

# Carters

Carter Bros Engineering Pty Ltd

*hachlan*  
*thanks*  
*Ray*

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ACN 002 244 411  
3 Toronto St  
Bathurst NSW 2795  
Phone 02 6331 6811  
Facsimile 02 6332 3185  
Email cartbros@ix.net.au

19 July 2004

Ms Kath Knowles  
Administrator  
Bathurst Regional Council

*Draft  
for comment.*

Dear Ms Knowles

In regard to proposed Access Charges. BRC Ref.TD:AL:26.00010 and your reply dated 5 August 2004 to my letters.

In response to point no.1. I ask and so as to be prepared to speak to Councils water hydraulics engineer when our case is investigated. For what purpose will you "investigate any matter raised in relation to the meter size required as compared to the meter size required for fire fighting purposes"? On first reading this statement it appeared at first to me that the purpose Council would be to consider the obvious calculation of a "nominal" size for the water meter charge as advised by the State Govt., however in (e) it says that "Council resolved", that "nominal sizing of meters is not used for calculating access charges due to the common practice of using fire hose reels" Again, if Councils hydraulics engineer is to "investigate", what is the purpose? Also, in regard to the review of Sewer Discharge factors you say that will be warranted if "sufficient information is given". Obviously the number of person using premises is the major factor. Could you please let me know what are the criteria for this?

In three places in your letter you refer to fire hose reels.

In 2. You state "Council is aware of the practice of using water from the fire hose reels in **some** cases." This is a downgrading of the actual resolution from the 21 July meeting, which is, "nominal sizing of water meters is not used for calculating access charges due to the **common** practice of using fire hose reels". I raise two issues here. First these are very sweeping statements, one of which is, incredibly, a resolution. Second, this resolution (e), without explaining what the suspected "common practice" is, remains a crucial resolution in the formulation of Council's Access Charge and the rejection of nominal sizing of water meters. There is obviously more to this notion than is simply stated, so could you please tell what this means?

I am glad you have assured me that you have never considered “water theft to be a problem” because it remains that Council’s resolution (e) states “the common practice of using fire hose reels” is displayed as the very reason “nominal sizing of meters is not used for calculating access charges”.

I have always understood that water cannot be stolen when it is metered even if it is through a hose reel. Of course the reason for having hose reels supplied through the water Meter is for that very purpose. A hose reel, being a statutory requirement, has to be maintained in accordance with the BCA.

A fire hose reel consists of a coiled up hose, a bit better quality than a run of the mill garden hose but otherwise it’s just a hose. It is interesting to note that you believe that “because of the high water pressure these hoses are used for purposes that the customer decides upon”. Please note that hollow bit inside a hose reel is very like the hollow bit inside any common hose and, possessing no special qualities that would increase either the static or dynamic pressure, conveys water that originates at the water meter just as any common hose would do. Such a hose, exuding higher pressures than an ordinary hose, if it existed, would be a very valuable thing!

I note that you believe that “in some cases the water generated through these hose reels goes back through Council’s sewer system”. Please note that the putting of anything extraneous down the Council’s sewer system without Council’s approval is illegal!

A check with Council’s Engineering Department would reveal that in order to do so legally, an agreement of Council’s making, called a Trade Waste Agreement, is required. It is accepted practice in NSW that the dumping of illegal waste into the sewerage system, whether it be by the said hose reel or by any other means, is a crime, commonly punished in the courts of the state and though not exactly theft nor the perpetrators termed exactly thieves, it is very close to being so.

The proper way to manage the situation you have illustrated is to have the perpetrators of this alleged illegal trade waste dumping to desist and to do so only in the legal Council prescribed manner, described above. Should Council not wish to do this then this is exactly where the accurate calculation of the Sewer Discharge Factor comes into play in contrast to the arbitrary one noted on Councils letters.

As you illustrate that illegal trade waste dumpers are small in number, being just the “some cases” of the “some cases” that Council acknowledges that it is “aware of”, in order to make these statements. As this misuse is only a small portion of the total obviously it would be quite easy to eliminate the practice. Has Council made any attempt at all to eliminate the practice, especially in the lead up to making such important decisions in regard to Access Charges?

Does Council intend to implement the Access Charge system as proposed in order to merely abrogate or minimise responsibilities in regard to best practice trade waste management?

You imply in your letter headed User pays Sewerage Charges that even in not implementing the advised "nominal sizing of meters" that you can still use that term "user pays", fairly. This is impossible. In the guidelines that you invite me to read it states in regard to sewerage "Annual non-residential sewerage access charge reflective of the customer's peak load on the system" and in regard to Water Supply Pricing "annual access charge reflective of the customer's demands on the system" It is a sad thing that these core elements are categorised presumably in your, these are "guidelines only" statement.

Council has introduced anomalies into the User Pays Sewerage Charges. These anomalies were no doubt envisaged and capably assessed by the NSW State Govt., which advised taking nil account of that additional portion of the water Meter size required for hose reels, namely the nominal sizing of water meters for this purpose.

Thank you for the inclusion of Councils process for the introduction of the "user pays sewerage charges", I have no doubt that this would follow the letter of the law but who would have thought "user pays" would be anything but paying for the use of something , that being as the State Govt so properly envisaged. Do you think that the term could even possibly be regarded as somewhat misleadingly applied perhaps?

Would it be possible to see the documentation of this process especially the Feb 04 advise from the State Govt and how that was presented?

It is noted that in the Strategic Business Plan – Check List 6.7, Council is to supply a Summary of Community Consultation. Would ~~this be the summary that will be given to the State Govt?~~ *the summary supplied*

I would think that of the 19 written enquiries received perhaps the vast majority have been made in belated reply to Councils June 3 and 8 letters posted near to the close of Councils submission period on 11 June, or even in response to rate notices. As businesses even now only become aware of the implications of Council's version of user pays, how does this evidence a true consultative process touted widely as part of Councils due process?

# Carters

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ACN 002 244 411  
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19 July 2004

Ms Kath Knowles  
Administrator  
Bathurst Regional Council

Dear Ms Knowles

In regard to proposed Access Charges. BRC Ref.TD:AL:26.00010 and our recent meeting.

Included are our comments and calculations of the effects of Councils proposed increased charges in regard to the above for each of our properties as notified. Toni Dwyer invited us to submit the same.

You will note that water usage for most of these, is quite low even compared to residential properties. Included are our estimated figures for SDF.

We await BRC reply on previous correspondence.

In the meantime we stress our belief that any direction from the State Government to Councils under the heading "best practice pricing" or "fair pricing" would of necessity be exactly that. In this we would understand that there is meant to be a correlation between actual demand on, or load on, the sewer or water systems. Is this correct or not?

You have said that Council has taken the physical size of the water meters into account in the loading on the Sewerage Treatment Plant although the State Government does not suggest this, just in case a very large water volume is dumped into the Sewer System. Has that ever happened? With quarterly water meter readings this is very quickly found out ! And in any case, control of this and the costing thereof by Council, is the explicit reason why the Sewer Discharge Factor is to be implemented as is indeed suggested by the State Government ! I do not believe this has been properly considered.

Councils explanation of its version of the "Two part tariff" is incongruous, unless under the guidelines from the Dept of Energy Utilities and Sustainability it is specifically meant that the Sewer Discharge Factor has something to do with the size of a water meter and nought to do with its singular purpose of measuring water flow.



I would have thought that an Access Charge for water would reflect demand on the water system and a Sewer Access Charge would reflect a customer's peak load on that system.

Council does not define in its letter to effected property owners, whether its proposed "Access Charge" is a Sewer Access Charge or a Water Access Charge. Please tell which it is as per the DEUS guideline.

I cannot conceive that the Councils interpretation of these proposed changes is in accordance with the State Governments intentions. Could I please meet with you again on this matter and perhaps you could show me exactly how these are stated.

In our meeting I brought up the fact that on all of our properties subject to Council's notice on this matter, the water meters are merely over 20mm in size for domestic purposes because it has been a Council requirement to connect Hose Reels specific for the purpose of fighting fire, through a water meter. On the subject of possible water theft it seemed to me that Mr Roach and yourself consider that water theft is a much larger issue than I would have thought it to be. I take issue with this for two reasons, (the obvious one of course) but especially as it seems part of the case upon which Council is proposing the "Access Charge". I hope that you may be able to elaborate upon this.

In reality the "Access Charge" as proposed by BRC, is de facto charge on fire fighting and it is indeed very difficult not to take offence at the implementation of such a charge.

Yours sincerely

Ray Carter  
Director

Mobile Phone 0407 258882  
Fax 6332 3185

11	Large meter for fire-fighting maybe. Non-profit and large increase	Hydraulic Engineers Report determines if meter can be downsized. Cost of downsize worn by customer and fees adjusted accordingly. 3 year agreement to phase in charges is assessed as significant and causing hardship. No proposed community service obligation reduction
12	Substantial impact on pre-set budget large increase. SDF review.	Review SDF. 3 year agreement to phase in charges is assessed as significant and causing hardship. No proposed community service obligation reduction
13	Already paying a volumetric charge in trade waste fees. Review of SDF. Request to remove redundant meter	Review SDF. Hydraulic Engineers Report determines if meter can be removed. Provide a full report for review of current Policy for discharge of Liquid Trade Waste to the Wastewater system.
14	40 mm meter only required for fire fighting and feels charge unfair based on this. Request for a SDF review.	Review SDF. No proposed policy on nominal meter sizes. Option to provide expert report on ET equivalent.
15	Request to remove water hydrant at property.	Hydraulic Engineers Report determines if meter can be removed.
16	Feels no relationship between the diameter of the meter and the amount of water used or discharged into sewer. Objects to the term "user-pay" when there is an access charge. Feels system as unfair as charges based on land value. Mentions nominal sizing of meters.	Explain that the new system is termed "Best-Practice" by the state government. Policy direction determined for implementation of sewer charges. Each property may require individual assessment ( SDF review, option to provide expert report on ET equivalent and hydraulic engineers assessment for downsizing and rationalisation of meters.

5 August 2004

Mr Ray Carter  
3 Toronto Street  
KELSO NSW 2795

Dear Mr <sup>Ray</sup> Carter

**User Pays Sewerage Charges**

Further to your questions raised at Council's meeting held on 21 July 2004, and your letter received by Council on 30 July 2004. The following explanations are tendered for your information.

1. Council has followed the guidelines for the introduction of a user pays sewerage system as issued by the Department of Energy, Utilities and Sustainability. A copy of the guidelines is **attached** for your perusal. As explained to you at our recent meeting, Council will investigate any matter raised in relation to the meter size required as compared to meter size required for fire fighting purposes. Council will shortly appoint a water hydraulics engineer to investigate cases such as yours.
2. Council will investigate your enquiry regarding meter size. The guidelines as distributed by the State Government are guidelines only. Council is permitted to decide on a system for sewerage charges.
3. Part (e) of the recommendation from the Chief Financial Officer's report to Council on 21 July 2004 is clear. Council is aware of the practice of using water from the fire hose reels in some cases. Council has developed its sewerage system based on the size of meters being used to calculate the access charge.
4. The report made to Council on 21 July 2004 states it is an "annual sewer access charge" the size of the water connection determines the amount of the charge. It is correct to assume that the size of the water meter determines the amount of the Annual Sewer Access Charge.
5. Council has not sidelined the State Government Guidelines. It has chosen to investigate and determine each enquiry on its merits and advise the customer/ratepayer of the outcome. By doing this, there are no breaches of the Guidelines.

Mr Ray Carter  
5 August 2004

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6. Council's process for the introduction of the user pays sewerage charges was as follows:

28 August 2003	City Treasurer Report to Council
26 November 2003	Discussion Forum
25 February 2004	City Treasurer Report to Council
10 April 2004	Councillors Working Party
14 May 2004	Management Plan on public exhibition
3 & 8 June 2004	300 + letters to financially affected customers/ratepayers
11 June 2004	Submissions on Management Plan closed
23 June 2004	- Chief Financial Officer Report to Council outlining submissions for consideration - Management Plan adopted
21 July 2004	Chief Financial Officer Report to Council

The final user pays document titled "Best-Practice Management of Water Supply and Sewerage Guidelines" was received by Council on 10 May 2004. Council was then in a position to put in place its final documentation to determine the system required to introduce a user pays/best practice sewerage system.

Council has written in excess of 300 letters to ratepayers to advise of the introduction of this new system and to advise of the financial effect on their business. To-date 19 written enquiries have been received.

In reply to your letter of 19 July 2004, Council resolved at its meeting held on 21 July 2004 that:

- (a) Engineering Staff be made available to provide on-site preliminary assessment and consultation;
- (b) Finance Staff be made available to explain the principles of best-practice pricing;
- (c) Council provide a Hydraulic Engineer in the first year of best-practice sewer pricing to assess requests for downsizing and rationalizing of meters;
- (d) the cost of downsizing or removing meters be met by Council;
- (e) nominal sizing of meters is not used for calculating access charges due to the common practice of using fire hose reels;
- (f) 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;



Mr Ray Carter  
5 August 2004

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- (g) 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 receipt of the initial request.

Your letter requested a review of the Sewerage Discharge Factor for your properties. To address your concerns Council will make Engineering Staff available to provide an on-site preliminary assessment and consultation. This assessment will also incorporate a review of the Sewerage Discharge Factor estimated for your property.

In respect to your comments regarding the possible water theft, I wish to advise that at no stage did the Chief Financial Officer or I ever consider water theft to be a problem. As you are aware, fire fighting hose reels are currently metered through Council's water metering system and what was asserted to you was that there are some customers who use fire fighting hose reels for purposes other than fire fighting. It was indicated to you that because of the high water pressure these hoses are used for purposes that the customers decides upon and in some cases the water generated through these hose reels goes back through Council's sewer system.

In relation to Council's interpretation, you will see that upon reading the Guidelines attached, Council has met the State Government requirements in respect of implementing this new system.

Council will continue to monitor this introduction of this new system and will work with its ratepayers to ensure a proper and equitable system is introduced.

Yours faithfully



Kath Knowles  
**ADMINISTRATOR**



**Bathurst City Council**  
**Now BATHURST REGIONAL COUNCIL**

5 August 2004

Mr A Baird  
210 Gormans Hill Road  
BATHURST NSW 2795

**CIVIC CENTRE**  
Corner Russell & William Streets  
Bathurst New South Wales

Private Mail Bag 17  
Bathurst NSW 2795

Telephone 02 6331 1622  
Facsimile 02 6331 7211

Email: [council@bathurst.nsw.gov.au](mailto:council@bathurst.nsw.gov.au)  
Web Address: [www.bathurst.nsw.gov.au](http://www.bathurst.nsw.gov.au)

Dear Mr Baird

**Implementation of Best Practice Sewer Charges**  
**Rate Assessment # 2994-10000-2**  
**Property: 45 Mitre Street, Bathurst**

In reply to your letter dated 17 June 2004 regarding the implementation of Best Practice Sewer Charges Council expresses its thanks for your input and patience in this matter.

Council has considered the issues raised in your letter and other responses. To assist in this implementation Council resolved at its meeting held on 23 July 2004 that:

- (a) *Engineering Staff be made available to provide on-site preliminary assessment and consultation;*
- (b) *That Finance Staff be made available to explain the principles of best-practice pricing;*
- (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-ratable 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.*

***Bathurst – Experience the thrill***

Reference: TD:AL:26.00010/004

Enquiries: Mrs Toni Dwyer (02) 6333 6291

GRTMD\AMANDA\_TYPING\Response 1.letters\td-baird.doc

Mr A Baird  
5 August 2004

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- (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 receipt of the initial request.*

Your letter requested that Council not use the guidelines set down by the State Government for Sewer pricing.

Council has chosen to follow State Government Guidelines and must therefore follow the guidelines to avoid further implications (e.g. seeking grant funding).

Council is prepared to undertake any of the above actions that you feel will assist you. To do this Council will need specific details of your property so that it can be fully investigated.

Enquiries can be directed to Council's Senior Accountant, Toni Dwyer on 02 6333 6291.

Yours faithfully



R Roach  
**CHIEF FINANCIAL OFFICER**

***Bathurst – Experience the thrill***

Reference: TD:AL:26.00010/004

Enquiries: Mrs Toni Dwyer (02) 6333 6291

8/09/2004  
Mr Gerard Martin MP  
Bathurst  
140 William St

Dear Sir

In regard to Bathurst City Council's Sewer Access Charge to non-residential customers.

Bathurst Regional Council has written to us in our ongoing discussion on the matter.

To A Baird they have said. Ref TD:AL:26.00010/004 "Council has chosen to follow State Government Guidelines and must therefore follow the guidelines to avoid further implications (eg seeking grant funding)

To R Carter they have said. Ref RR:AL:26.00010/016 & 025 " The guidelines as distributed by the State Government are guidelines only. Council is permitted to decide on a system for sewerage charges."

Surely it is not right that Council varies their argument to suit each situation while the glaring anomaly remains that they have introduced a so called "User Pays" sewer charge, the dollar value of which for us is based primarily on the availability of water for fire fighting purposes.

This contradicts the Guidelines which state that the Sewer Charge reflect the "load on the sewer system" and the "demand on the water supply", in other words the governments advise that there be, "Where a large connection 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"

As we have received conflicting advise, could you please clarify the matter as to what is the correct approach by Council and the Governments position on the matter.

Yours faithfully

Alan Baird  
210 Gormans Hill Rd Bathurst 2795

Ray Carter .  
3 Toronto St Bathurst 2795





22 September 2004

Mr Gerard Martin MP  
Member for Bathurst  
PO Box 712  
BATHURST NSW 2795

27 SEP 2004

Dear Gerard

I refer to your letter of 13 September 2004, in which you raise matters relating to Mr Ray Carter and Mr Alan Baird's enquiry to your office.

In respect to the statement made to Mr Carter, Mr Carter was advised that the State Government Circular contained Guidelines only and it was Council who decided on the type of user pays system that Council introduced. Council took into account the advice of the State Government Guidelines and made the determination that access charges would be based on water meter size. Mr Carter has received three letters to-date advising him of the procedure and methods used in calculating his user pays sewer charges. Mr Carter has also been advised that Council has appointed a hydraulic engineer to investigate the meter size of each of his properties that he has raised as a concern to him and Council will make a determination based on pressure results as to the correct size for water meters on his properties. He has also been advised that in the event of downsizing of the water meter being permitted then the appropriate charges will be made for his property from the time of his enquiries.

In respect to Mr Baird, Council advised Mr Baird of the procedure for implementation of the State Government Guidelines and he too has available Council's commitment to investigate the sizing of his water meter should he so wish.

Council will, upon receipt of all information from the people who have requested it, as a matter of course, review the methods of charging to ensure all ratepayers are treated fairly and equitably.

Yours faithfully

Kath Knowles  
ADMINISTRATOR

# Carters

Carler Bros Engineering Pty Ltd

Attachment 1  
p1 of 4  
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ACN 002 244 411  
3 Toronto St  
Bathurst NSW 2795  
Phone 02 6331 6811  
Facsimile 02 6332 3185  
Email cartbros@ix.net.au

19/08/04

Ms Kath Knowles  
Administrator  
Bathurst Regional Council

Dear Ms Knowles

In regard to proposed Access Charges. BRC Ref.TD:AL:26.00010 and your reply dated 5 August 2004 to my letters.

In response to point no.1. I ask so as to be prepared to speak to Councils water hydraulics engineer when our case is investigated. For what purpose will you "investigate any matter raised in relation to the meter size required as compared to the meter size required for fire fighting purposes"? On first reading this statement it appeared at first to me that the purpose Council would be to consider the obvious calculation of a "nominal" size for the water meter charge as advised by the State Govt., however in (e) it says that "Council resolved", that  
*"nominal sizing of meters is not used for calculating access charges due to the common practice of using fire hose reels"* Again, if Councils hydraulics engineer is to "investigate", what is the purpose? Also, in regard to the separate matter of a review of Sewer Discharge factors you say that will be warranted if *"sufficient information is given"* without any clarification. Obviously the number of person using premises is the major factor constituting the load on the sewer system. Could you please let me know what are the criteria for this? I have supplied information though you have not given any guidelines whatever. 

In three places in your letter you refer to fire hose reels.

In 2. You state "Council is aware of the practice of using water from the fire hose reels in **some** cases." This is a downgrading of the actual resolution from the 21 July meeting, which is, "nominal sizing of water meters is not used for calculating access charges due to the common practice of using fire hose reels". I raise two issues here. First these are very sweeping statements, one of which is, incredibly, a resolution. Second, this resolution (e), without explaining what the suspected "common practice" is, remains a crucial resolution in the formulation of Council's Access Charge and the rejection of nominal sizing of water meters. There is obviously more to this notion than is simply stated, so could you please tell what this means?

I am glad you have assured me that you have never considered "water theft to be a problem" because it remains that Council's resolution (e) states "*the common practice of using fire hose reels*" is the very reason "*nominal sizing of meters is not used for calculating access charges*".

I have always understood that water cannot be "stolen" when it is metered through a hose reel. Of course the reason for having hose reels supplied through the water Meter is for that very purpose. A hose reel, being a statutory requirement, has to be installed and maintained in accordance with the BCA.

A fire hose reel consists of a coiled up hose, a bit better quality than a run of the mill garden hose but otherwise it's just a hose. It is interesting to note that you believe that "*because of the high water pressure these hoses are used for purposes that the customer decides upon*". Please note that hollow bit inside a hose reel is very like the hollow bit inside any common hose and, possessing no special qualities that would increase either the static or dynamic pressure, conveys water that originates at the water meter just as any common hose would do. Such a hose, exuding higher pressures than an ordinary hose, if it existed, would be a very valuable thing!

I note that you believe that "*in some cases the water generated through these hose reels goes back through Council's sewer system*". Please note that it is Council's responsibility to ensure that this does not occur. A check with Council's Engineering Department would reveal that in order to do so legally, an agreement of Council's making, called a Trade Waste Agreement, is required. It is accepted practice in NSW that the dumping of illegal waste into the sewerage system, whether it be by the said hose reel or by any other means, is a crime, commonly punished in the courts of the state and though not exactly theft nor the perpetrators termed exactly thieves, it is very close to being so.

The proper way to manage the situation you have illustrated is to have the perpetrators of this alleged illegal trade waste dumping to desist and to do so only in the legal Council prescribed manner, described above. Should Council not wish to do this then this is exactly where the accurate calculation of the Sewer Discharge Factor comes into play in contrast to the arbitrary one noted on Council's letters.

As you illustrate that illegal trade waste dumpers are small in number, being just the "some cases" of the "some cases" that Council acknowledges that it is "aware of", in order to make these statements. As this misuse is only a small portion of the total obviously it would be quite easy to eliminate the practice. Has Council made any attempt at all to eliminate the practice, especially in the lead up to making such important decisions in regard to Access Charges?

Does Council intend to implement the Access Charge system as proposed in order to merely abrogate or minimise responsibilities in regard to trade waste or best practice trade waste management?

Your letter headed User pays Sewerage Charges implies that even in not implementing the advised "*nominal sizing of meters*" that you can still use that term "*user pays*", fairly. This is impossible. In the guidelines that you invite me to read it states in regard to sewerage "*Annual non-residential sewerage access charge reflective of the customer's peak load on the system*" and in regard to Water Supply Pricing "*annual access charge reflective of the customer's demands on the system*" These are the criteria for a fair User Pays system!

Contrary to these criteria Council has introduced anomalies into the User Pays Sewerage Charges which has introduced a sewer charge to water availability for fire fighting purposes.

These anomalies were no doubt envisaged and capably assessed by the NSW State Govt., which advised taking nil account of that additional portion of the water Meter size required for hose reels, namely the nominal sizing of water meters for this purpose.

Thank you for the inclusion of Councils timing process for the introduction of the "user pays sewerage charges", I have no doubt that this would follow the letter of the law but who would have thought "user pays" would be anything but paying for the use of something, that being as the State Govt so properly envisaged. Would it be possible to see the documentation of this process especially the Feb 04 advise from the State Govt and how that was presented in the public consultation?

It is noted that in the Strategic Business Plan – Check List 6.7, Council is to supply a Summary of Community Consultation. Would this be the summary that will be given to the State Govt?

I would think that of the 19 written enquiries received perhaps the vast majority have been made in belated reply to Councils June 3 and 8 letters posted near to the close of Councils submission period on 11 June, or even in response to rate notices. As businesses even now only become aware of the implications of Council's version of user pays, how does this evidence a true consultative process touted widely as part of Councils due process?



Attachment 11  
PH of H

It was stated that for many years that when water rates (domestic water) were based on land value, residential property subsidised industrial in this regard. As you have access to past records you will note that then as now, most industrial properties use a fraction of the residential average water use, so this statement can only be an erroneous premiss, already used in decision making.

Will Council reconsider the implementation of a nominal sizing of water meters for the purpose of the Access Charge?

I thank you also for your time and look forward to meeting with the water hydraulics engineer appointed.

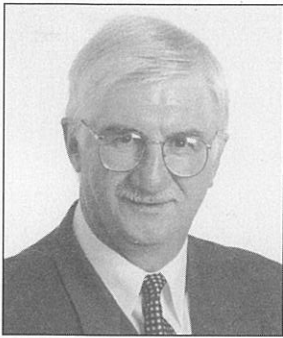
Yours sincerely



Ray Carter  
Director

Mobile Phone 0407 258882  
Fax 6332 3185

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PARLIAMENT OF NEW SOUTH WALES • LEGISLATIVE ASSEMBLY

Electorate Offices:  
State Office Block  
140 William Street  
BATHURST

**Gerard Martin, M.P.**  
Member for Bathurst

26 August 2004

Ref:C:04  
Your Ref:

Mr Raymond Carter  
233 College Rd  
SOUTH BATHURST 2795

Dear Mr Carter,

Thank you for your correspondence in relation to Bathurst City Council sewer access charges.

We have noted that you have forwarded a copy to Minister Sartor's Office and Minister Kelly's Office.

I will liaise with the minister offices to try and facilitate a response.

Recently Minister Sartor meet with Bathurst Regional Council to discuss the matter and to reinforce the issues on what the Government expected from councils in this regard.

Minister has asked all councils to work within the sprit of the guidelines set out by DEUS.

I will advise you as soon as I have further information.

Yours faithfully,

Gerard Martin, MP  
**MEMBER FOR BATHURST**

22 September 2004

RECEIVED

27 SEP 2004

Mr Gerard Martin MP  
Member for Bathurst  
PO Box 712  
BATHURST NSW 2795

Dear Gerard

I refer to your letter of 13 September 2004, in which you raise matters relating to Mr Ray Carter and Mr Alan Baird's enquiry to your office.

In respect to the statement made to Mr Carter, Mr Carter was advised that the State Government Circular contained Guidelines only and it was Council who decided on the type of user pays system that Council introduced. Council took into account the advice of the State Government Guidelines and made the determination that access charges would be based on water meter size. Mr Carter has received three letters to-date advising him of the procedure and methods used in calculating his user pays sewer charges. Mr Carter has also been advised that Council has appointed a hydraulic engineer to investigate the meter size of each of his properties that he has raised as a concern to him and Council will make a determination based on pressure results as to the correct size for water meters on his properties. He has also been advised that in the event of downsizing of the water meter being permitted then the appropriate charges will be made for his property from the time of his enquiries.

In respect to Mr Baird, Council advised Mr Baird of the procedure for implementation of the State Government Guidelines and he too has available Council's commitment to investigate the sizing of his water meter should he so wish.

Council will, upon receipt of all information from the people who have requested it; as a matter of course, review the methods of charging to ensure all ratepayers are treated fairly and equitably.

Yours faithfully



Kath Knowles  
**ADMINISTRATOR**

# Bathurst Chamber of Commerce Inc

ABN 38 778 619 246

President: Lachlan Sullivan  
PO Box 293, Bathurst NSW 2795

Vice-President: Geoff Fry Secretary: Maree Rouland  
Phone: 6332 4522 Fax: 6332 2125

Email: [bathurstchamber@belindas.com.au](mailto:bathurstchamber@belindas.com.au)

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30 September 2004

The Hon. Frank Sartor  
Minister for Energy and Utilities  
Level 31 Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Sir

It was resolved at an Executive meeting of the Bathurst Chamber of Commerce Inc (BCOC) on 6 September 2004 to write to your office seeking clarification on a number of issues relating to the introduction by Bathurst Regional Council (BRC) on 1 July 2004 of User Pays Sewerage having exhausted attempts with BRC to the satisfaction of the BCOC membership.

The BCOC is concerned that BRC have disregarded guidelines set by your office in regard to the implementation of User Pays Sewerage.

The State Chamber of Commerce received advise from your office in July 2004 that "Bathurst Council is planning to charge on a similar basis to other Local Water Utilities such as Shoalhaven and Eurobodalla which charge a sewer access charge based on the estimated nominal connection size required for normal usage – not the size that has been installed for fire fighting purposes". "Charging for large connections for fire fighting is discouraged by the Department of Energy and Sustainability"

BRC have ignored these comments, rejecting these statements as guidelines only and have implemented an "access charge" based on the actual water meter connection on properties within the BRC area. These meters are installed based upon the Building Code of Australia (BCA) fire protection requirements and have no correlation to the amount of water consumed on an annual basis.

As a result, many commercial property owners are being unfairly targeted by BRC in an attempt to ensure the introduction of User Pays Sewerage is revenue neutral for their balance sheets. The introduction of User Pays Sewerage should benefit Bathurst business in an amount exceeding \$300,000.00 per annum. These additional funds should be free to create additional jobs not balance BRC's ledger.

However, the introduction of an "access fee based upon the size of the water meter" is a new tax on business in the opinion of the BCOC.

The BCOC seeks clarification how BRC's interpretation of your Departments guidelines are "appropriate tariffs" (Appendix B Best Practice Management of Water Supply and Sewerage Guidelines) in calculating a tariff for an access fee that bears no relationship to the amount consumed by the premises and the resultant load that it places upon the sewerage system.

The sewerage access fee bears no relationship with the matter of fair payment for sewerage treatment.



20 September 2004

Mr Ray Carter  
Director  
Carter Bros Engineering Pty Ltd  
3 Toronto Street  
KELSO NSW 2795

Dear Mr Carter

**Implementation of Best Practice Sewer Charges**

I refer to your letter received by Council on 24 August 2004. In reply to your queries I supply the following information.

1. The purpose of a Hydraulic Engineer investigating a property is to establish if a smaller size meter and/or a rationalization of meters is appropriate for the property. The hydraulic engineer is the independent expert in determining the criteria for this.
2. It is not illegal to use fire hose reels for purposes other than fire fighting. For this reason Council ensures that all fire hose reels are supplied from a metered water supply. All fire hose reels should be inspected annually (as with all fire extinguishers) to check that they are suitably maintained. Council cannot legally stop the practise of using fire hose reels for purposes other than fire fighting.
3. The access charge system has no impact on trade waste practices. That is, Trade Waste Agreements are still entered into, maintained, and breaches of Trade Waste Agreements are followed up for appropriate action.
4. A summary of the process for the introduction sewer charges was supplied to you in Council's letter dated 5 August, 2004. Copies of specific minutes of meetings can be supplied if required. The summary provided to you would also be supplied to the State Government
5. The nineteen responses provided valuable feedback to Council. It enabled Council to address the major concerns raised and assess the general view of ratepayers to this change. These responses came about after letters were sent to properties where Council had estimated they would be adversely affected by the changes – a rate increase in excess of \$100.

Carter Bros Engineering Pty Ltd  
20 September 2004

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Since the issue of the letters and the annual rate levy, a total of 31 responses/requests have been received regarding the introduction of best-practice sewer charges. In summary most have requested that their meters be investigated to see if they can be reduced in size and to have their sewerage discharge factors investigated.

6. Council will reconsider the implementation of nominal sizing of water meters if it is given enough supporting evidence to establish that there is a more equitable manner of applying charges. At the present time the common belief is still that fire hose reels are used for purposes other than fire fighting and impact on the sewer system.

As previously advised Council has adopted various options to assist in the implementation of Best Practice Sewer Pricing. These options were outlined in Council's letter to you dated 5 August 2004. Should you wish to avail yourself of any of these options please specify the particular properties that you own that you wish to have reviewed.

Yours faithfully



Kath Knowles  
**ADMINISTRATOR**

5 November 2004

*Louise  
from Ken  
Carter*

Mr Ray Carter  
Director  
Carter Bros Engineering Pty Ltd.  
3 Toronto Street  
KELSO NSW 2795

Dear Mr Carter

**Implementation of Best Practice Sewer Charges**

Receipt of your letter dated 6 September 2004, received by Council on 11 October 2004, is acknowledged.

Your reiteration of your objection to using actual water meter connection sizes in the calculation of sewer access charges is noted.

In respect to your concerns, Council applied the specific guidelines regarding non-residential sewerage charges prepared by the Department of Land and Water Conservation (DLWC). These guidelines were provided to all NSW Local Water Utilities to facilitate the introduction of best-practice pricing. You will note the highlighted section states "The sewerage access charges should be proportional to the square of the size of the water supply service connection to reflect the load that can be place on the sewerage system".

In answer to item 3 of your letter it is advised that Trade Waste Charges are currently under review by Council. Best Practice guidelines will be used in this review. These guidelines do suggest a "volumetric" trade waste charge for a certain group of dischargers.

As specifically requested please also find **attached** the following:

- City Treasurer's Report to Council – 20/8/2003
- City Treasurer's Report to Council – 25/2/2004
- Discussion Forum Slides 26/11/2003
- Details of Councillor's Working Party 10/4/2004

Council acknowledges that it has received your list that outlines how each of your properties has been affected. Council resolved various options to hopefully diminish these effects. Council requires your specific instruction as to which option(s) you wish to avail yourself of, and for which property. As previously supplied the options available are:

- (a) Engineering Staff be made available to provide on-site preliminary assessment and consultation;
- (b) That Finance Staff be made available to explain the principles of best-practice pricing;

Reference: TD:AL:26.00010/065  
Enquiries: Mr Bob Roach (02) 6333 6257  
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Mr Ray Carter  
5 November 2004

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- (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**



A list of sewer discharge factors (SDFs) is included on page 93 in Appendix D as a guide for LWUs. Where an LWU has more accurate information for specific customers, it should use that information.

4.2.2 Non-residential

Non-Residential sewerage bills should be not less than the residential sewerage bill and should be based on a cost-reflective two-part tariff with an annual access charge and a uniform sewer usage charge/kL. The sewerage access charge should be proportional to the square of the size of the water supply service connection to reflect the load that can be placed on the sewerage system and the sewer usage charge/kL should apply for the estimated volume discharged to the sewerage system.

The volume discharged to the sewerage system can be estimated using the customer's total water consumption multiplied by a sewer discharge factor (see above).

The sewerage bill for a non-residential customer would be:

$$B = SDF \times (AC + C \times UC)$$

- Where: B = Annual non-residential sewerage bill (\$)
- C = Customer's water annual consumption (kL)
- AC =  $\left( AC_{20} \times \frac{D^2}{400} \right)$
- D = Water supply service connection size (mm)
- SDF = Sewer discharge factor
- UC = Sewer usage charge (\$/kL).

As with water supply pricing, the sewer usage charge is a key element in best-practice pricing and should be based on the long-run marginal cost of the business. The sewerage long-run marginal cost can be reasonably estimated as 100% to 150% of the LWU's operating cost/kL<sup>22,23</sup>. As the State-wide median operating cost<sup>22</sup> (OMA) is 82 c/kL, this would indicate a typical sewer usage charge of 82 c/kL to 123 c/kL.

The present sewer usage charges and the operating cost/kL (OMA) for a number of NSW water utilities are shown on page 89 of Appendix C.

<sup>22</sup> 2000/01 NSW Water Supply and Sewerage Performance Comparisons Report (Tables 2, 12). Department of Land Water and Conservation, NSW/Local Government and Shires Associations, NSW

<sup>23</sup> LWUs should carefully estimate their projected future sewerage operating cost/kL along similar lines to that indicated in footnote 11 on page 9 for the projected water supply operating cost/kL.

