GUIDELINES

"WHERE AN L.W.U. HAS MORE ACCURATE INFORMATION (RELATING TO SDF'S) FOR SPECIFIC CUSTOMERS, IT SHOULD USE THAT INFORMATION"

PAGE 29 - PRICING GUIDELINES

2/

EXPLANATION OF SEWERAGE RATE CHARGES

AVAILABILITY CHARGE

(CHARGE BASED ON WATER METER SIZE) * (SEWERAGE DISCHARGE FACTOR)

PLUS

USEAGE CHARGE

(WATER USEAGE) * (SEWERAGE DISCHARGE FACTOR) * (COST/KILOLITRE AS MEASURED AT METER)

WHERE THE "SEWERAGE DISCHARGE FACTOR" IS DEFINED AS THE PROPORTION OF THE WATER, AS MEASURED AT THE METER, THAT ACTUALLY ENTERS THE SEWERAGE SYSTEM.

RESIDENTIAL/NON RESIDENTIAL CHARGE COMPARISON

RESIDENTIAL

STANDARD 20ϕ METER - \$350.50 COVERING BOTH
AVAILABILITY & USAGE CHARGE
(AVERAGE DOMESTIC USAGE OF THE ORDER OF
260 KL OF METERED WATER, WITH SOME 245 KL
ENTERING THE SEWERAGE SYSTEM)

NON RESIDENTIAL

EXAMPLE BASED ON ACTUAL PROPERTY USAGE AND CORRESPONDENCE FROM B.R.C.
40ϕ METER, ALLOCATED SDF OF 0.95
AVAILABILITY CHARGE: \$1229 * SDF
PROJECTED USAGE CHARGE 764 KL * \$0.78 * SDF (CORRESPONDENCE FROM COUNCIL, JUNE 04)
TOTAL ESTIMATED SEWER CHARGE FOR 04/05 \$1,733.67
TOTAL SEWER CHARGE 03/04 \$780.06

GIVING COUNCIL AN INCREASE OF 222%

ACTUAL USAGE TO SEWER IN FIRST QUARTER 04/05 2 KL (LAWN WATERING SYSTEM NOT USED)

ACTUAL USAGE TO SEWER IN SECOND QUARTER 04/05 2 KL (LAWN WATERING SYSTEM NOT USED)

GIVING AN ACTUAL SDF OF $\frac{8}{764} = 0.0105$????

MANY EXAMPLES OF NON RESIDENTIAL RATES WHERE, DUE TO INCREASES IN SEWERAGE CHARGES, THE TOTAL RATES IMPOST HAS INCREASED BY IN EXCESS OF 100%

6/

SUMMARY

AVAILABILITY CHARGES ARE EXCESSIVELY HIGH
SEWER DISCHARGE FACTORS ARE EXCESSIVELY HIGH

"NOMINAL" METER SIZES ARE REQUIRED FOR REASONABLE FINANCIAL
MODELLING OF THE ACTUAL SYSTEM (SEE SITE DRAWING)

WHAT COULD BE FAIRER:- 1. SEWER AVAILABILITY CHARGE BASED
ON THE MAXIMUM SEWER LOAD (FROM THE AREAS OF
PREMISES ACTUALLY CONNECTED TO SEWER)

2. USEAGE CHARGE BASED ON A REASONABLE
S.D.F. WHICH CAN BE ASCERTAINED BY TRIAL ON INDIVIDUAL
PREMISES. (SDF CAN BE OBTAINED BY SIMPLY NOT USING ALL
SYSTEMS WHICH ARE NOT CONNECTED TO SEWER, IE GARDEN
TAPS & HOSE REELS, FOR A PERION OF A COUPLE OF DAYS
TO ESTABLISH HOW MUCH METERED WATER IS ACTUALLY GOING
TO SEWERAGE. THIS FIGURE, ADJUSTED FOR A TWELVE MONTH
PERIOD, DIVIDED BY THE TOTAL ANNUAL USEAGE WILL GIVE
AN ACTUAL S.D.F.)

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HEATH CONSULTING ENGINEERS

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Our Ref: L04_08_064.doc

8 June 2010

Cambrune Pty Ltd
233 College Road
BATHURST NSW 2795

Attention: Mr Ray Carter

Dear Sir

RE. ASSESSMENT OF REPORT BY JOHN HUMPHREYS AND ASSOCIATES PTY LTD

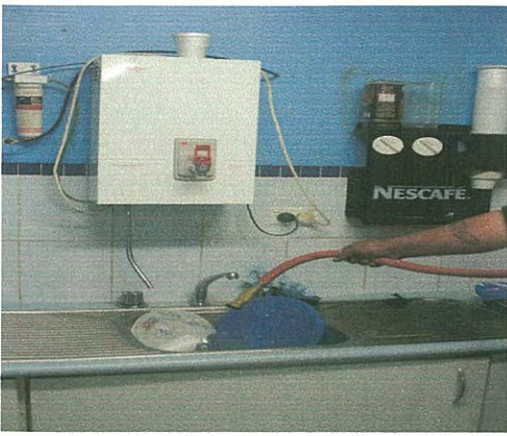
As requested Heath Consulting Engineers has reviewed the report prepared by John Humphreys & Associates Pty Ltd on the Implementation of "Best-Practice" Sewerage Rating in Bathurst dated 1 March 2005.

The main points of the report are consistent with our own findings, which are that water meters on industrial and commercial properties are generally oversized to cater for fire hydrant and fire hose reel flows, meaning that properties are being penalised for having an oversized water meter even when minimal demand is placed on Council's sewerage infrastructure.

In order to have a fairer and more equitable means of charging non-residential ratepayers, Council must adopt Equivalent Tenement loadings, nominal water meter sizing or adjust the Sewerage Discharge Factor for all of their industrial/commercial properties. This is the only way they can truly comply with the Department of Water & Energy's best practice guidelines and also the true principles of "user pays".

Yours faithfully
Heath Consulting Engineers

Per:
ROGER HEATH



These are probably the so called “common practice of using hose reel;” situations referred to by Council, for in all of these unlikely situations the water from the fire hose reels would indeed go into the sewer system. All would prove quite messy though, given the required capacity of fire hose reels.

These unlikely situations however are deemed to provide an assumed copious load on Council's sewer system. They are indeed the basis for the Sewer Access Charge including the fire hose reel component capacity of non-residential water meters. They are the basis for the inordinate charge for sewer access by Bathurst Regional Council.



In these unlikely scenarios the water from the hose reels will not be entering the sewer system but rather be soaking into the ground , evaporating or going down the storm water drain. Because of this, the use of fire hose reels for these purposes has no bearing on, or does it provide any “impact” or “load” to the sewer system.

Mr Ray Carter
5 November 2004

- (c) That Council provides a Hydraulic Engineer in the first year of best-practice sewer pricing to assess requests for downsizing and rationalizing of meters;
- (d) That the cost of downsizing or removing meters be met by Council;
- (e) That nominal sizing of meters is not used for calculating access charges due to the common practice of using fire hose reels;
- (f) That no community service obligation be provided for non-rateable properties as most of these are state government bodies (e.g. schools, hospitals) and by doing so it will re-introduce cross-subsidies that will result in Council not meeting the Best Practice Guidelines;
- (g) That if it is determined by the Chief Financial Officer that the increase in sewer prices (including trade waste fees) is substantial and would create financial pressures, an agreement may be entered into to introduce the charges over a three year period. This will be done by individual application.
- (h) carry out a review of Sewerage Discharge Factors. This review will be carried out on request by Council's Engineering Department provided that sufficient information is given to warrant that review. In the first year of best-practice sewer pricing any adjustment will be effective from 1 July 2004. Reviews requested in following years that result in an adjustment from the date of the initial request

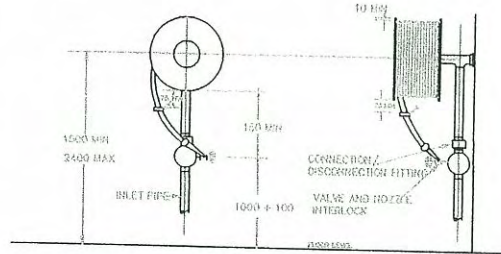
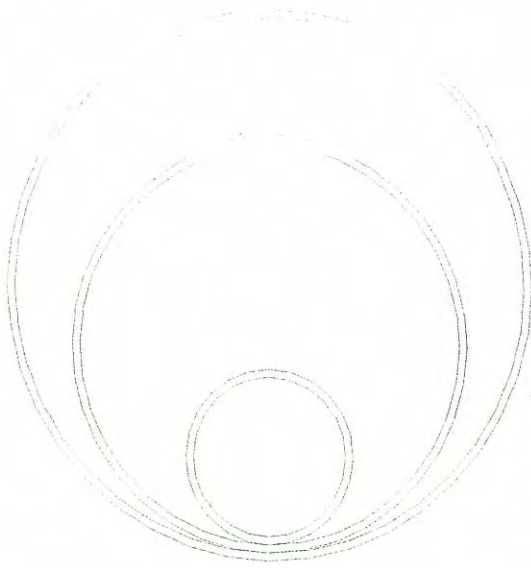
Thank you for your attention to this matter.

Yours faithfully



Kath Knowles
ADMINISTRATOR

The Sewer Access Charge

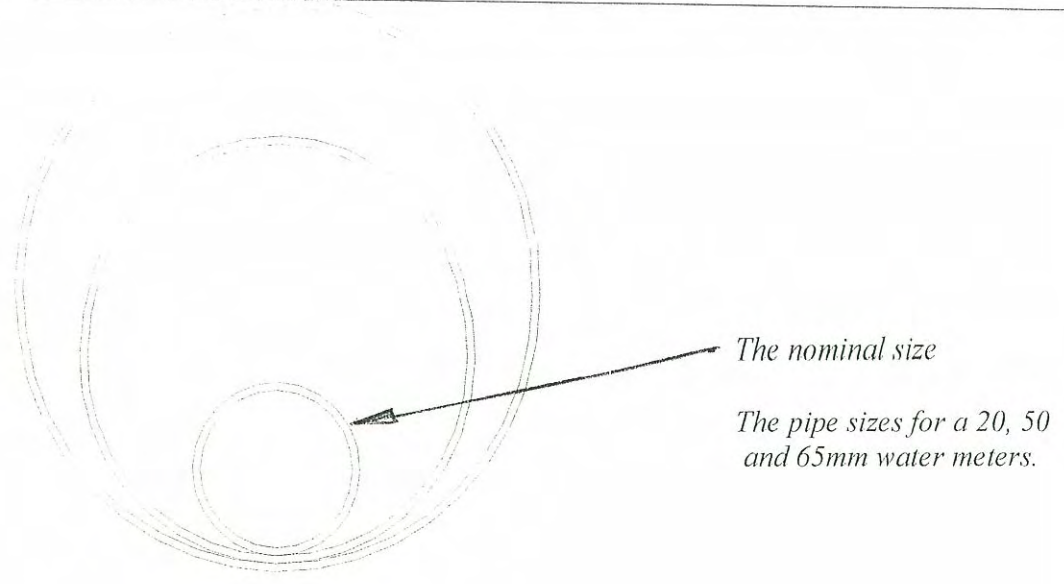


**THE COMMON
36m x 19mm FIRE HOSE REEL**

A submission by Ray Carter for Bathurst Regional Council's deliberation on the 2006 Management Plan. (7 pages plus 6 attachments)

The small pipe is 20mm diameter (to scale) and is the size of the water meter needed for the domestic needs, including the toilets, of most factories and warehouses.

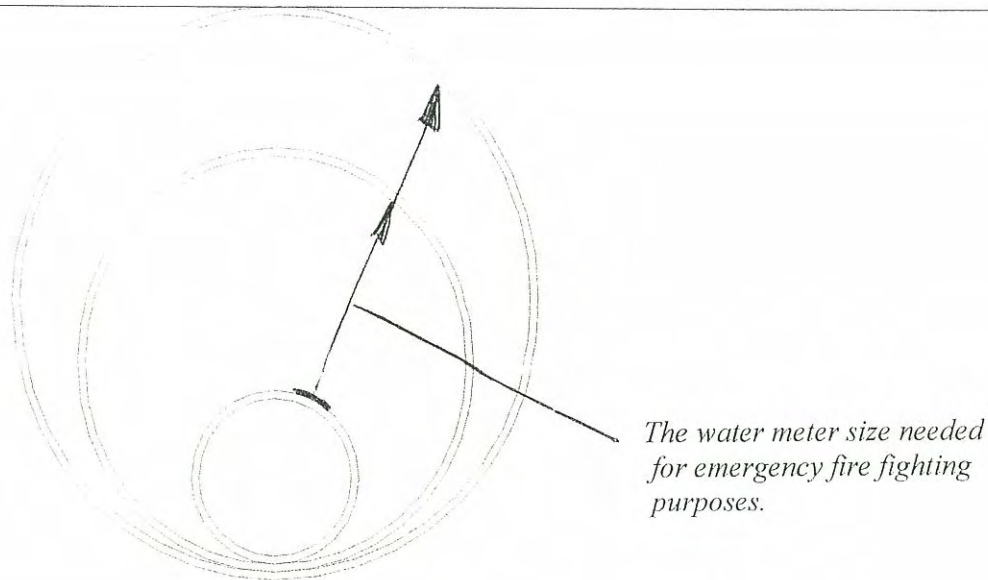
However most factories and warehouses have a water meter the size of the bigger pipes, because factories and warehouses are required to have that additional capacity for the fire hose reels in case there is a fire.



The Sewer Access Charge is levied on factory, warehouse and commercial buildings.

*The Sewer Access Charge is levied in accordance with the water meter size but is required by law to reflect the **actual usage** of the Sewer System.*

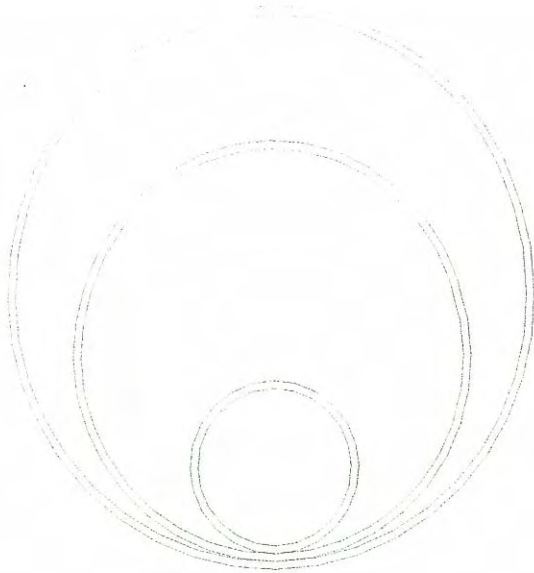
Considering that all capacity over and above the small pipe size is capacity available for fire fighting, which size do you believe Bathurst Regional Council has selected for the Charge?



If you have thought about the Charge reflecting the Usage, no doubt you would have come to the same conclusion as did the State Minister who implemented this Charge.

That is; seeing that the capacity over and above the small pipe size, (the Minister called this the Nominal Size) is there only for emergency, that it would have to be based on the small pipe. (see attachment 5)

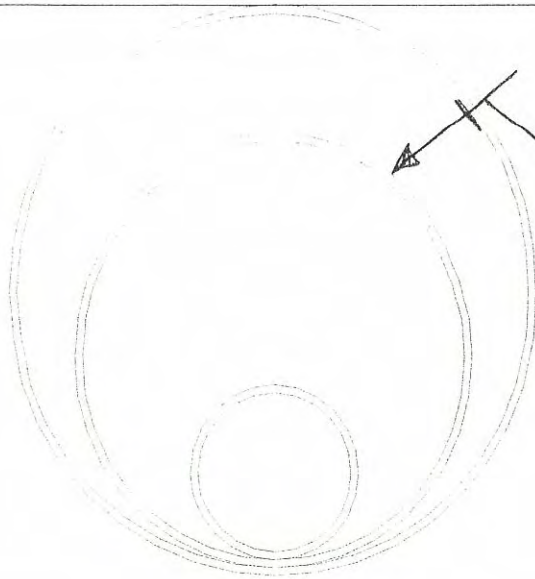
Incredibly, Bathurst Regional Council insists it is the bigger pipes that reflect usage and that this is fair and in accordance with the Minister's Guidelines.



*Bathurst Regional Council believes that the charge **has** to be based on the big pipe size because the water from those fire hose reels connected to the system **could** get down the Sewer System.*

Never mind that this would require taking the hose from the red reel and squirting the water into the toilet system.

Never mind that all water is metered and paid for as it all goes through the meter. The fact is that you just might put that particular water down the sewer. Numerous submissions similar to (attachment 1) to Council elicit a response similar to (attachment 2)

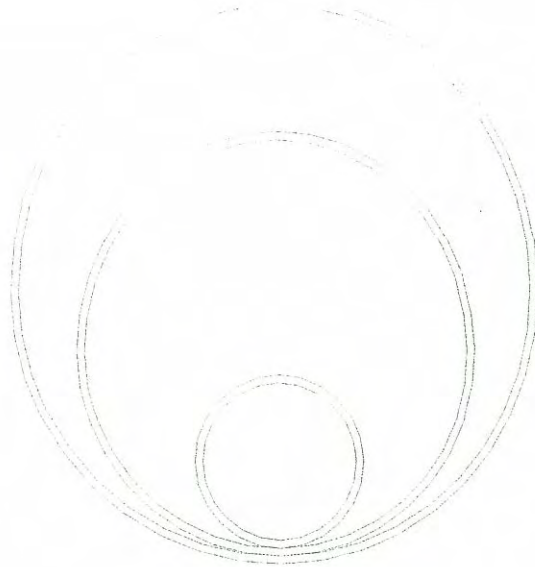


Businesses have been able to downsize their meters where there has been shown to be excess water capacity to supply their hose reels. (indicated as an example here)

*If you wonder now how Council could think this way, you could take comfort in the fact Council has indeed after two years, conceded **verbally** that there is some merit in using the Nominal Size (that's the small pipe) for the charge as suggested by the minister two years ago.*

Regardless of this, Council has indicated it has no plan to actually implement use of the Nominal Size for the Charge.

This matter is a political one according to Council. The Minister and his Department may encourage Council to use the Nominal Size, but Council has stated that this a political matter to take up if I wished and hence this submission.



Note that size of the meter has nought to do with actual use nor impinges on the non use of the nominal size to calculate the Charge.

*If the use of the Nominal Size meter for assessing the Charge has been acknowledged as having merit, why has it not been implemented **or** required by the Minister?*

Most likely this is because Council has told the Minister of another plan, (see attachment 4, a response to attachment 3)

*This involves an annual inspection of all commercial premises to ascertain whether indeed those businesses have put their standby fire fighting water into the Sewer drainage system. **Then**, if they can prove that indeed they have not, they will qualify for a **rebate!***

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Attachment 4 indicates Council's willingness to implement the system of annual inspections, which is no doubt of great comfort to the Minister.

This is the matter that Council will deliberate on in regard to the Access Charge and in relation to the 2006 Management Plan. Please do not confuse this matter with Trade Waste, another issue altogether

*Simply put; the Access Charge should reflect the **load placed** on the Sewer System relative to residential customers. (see attachment 6) As the Access Charge stands, it is a charge on the capacity to fight fire not a fair and equitable charge on the load put on the sewer system.*