Kyogle Council Water Supply – Action Plan Page 1

Summary
In 2013-14, Kyogle Council implemented 90% of the water supply requirements of the *NSW Best-Practice Management Framework* and its performance has been [to be completed by Council].

Key actions from Council's Strategic Business Plan:
- *Insert achievements for Key Action 1 here for Kyogle Council*
- *Insert achievements for Key Action 2 here for Kyogle Council*

INDICATOR		RESULT[2]		COMMENT/DRIVERS	ACTION
	Best-Practice Management Framework	Implemented 90% of the Best-Practice Requirements[1]		Implementation of the requirements demonstrates effectiveness and sustainability of water supply business. 100% implementation is required for eligibility to pay an 'efficiency dividend'.	Prepare a new 30-year IWCM Strategy, Financial Plan & Report in accordance with the July 2014 IWCM Check List (www.water.nsw.gov.au) as the existing Strategic Business Plan is over 4 years old. Address remaining BPM requirement: - (2c) ≥50% of residential revenue from usage charges
CHARACTERISTICS					
5	Connected property density	34 per km of main Highest ranking (1, 2)		A connected property density below 30 can significantly increase the cost per property of providing services, as will also a high number of small discrete water supply schemes.	
9	Renewals expenditure	0.6% High ranking (2, 2)	Good	Adequate funds must be programmed for works outlined in the Asset Management Plan – page 3 of the 2013-14 NSW Performance Monitoring Report.	**FOR INDICATORS 9 to 56** Where ranking is low, investigate reasons including past performance and trends, develop remedial action plan and summarise in this column.
10	Employees	3.1 per 1,000 props Lowest ranking (5, 5)	May require review		
SOCIAL - CHARGES					
12	Residential water usage charge	130 c/kL Median ranking (3, 4)	Review	Benefits of strong pricing signals are shown on page 5 of the 2013-14 NSW Performance Monitoring Report.	Increase usage charge to achieve BPM requirement (2c).
13	Residential access charges	$340 per assessment Highest ranking (1, 1)	Review		See 12 and 16.
14	Typical residential bill[3] (TRB)	$525 per assessment Highest ranking (1, 1)	Review	TRB should be consistent with projection in the financial plan, and should achieve full cost recovery. Drivers – OMA Management Cost and Capital Expenditure.	See Footnote 3 and Indicators 12 and 43.
15	Typical developer charges	$2900 per ET Median ranking (3, 4)	Exempt (low growth)		
16	Residential revenue from usage charges	41% of residential bills Lowest ranking (5, 5)	May require review	≥ 50% of residential revenue should be generated through usage charges.	See 12 and 13.
SOCIAL – HEALTH					
19	Physical quality compliance	Yes Highest ranking (1, 1)	Very good		
19 a	Chemical quality compliance	Yes Highest ranking (1, 1)	Very good		
20	Microbiological compliance[4]	Yes Highest ranking (1, 1)	Very good	Critical indicator. LWUs should annually review their DWMS in accordance with NSW guidelines[4].	

1. Council needs to annually 'roll forward', review and update its 30-year total asset management plan (TAMP) and 30-year financial plan, review Council's TBL Performance Report and prepare an **Action Plan** to Council. The Action Plan is to include any actions identified in Council's annual review of its DWMS (Indicator 20) and any section 61 Reports from the NSW Office of Water. Refer to pages 27, 28, 107 and 111 of the 2013-14 NSW Water Supply and Sewerage Performance Monitoring Report.
2. The ranking relative to similar size LWUs is shown first (Col. 2 of TBL Report) followed by the ranking relative to all LWUs (Col. 3 of TBL Report).
3. Review and comparison of the 2014-15 **Typical Residential Bill (Indicator 14)** with the projection in the later of your IWCM Strategy and financial plan and your Strategic Business Plan is **mandatory**.
   In addition, if both indicators 43 and 44 are negative, you must report your proposed 2015-16 typical residential bill to achieve full cost recovery.
4. **Microbiological compliance (Indicator 20)** is a **high priority** for each NSW LWU. Corrective action for non-compliance (≤97%), or any 'boil water alerts' must be reported in your Action Plan. Refer to pages 7, 8 and 28 of the 2013-14 NSW Water Supply and Sewerage Performance Monitoring Report (www.water.nsw.gov.au) and NSW Guidelines for drinking water quality management systems, NSW Health and NSW Office of Water, 2013.

Kyogle Council Water Supply – Action Plan Page 2

INDICATOR		RESULT		COMMENT/DRIVERS	ACTION
SOCIAL – LEVELS OF SERVICE					
25	Water quality complaints	5.2 per 1,000 props Low ranking (4, 4)	May require review	Critical indicator of customer service.	
26	Service complaints	15.7 per 1,000 props High ranking (2, 3)	Good	Key indicator of customer service.	
27	Average frequency of unplanned interruptions		Not reported	Key indicator of customer service, condition of network and effectiveness of operation.	
30	Number of main breaks	9 per 100km of main Median ranking (3, 2)	Satisfactory	Drivers – condition and age of water mains, ground conditions.	
32	Total Days Lost	1.7% Low ranking (4, 3)	May require review		
ENVIRONMENTAL					
33	Average annual residential water supplied	143 kL per prop Highest ranking (1, 1)	Good	Drivers – available water supply, climate, location (Inland or coastal), pricing signals (Indicator 3), restrictions.	
34	Real losses (leakage)	30 L/c/d Highest ranking (1, 1)	Very good	Loss reduction is important where an LWU is facing drought water restrictions or the need to augment its water supply system.	
ECONOMIC					
43	Economic Real Rate of Return (ERRR)	-1.4% Lowest ranking (5, 5)	Review	Reflects the rate of return generated from operating activities (excluding interest income and grants). An ERRR or ROA of ≥ 0% is required for full cost recovery.	Increase 2015-16 charges to achieve full cost recovery - refer to page 13 of 2013-14 NSW Performance Monitoring Report. Also see 12, 14 and Footnote 3 on page 1.
44	Return on assets (ROA)	-1.6% Lowest ranking (5, 5)		See 43.	
45	Net debt to equity	1% Highest ranking (1, 2)	Very good	LWUs facing significant capital investment are encouraged to make greater use of borrowings – page 14 of the 2013-14 NSW Performance Monitoring Report.	
46	Interest cover	0 Lowest ranking (5, 5)		Drivers – in general, an interest cover > 2 is satisfactory.	
47	Loan payment	$17 per prop Median ranking (3, 3)	Satisfactory	The component of TRB required to meet debt payments. Drivers – expenditure on capital works, short term loans.	
49	Operating cost (OMA)	$701 per prop Lowest ranking (5, 5)	May require review	Prime indicator of the financial performance of an LWU. Drivers – development density, level of treatment, management cost, topography, number of discrete schemes and economies of scale.	Review components carefully to ensure efficient operating cost.
51	Management cost	$150 per prop Median ranking (3, 3)	Satisfactory	Typically about 40% of the OMA. Drivers – No. of employees. No. of small discrete water schemes.	
52	Treatment cost	$338 per prop Lowest ranking (5, 5)	May require review	Drivers – type and quality of water source. Size of treatment works	
53	Pumping cost	$70 per prop High ranking (2, 3)	Good	Drivers – topography, development density and location of water source.	
55	Water main cost	$65 per prop High ranking (2, 2)	Good	Drivers – age and condition of mains. Ground conditions. Development density.	
56	Capital expenditure	$86 per prop Low ranking (4, 4)		An indicator of the level of investment in the business. Drivers – age and condition of assets, asset life cycle and water source.	

Kyogle Council Sewerage – Action Plan Page 1

Summary
In 2013-14, Kyogle Council implemented all the sewerage requirements of the *NSW Best-Practice Management Framework* and its performance has been [to be completed by Council].

Key actions from Council's Strategic Business Plan:
- *Insert achievements for Key Action 1 here for Kyogle Council*
- *Insert achievements for Key Action 2 here for Kyogle Council*

INDICATOR		RESULT[2]		COMMENT/DRIVERS	ACTION
	Best-Practice Management Framework	*Implemented all the Best Practice Requirements[1]*	*Very good*	*Implementation demonstrates effectiveness and sustainability of water supply and sewerage business. 100% implementation is required for eligibility to pay an 'efficiency dividend'.*	*Prepare a new 30-year IWCM Strategy, Financial Plan & Report in accordance with the July 2014 IWCM Check List (www.water.nsw.gov.au) as the existing Strategic Business Plan is over 4 years old.*
CHARACTERISTICS					
5	*Connected property density*	*28 per km of main*	*Lower than the statewide median of 38*	*A connected property density below about 30 can significantly increase the cost per property of providing services.*	
7	*Renewals expenditure*	*0.6%* *Highest ranking (1, 2)*	*Very good*	*Adequate funds must be programmed for works outlined in the Asset Management Plan – page 3 of the 2013-14 NSW Performance Monitoring Report.*	***FOR INDICATORS 7 to 57*** *Where ranking is low, investigate reasons including past performance and trends, develop remedial action plan and summarise in this column.*
8	*Employees*	*3.5 per 1,000 props* *Lowest ranking (5, 5)*	*May require review*		
SOCIAL – CHARGES					
12	*Typical residential bill[3] (TRB)*	*$643 per assessment* *Low ranking (4, 4)*		*TRB should be consistent with projection in the financial plan. Drivers – OMA Management Cost and Capital Expenditure.*	
13	*Typical Developer Charges*	*$2130 per ET* *Low ranking (4, 4)*			
14	*Non-residential sewer usage charge*	*100c/kL* *Low ranking (4, 4)*	*May require review*		
SOCIAL - HEALTH					
16	*Sewerage coverage*	*87.8%* *Low ranking (4, 4)*	*May require review*		
17	*Percent sewage treated to tertiary level*	*93%* *Low ranking (4, 4)*	*May require review*		
18	*Percent of sewage volume that complied*	*11%* *Lowest ranking (5, 5)*	*Review*	*Key indicator of compliance with regulator.*	
19	*Sewage treatment works compliant at all times*	*1 of 3*		*Key indicator of compliance with regulator.*	
SOCIAL – LEVELS OF SERVICE					
21	*Odour Complaints*	*1.8 per 1,000 props* *Lowest ranking (5, 5)*	*May require review*	*Critical indicator of customer service and operation of treatment works.*	
22	*Service complaints*	*11 per 1,000 props* *High ranking (2, 3)*	*Good*	*Key indicator of customer service.*	
23 a	*Average Duration of Interruption*	*90 minutes* *Median ranking (3, 3)*	*Satisfactory*	*Key indicator of customer service, condition of network and effectiveness of operation.*	
25	*Total Days Lost*	*1.7%* *Low ranking (4, 3)*	*May require review*		

*1. Council needs to annually 'roll forward', review and update its 30-year total asset management plan (TAMP) and 30-year financial plan, review Council's TBL Performance Report and prepare an **Action Plan** to Council. The Action Plan is to include any actions identified in Council's annual review of its DWMS (Indicator 20) and any section 61 Reports from the NSW Office of Water. Refer to pages 27, 28, 107 and 111 of the 2013-14 NSW Water Supply and Sewerage Performance Monitoring Report.*

Kyogle Council Sewerage – Action Plan Page 2

INDICATOR		RESULT		COMMENT/DRIVERS	ACTION
ENVIRONMENTAL					
26	Volume of sewage collected per property	180 kL Median ranking (3, 2)		Compare sewage collected to water supplied.	
27	Percentage effluent recycled	73% Highest ranking (1, 1)	Very good	Key environmental indicator. Drivers – availability of potable water, demand, proximity to customers, environment.	
28	Biosolids reuse	8% High ranking (2, 2)	Good	Key environmental indicator.	
32	Net Greenhouse gas emissions (WS & Sge)	330 t CO2/1000 props Median ranking (3, 2)	Satisfactory	Drivers – gravity vs pumped networks, topography, extent of treatment.	
34	Compliance with BOD in licence	100% Highest ranking (1, 1)	Very good	Key indicator of compliance with regulator requirements.	
35	Compliance with SS in licence	81% Lowest ranking (5, 5)	May require review	Drivers – algae in maturation ponds, impact of drought.	
36	Sewer main breaks and chokes	16 per 100km of main Highest ranking (1, 2)	Very good	Drivers – condition and age of assets, ground conditions.	
37 a	Sewer overflows to the environment	6 per 100km of main Lowest ranking (5, 4)	May require review	Drivers – condition of assets, wet weather and flooding.	
39	Non-residential percentage of sewage collected	30% Highest ranking (1, 1)		For non-residential, compare % of sewage collected to indicator 43 (% of revenue).	
ECONOMIC					
43	Non-residential revenue	18% Median ranking (3, 3)	Satisfactory	See 39 above.	
46	Economic Real Rate of Return (ERRR)	0.4% Median ranking (3, 4)	Satisfactory	Reflects the rate of return generated from operating activities (excluding interest income and grants). An ERRR or ROA of ≥ 0% is required for full cost recovery.	
46 a	Return on assets	0.1% Low ranking (4, 4)		See 46.	
47	Net debt to equity	1% Highest ranking (1, 2)	Very good	LWUs facing significant capital investment are encouraged to make greater use of borrowings – page 14 of the 2013-14 NSW Performance Monitoring Report.	
48	Interest cover	0 Lowest ranking (5, 5)		Drivers – in general, an interest cover of > 2 is satisfactory.	
48 a	Loan payment	$53 per prop High ranking (2, 2)	Good	The component of TRB required to meet debt payments. Drivers – expenditure on capital works, short term loans.	
50	Operating cost (OMA)	$511 per prop Lowest ranking (5, 5)	May require review	Prime indicator of the financial performance of an LWU. Drivers – development density, level of treatment, management cost, topography, number of discrete schemes and economies of scale.	Review carefully to ensure efficient operating cost.
52	Management cost	$161 per prop Low ranking (4, 4)	May require review	Drivers –number of discrete schemes, number of employees. Typically about 40% of OMA.	
53	Treatment cost	$210 per prop Lowest ranking (5, 5)	May require review	Drivers – type and level of treatment, economies of scale.	
54	Pumping cost	$109 per prop Lowest ranking (5, 5)	May require review	Drivers – topography, development density, effluent recycling.	
56	Sewer main cost	$30 per prop High ranking (2, 2)	Good	Drivers – topography, development density, effluent recycling.	
57	Capital expenditure	$110 per prop High ranking (2, 3)	Good	An indicator of the level of investment in the business. Drivers – age and condition of assets, asset life cycle.	

2. The ranking relative to similar size LWUs is shown first (Col. 2 of TBL Report) followed by the ranking relative to all LWUs (Col. 3 of TBL Report).
*3. Review and comparison of the 2014-15 **Typical Residential Bill (Indicator 12)** with the projection in your Strategic Business Plan is **mandatory**. In addition, if both indicators 46 and 46a are negative, you must report your proposed 2015-16 typical residential bill to achieve full cost recovery.*

Kyogle Council — TBL Water Supply Performance — 2013-14

WATER SUPPLY SYSTEM - Kyogle Council serves a population of 3,700 (1,910 connected properties). Water is drawn from the Clarence River to supply Kyogle, Bonalbo and Woodenbong. Council has 1 storage dam (total capacity 45 ML). The water supply network comprises 2 conventional treatment works (3.3 ML/d), 5 service reservoirs (6 ML), 5 pumping stations, 3 ML/d delivery capacity into the distribution system, 26 km of transfer and trunk mains and 45 km of reticulation. 82% of the water supply is fully treated and the remainder is a disinfected non-potable supply for outdoor uses.

PERFORMANCE - Kyogle Council achieved 90% implementation of the NSW BPM requirements. The 2014-15 typical residential bill was $525 which was close to the statewide median of $582 (Indicator 14). However, the economic real rate of return was negative (Indicator 43). The operating cost (OMA) per property was $701 which was well above the statewide median of $400 (Indicator 49). Water quality complaints were above the statewide median of 3 (Indicator 25). Compliance was achieved for microbiological water quality (100% of the population, 1 of 1 zones compliant), chemical water quality and physical water quality. There were no failures of the chlorination system or the treatment system. Kyogle Council reported no water supply public health incidents. Current replacement cost of system assets was $22M ($11,000 per assessment). Cash and investments were $0M, debt was $0.3M and revenue was $1.3M (excluding capital works grants).

IMPLEMENTATION OF REQUIREMENTS OF NSW BEST-PRACTICE MANAGEMENT (BPM) FRAMEWORK

Requirement		Requirement	
(1) Complete Current Strategic Business Plan & Financial Plan	YES[12]	**(3) Sound water conservation implemented**	YES
(2) **(2a) Pricing** - Full Cost Recovery, without significant cross subsidies	Yes[13]	**(4) Sound drought management implemented**	YES
(2b,2c) Pricing - Appropriate Residential Charges		**(5) Complete performance reporting (by 15 September)**	YES
(2d) Pricing - Appropriate Non-residential Charges	Yes	**(6) Integrated water cycle management strategy**	YESC[12]
(2e) Pricing - DSP with Commercial Developer Charges	Yes	**IMPLEMENTATION OF ALL REQUIREMENTS**	**90%**

TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

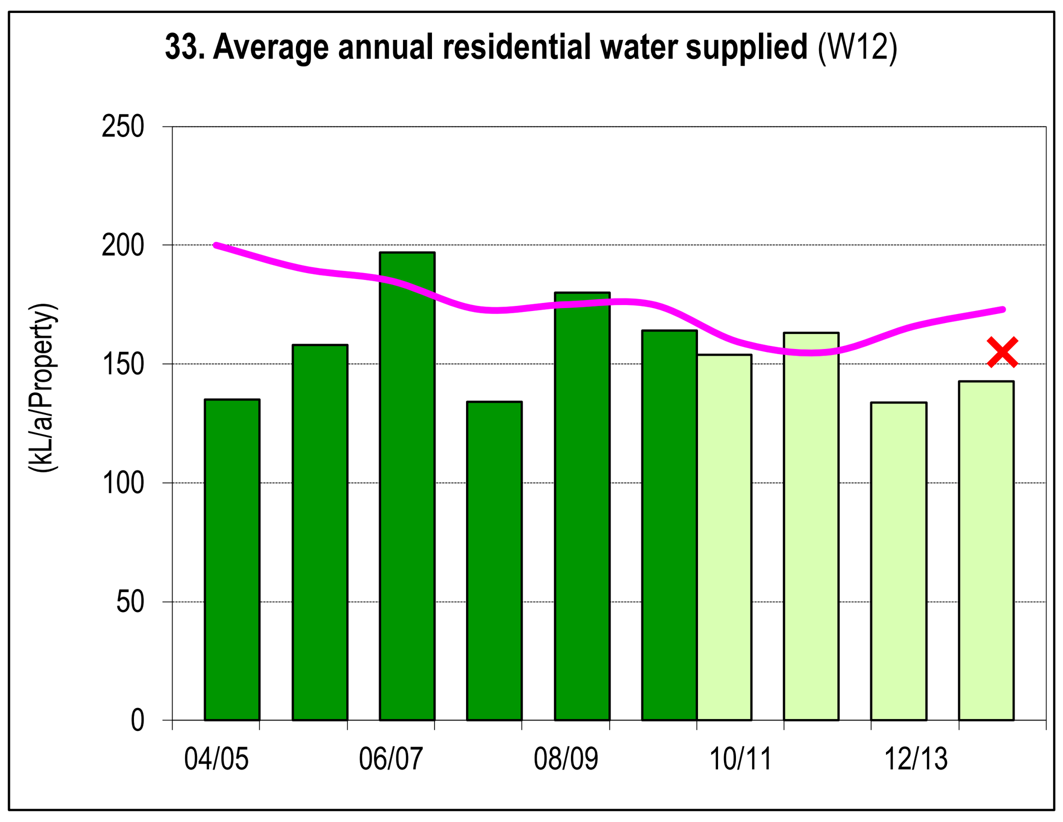
		NWI	No.	Indicator	Unit	LWU RESULT Col 1	RANKING 1,501 to 3,000 Note 1 Col 2	RANKING All LWUs Note 2 Col 3	MEDIANS Statewide Note 3 Col 4	MEDIANS National Note 4 Col 5
UTILITY	CHARACTERISTICS	C1	1	**Population served:** 3700						
		C4	2	**Number of connected properties:** 1910 — Number of assessments: 2010						
			3	**Residential connected properties** (% of total)	%	87			91	
			4	**New residences connected to water supply** (%)	%	1.2	1	2	0.9	
		A3	5	**Properties served per kilometre of water main**	Prop/km	34			32	35
			6	**Rainfall** (% of median annual rainfall)	%	64	5	5	77	
		W11	7	**Total urban water supplied at master meters** (ML)	ML	610			6,800	10,280
			8	**Peak week to average consumption** (%)	%	109	1	1	152	
			9	**Renewals expenditure** (% of current replacement cost of system assets)	%	0.6	2	2	0.5	
			10	**Employees per 1000 properties**	per 1,000 prop	3.1	5	5	1.5	
SOCIAL	CHARGES & BILLS	P1		**Residential tariff structure for 2014-15:** inclining block; independent of land value; access charge $340						
		P1.3	12a	**Residential water usage charge for 2013-14 for usage <200 kL (c/kL)**	c/kL (2013-14)	120	3	4	208	185
			12	**Residential water usage charge for 2014-15 for usage <200 kL (c/kL)**	c/kL (2014-15)	130	3	4	213	
		P3	14a	**Typical residential bill for 2013-14** ($/assessment)	$ (2013-14)	492	1	1	550	567
			14	**Typical residential bill for 2014-15** ($/assessment)	$ (2014-15)	525	1	1	582	
			15	**Typical developer charge for 2014-15** ($/equivalent tenement)	$ (2014-15)	2,900	3	4	5,500	
		F4	16	**Residential revenue from usage charges** (% of residential bills)	%	41	5	5	73	68
		F5	17	**Revenue per property** - water ($/property)	$/prop	660	5	5	795	849
	HEALTH		18	**Water Supply Coverage** (% of Urban Population with reticulated WS)	% of population	87	5	5	99.6	
		H6	18a	**Risk based drinking water quality plan?**		Yes				
			19	**Physical compliance achieved? Note 10**		Yes	1	1		
			19a	**Chemical compliance achieved? Note10**		Yes	1	1		
		H4	19b	**% population with chemical compliance**		100	1	1	100	
			20	**Microbiological (E. coli) compliance achieved? Note 10**		Yes	1	1		
		H3	20a	**% population with microbiological compliance**	% of population	100	1	1	100	100
	SERVICE LEVELS	C9	25	**Water quality complaints per 1000 properties**	per 1,000 prop	5	4	4	3	2
		C10	26	**Water service complaints per 1000 properties**	per 1,000 prop	15	2	3	6	1
		C17	27	**Incidence of unplanned interruptions per 1000 properties**	per 1,000 prop				50	96
		C15	28	**Average duration of interruption** (min)	min				150	113
		A8	30	**Number of water main breaks per 100 km of water main**	per 100km	9	3	2	10	13
			31	**Drought water restrictions** (% of time)	% of time	0	1	1	0	
			32	**Total days lost** (%)	%	1.7	4	3	2.9	
ENVIRONMENTAL	NATURAL RESOURCE MANAGEMENT	W12	33	**Average annual residential water supplied - STATEWIDE** (kL/property)	kL/prop	143	1	1	173	185
			33a	**Average annual residential water supplied - COASTAL LWUs** (kL/property)	kL/prop	143	1	1	157	
			33b	**Average annual residential water supplied - INLAND LWUs** (kL/property)	kL/prop				263	
		A10	34	**Real losses** (leakage) (L/service connection/day)	L/connection/day	30	1	1	70	79
			35	**Energy consumption per Megalitre** (kiloWatt hours)	kWh	682	4	4	620	
			36	**Renewable energy consumption** (% of total energy consumption)	%				0	
		E12	36a	**Net greenhouse gas emissions - WS & Sge** (net tonnes CO2 - equivalents per 1000 properties)	t CO2	330	3	2	370	390
ECONOMIC	FINANCE		42	**Current replacement cost per assessment** ($)	$	11,000	4	5	16,500	
		F17	43	**Economic real rate of return** - Water (%)	%	-1.4	5	5	1.2	1.9
			44	**Return on assets** - Water (%)	%	-1.6	5	5	1.1	
		F22	45	**Net Debt to equity** - WS&Sge (%)	%	1	1	2	1	11
		F23	46	**Interest cover** - WS&Sge		0	5	5	4	2
			47	**Loan payment per property** - Water ($)	$	17	3	3	64	
		F24	47b	**Net profit after tax** - WS & Sge ($'000)	$'000	-240	5	5	1180	5345
	EFFICIENCY		48	**Operating cost (OMA) per 100km of main** ($'000)	$'000	2,160	5	5	1,290	
		F11	49	**Operating cost (OMA) per property ($/prop) Note 8**	$/prop	701	5	5	400	439
			50	**Operating cost (OMA) per kilolitre** (cents)	c/kL	197	4	5	126	
			51	**Management cost** ($/prop)	$/prop	150	3	3	140	
			52	**Treatment cost** ($/prop)	$/prop	338	5	5	58	
			53	**Pumping cost** ($/prop)	$/prop	70	2	3	43	
			54	**Energy cost** ($/prop)	$/prop	30	1	2	25	
			55	**Water main cost** ($/prop)	$/prop	65	2	2	74	
		F28	56	**Capital Expenditure** ($/prop)	$/prop	86	4	4	181	175

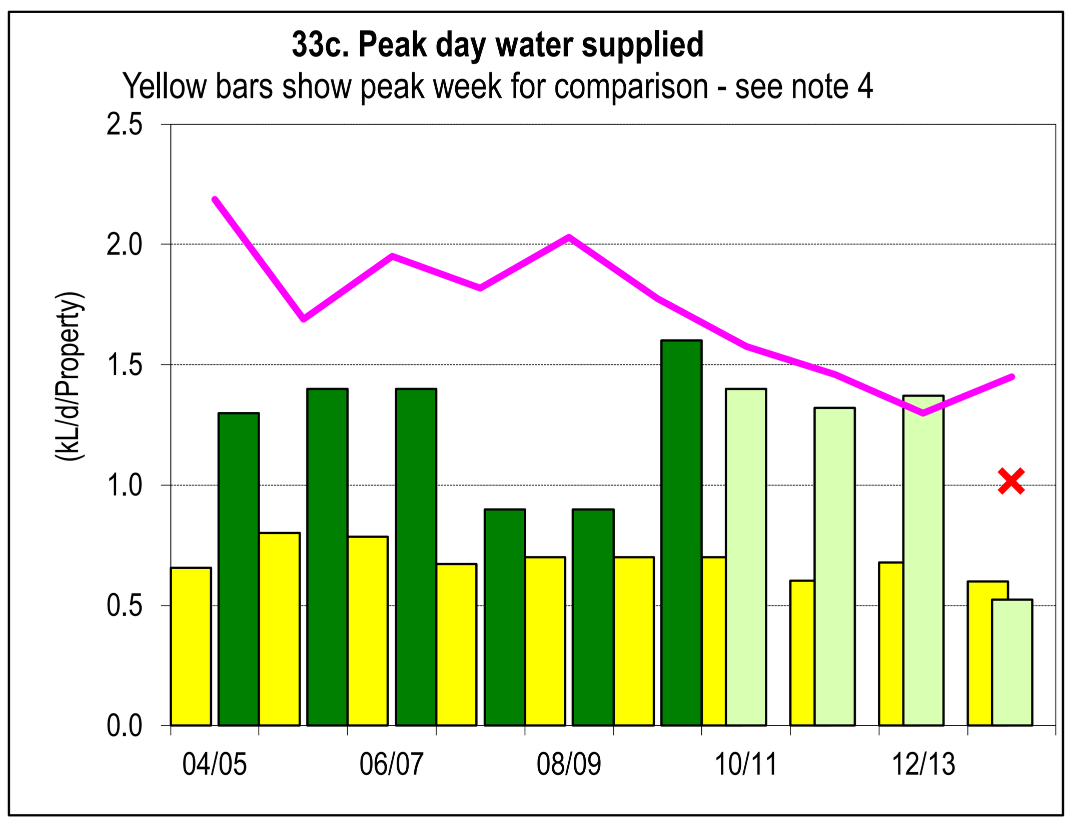
NOTES :

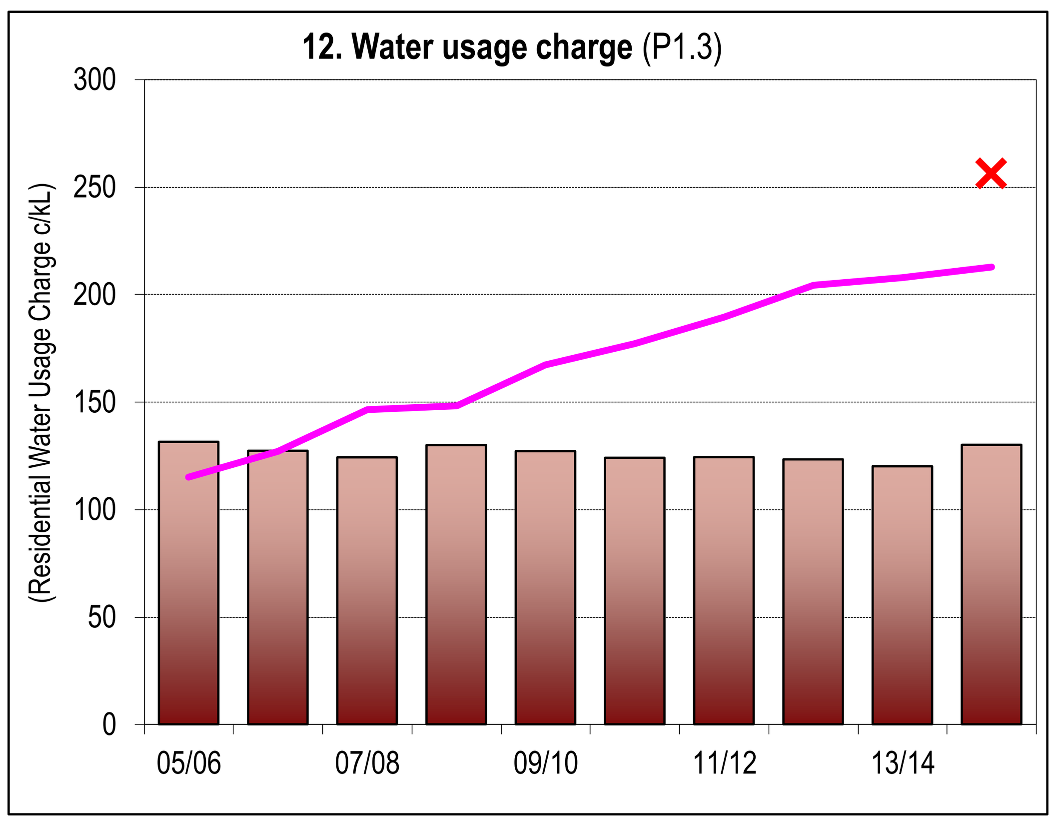
1. Col 2 rankings are on a % of LWUs basis - best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 1,501 to 3,000).
2. Col 3 rankings are on a % of LWUs basis - best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs).
3. Col 4 (Statewide Median) is on a % of connected properties basis- best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller LWUs).
4. Col 5 (National Median) is the median value for the 67 utilities reporting water supply performance in the National Performance Report 2013-14 (www.bom.gov.au).
5. LWUs are required to annually review key projections & actions in the later of their IWCM Strategy and financial plan and their Strategic Business Plan and to annually 'roll forward', review and update their 30-year total asset management plan (TAMP) and 30-year financial plan.
6. 2014-15 Non-residential Tariff: Access Charge based on Service Connection Size: 40mm: $1360, Inclining Block; Usage up to 200 kL, Usage Charge is 130 c/kL; Usage > 200 kL = 180
7. Non-residential water supplied was 34% of potable water supplied excluding non-revenue water.
   Non-residential revenue was 30% of annual rates and charges, indicating fair pricing of services between the residential and non-residential sectors.
8. Operating cost (OMA) per property was $701, including $68 for bulk supply. Other components were: management ($150), operation ($320), maintenance ($114), energy ($30) & chemical
9. There were no rehabilitations. Renewals expenditure was $255,000/100km of main.
10. Compliance with ADWG 2011 for drinking water quality is shown as "Yes" if compliance has been achieved (indicators 19, 19a & 20).
11. Kyogle Council has 2 fully qualified water treatment operators who meet the requirements of the National Certification Framework.
12. As Kyogle Council's strategic business plan and financial plan are over 4 years old, it needs to prepare a 30-year IWCM Strategy and financial plan in accordance with the July 2014 IWCM Check List (www.water.nsw.gov.au).
13. BPM Framework - Council needs to implement Appropriate Residential Charges (50% from usage charges) (2c).

(Results shown for 10 years together with 2013-14 Statewide Median and Top 20%)

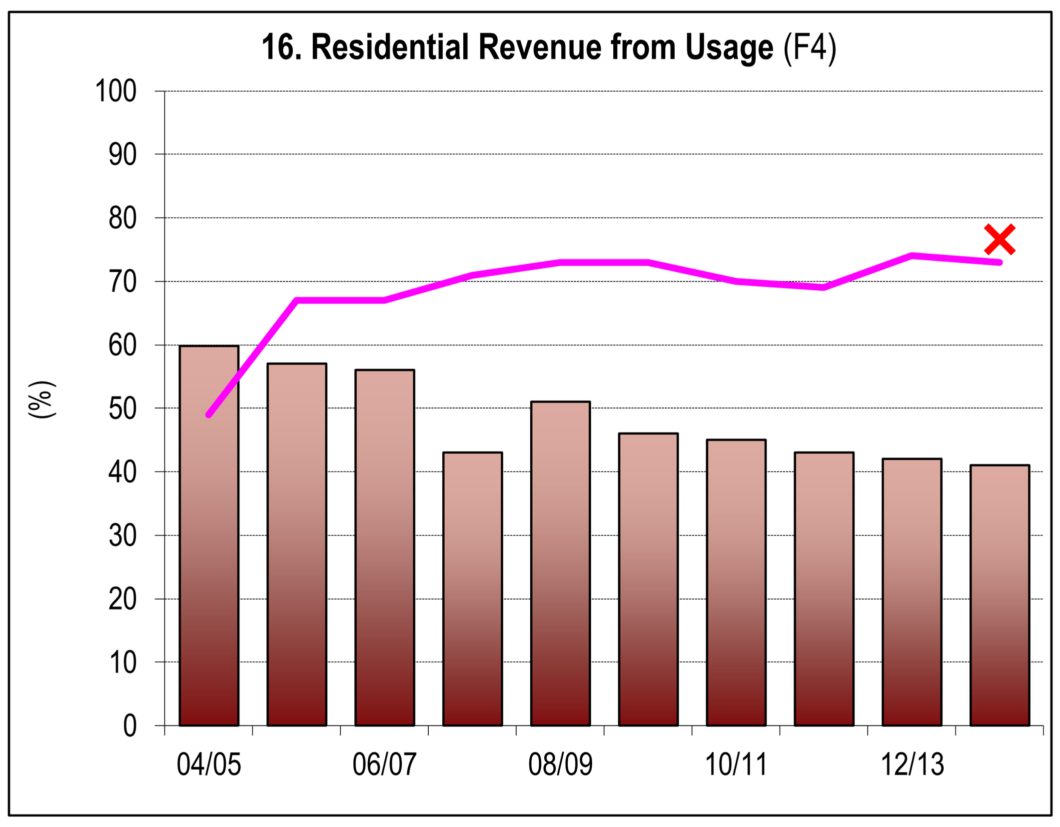
RESIDENTIAL USE/REVENUE FROM USAGE

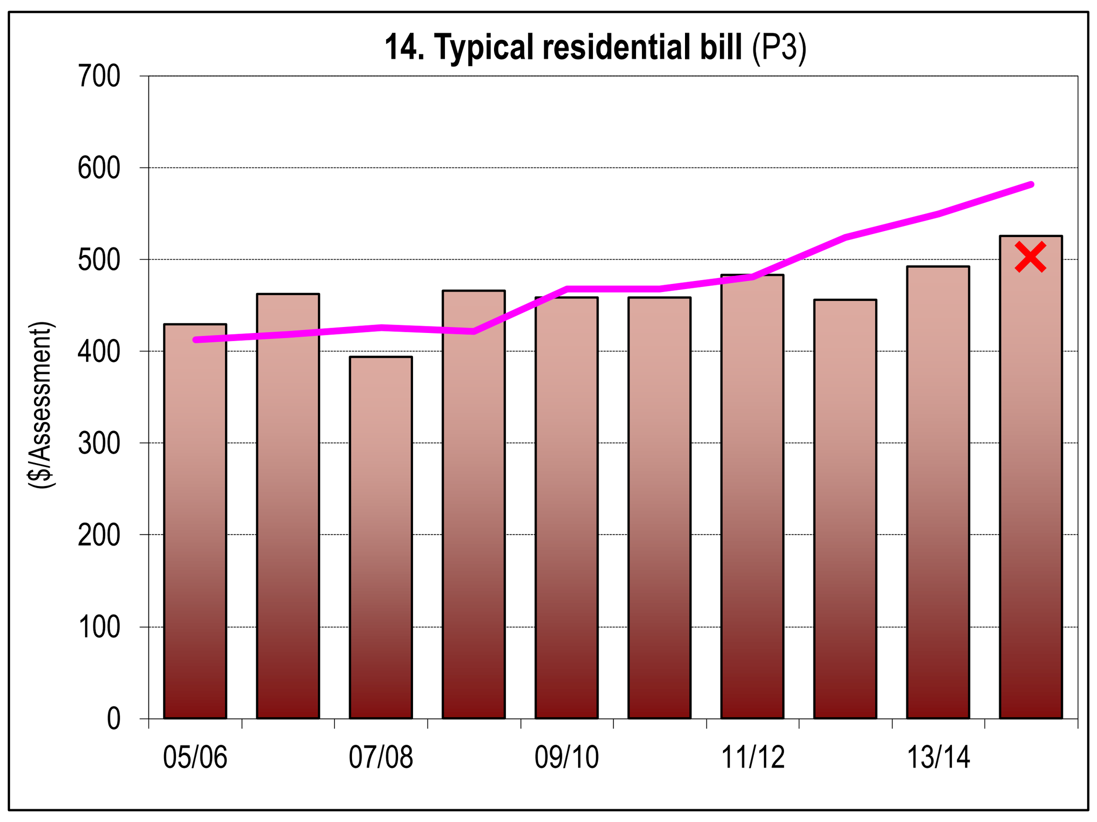


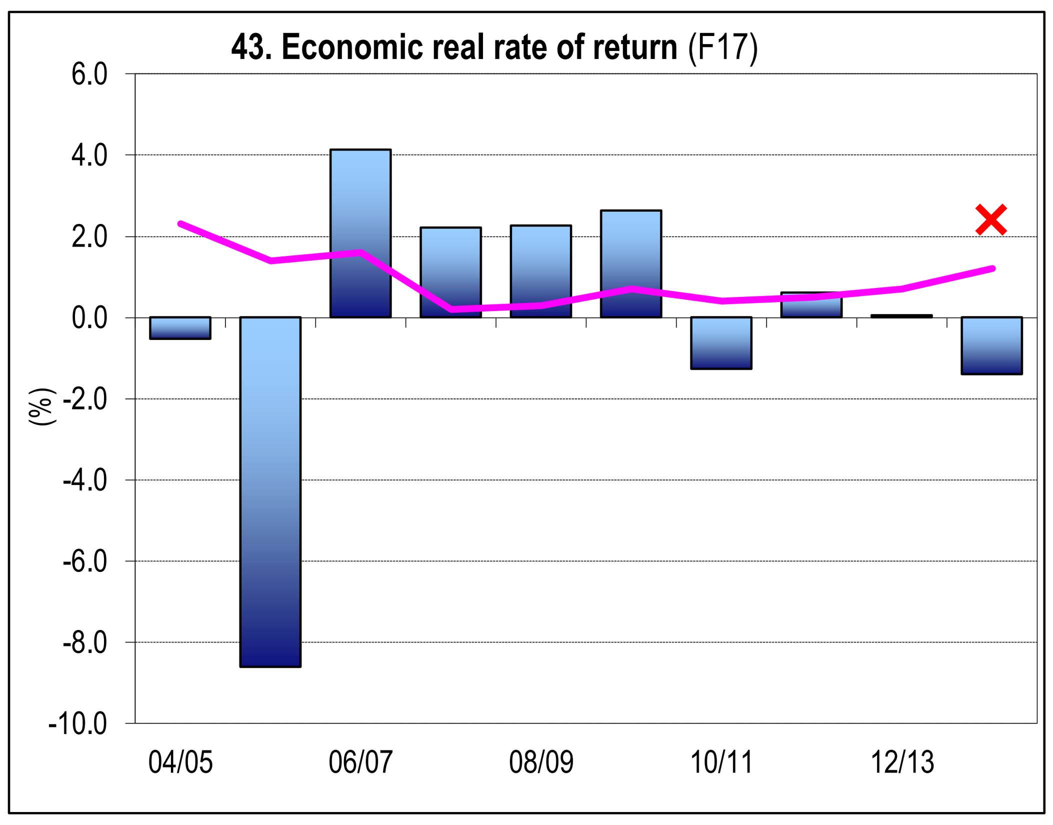




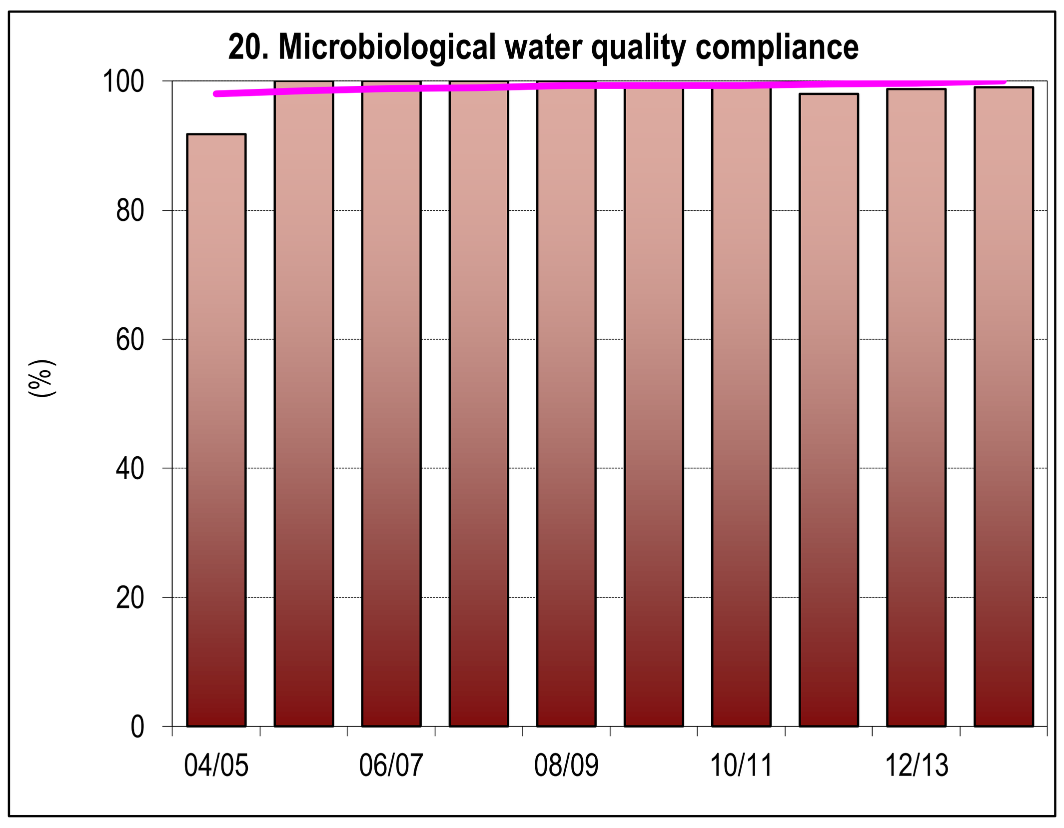
COST RECOVERY

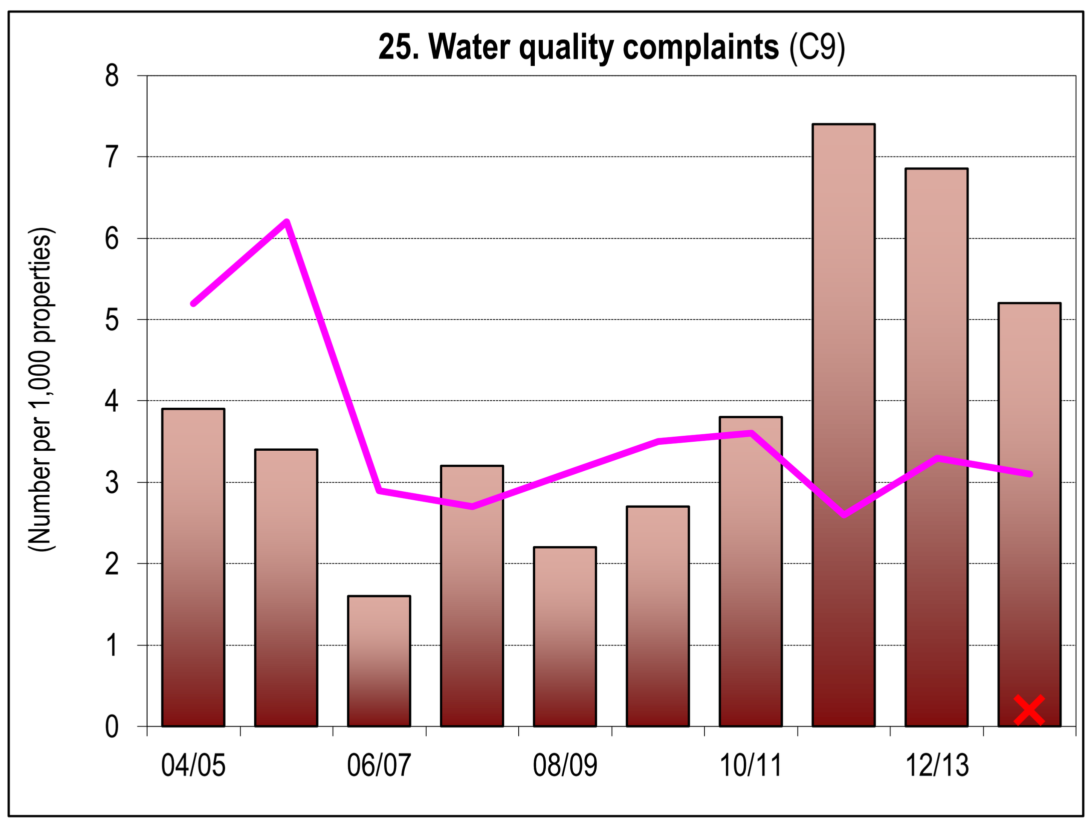


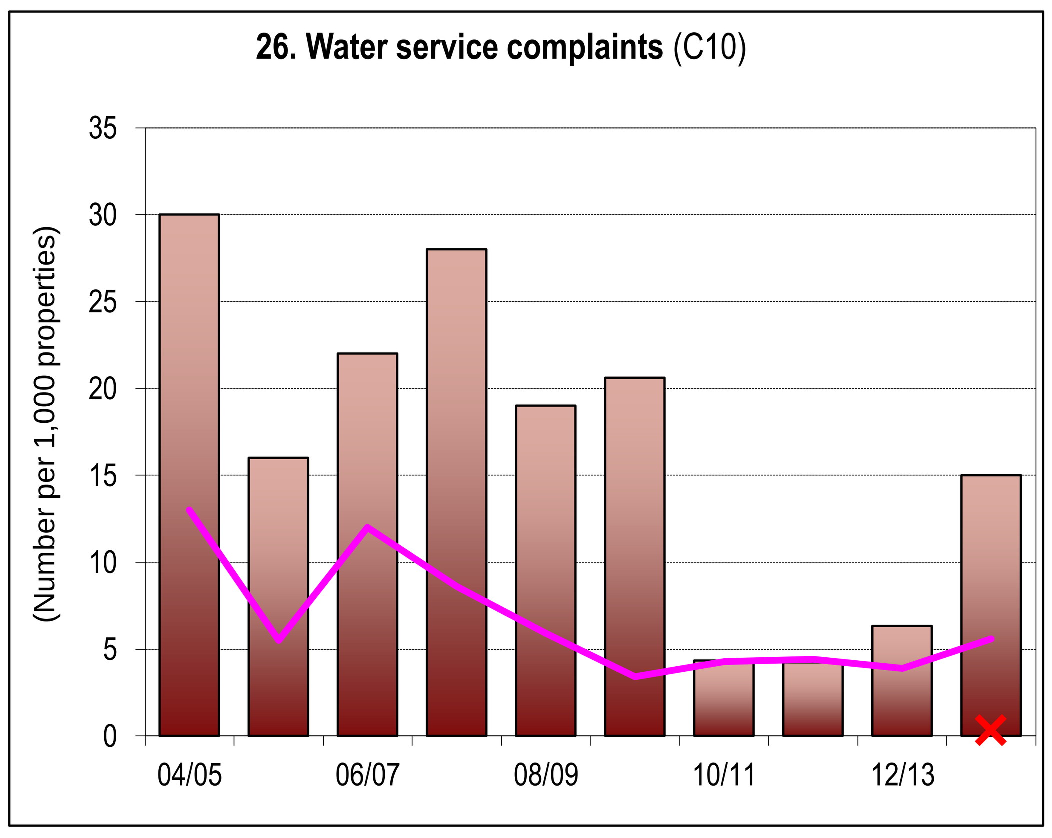




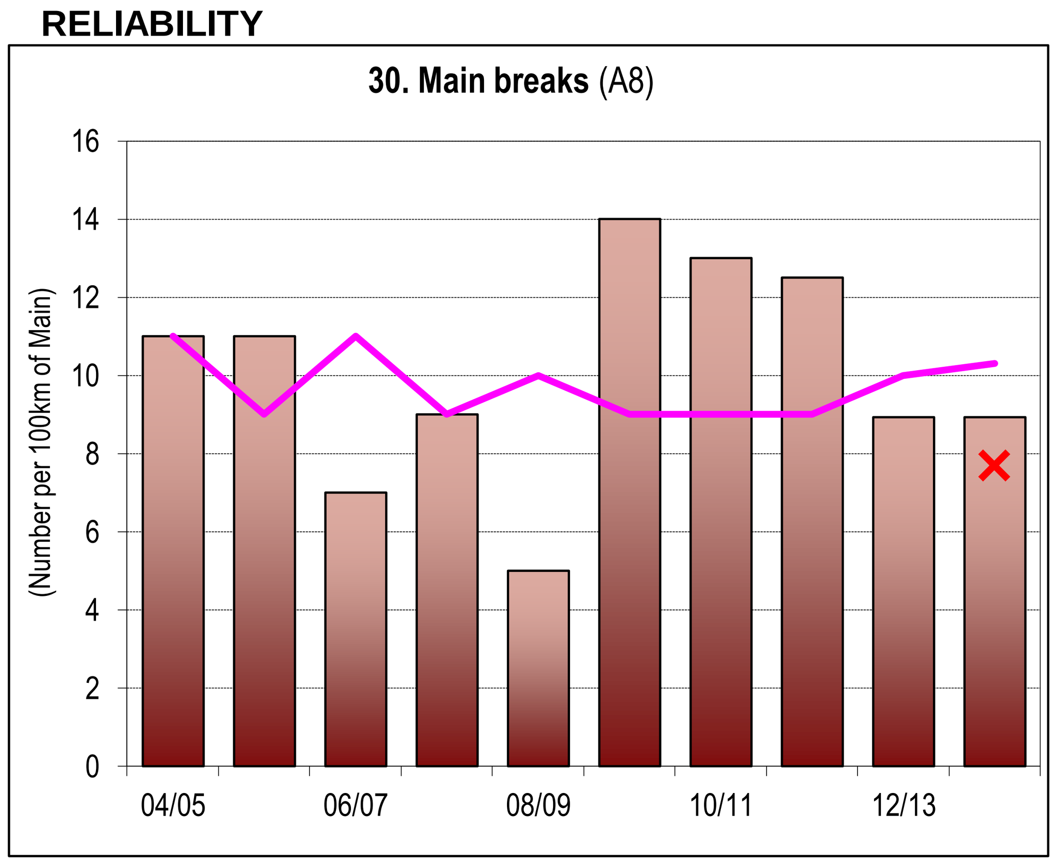
WATER QUALITY/CUSTOMER SERVICE

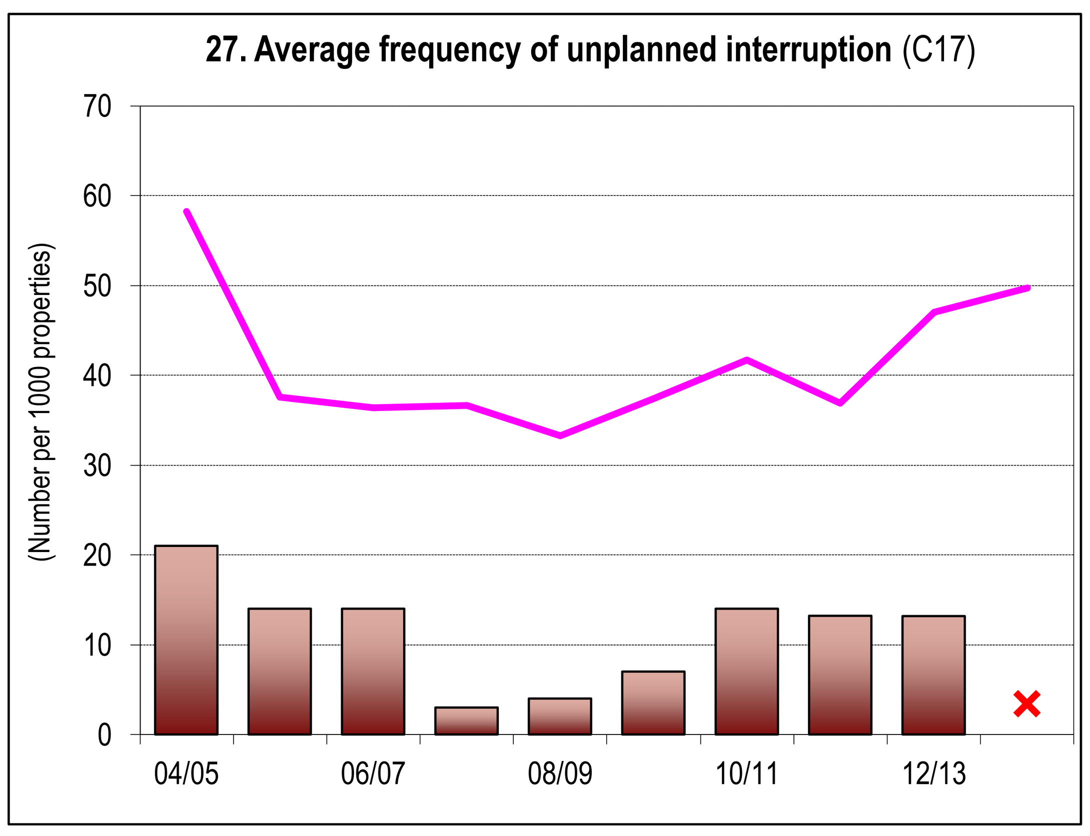


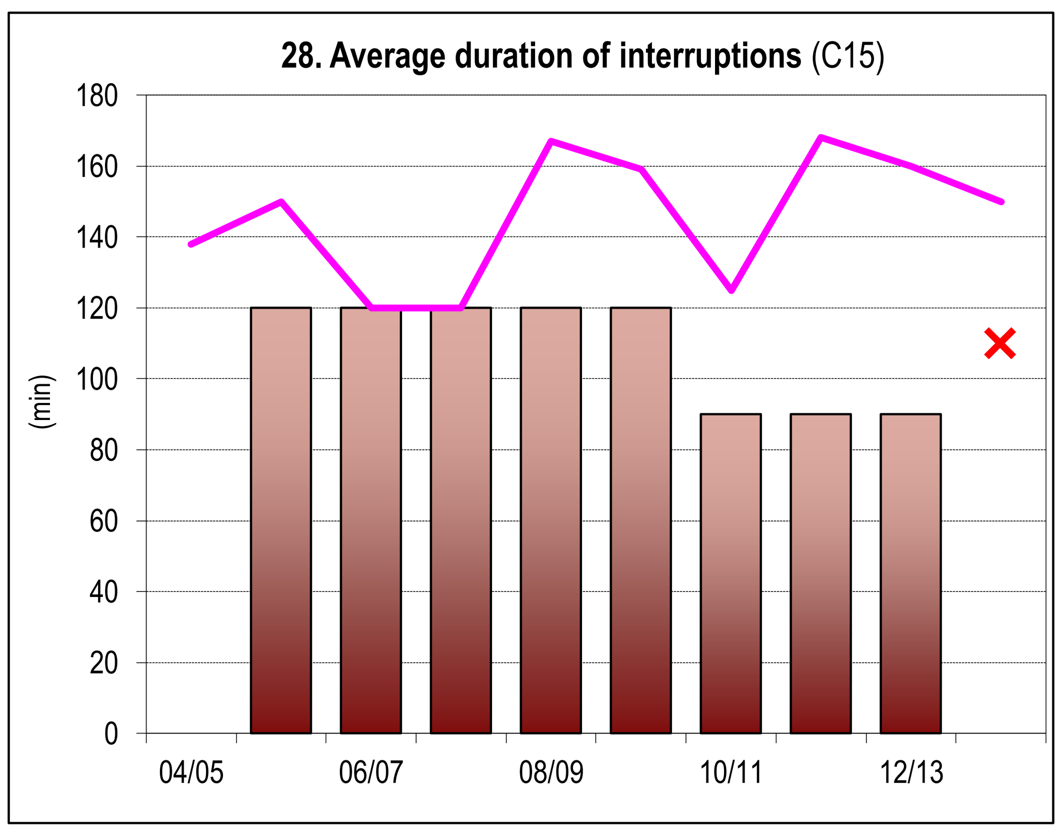




RELIABILITY







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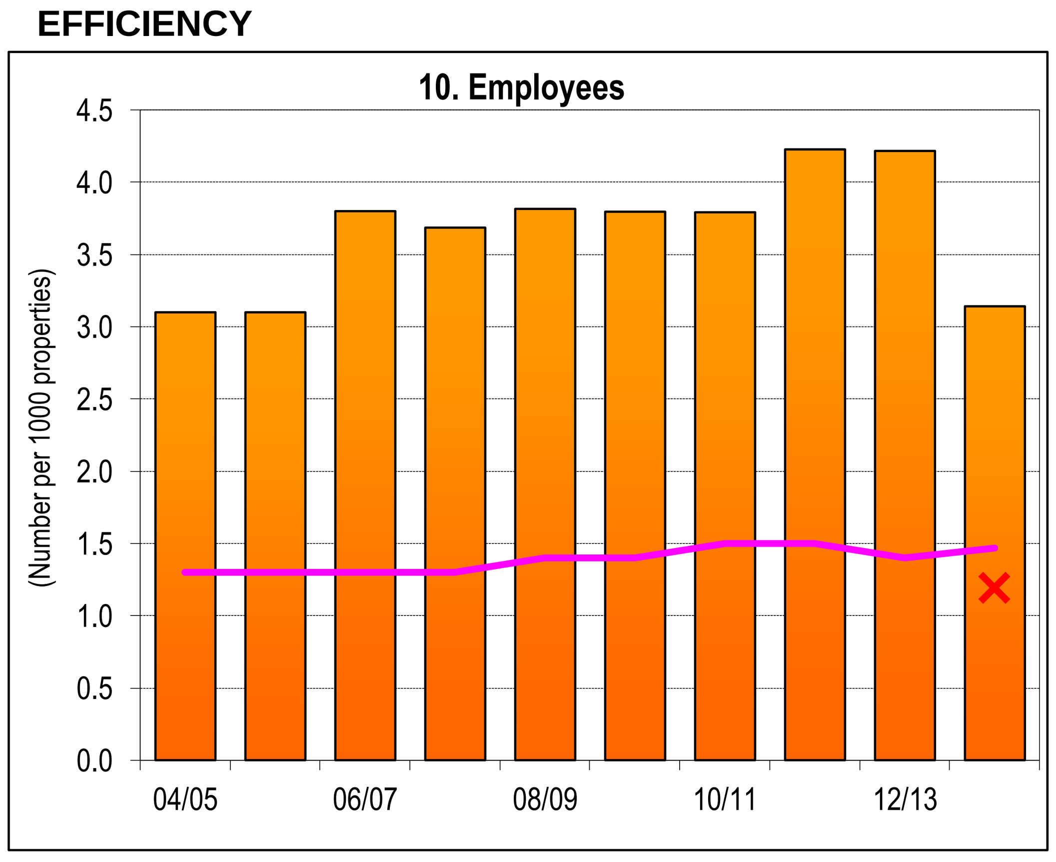
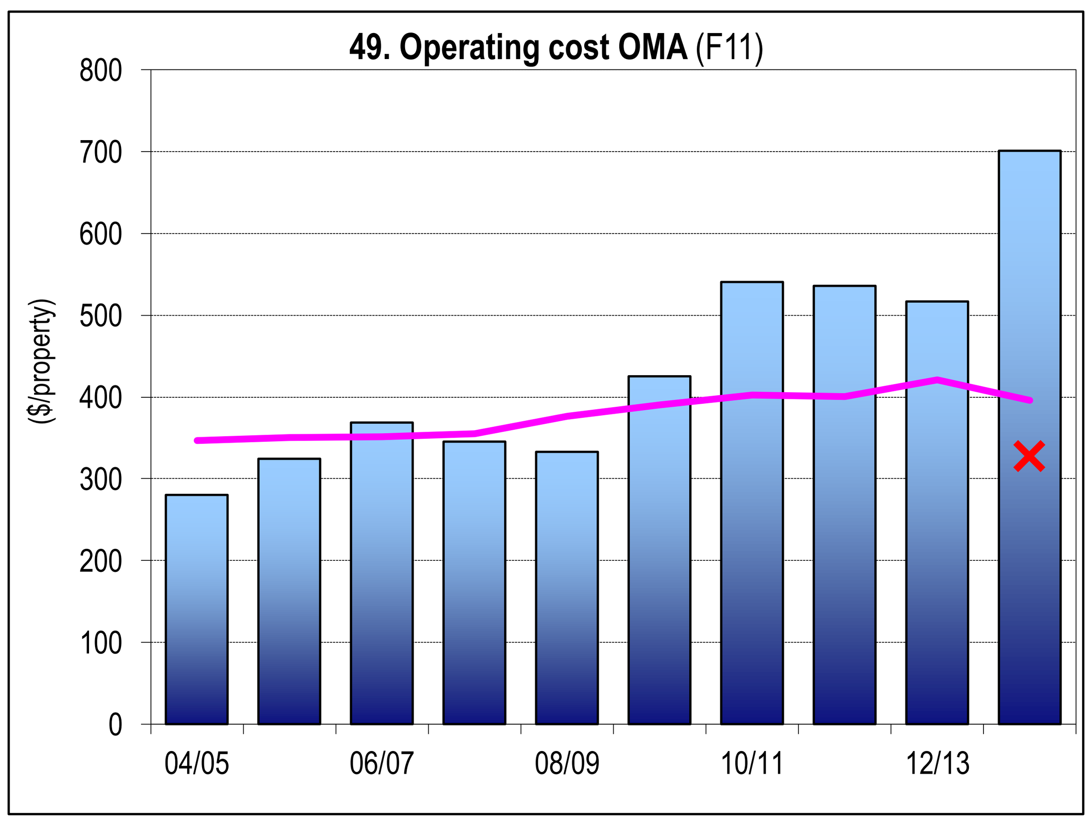
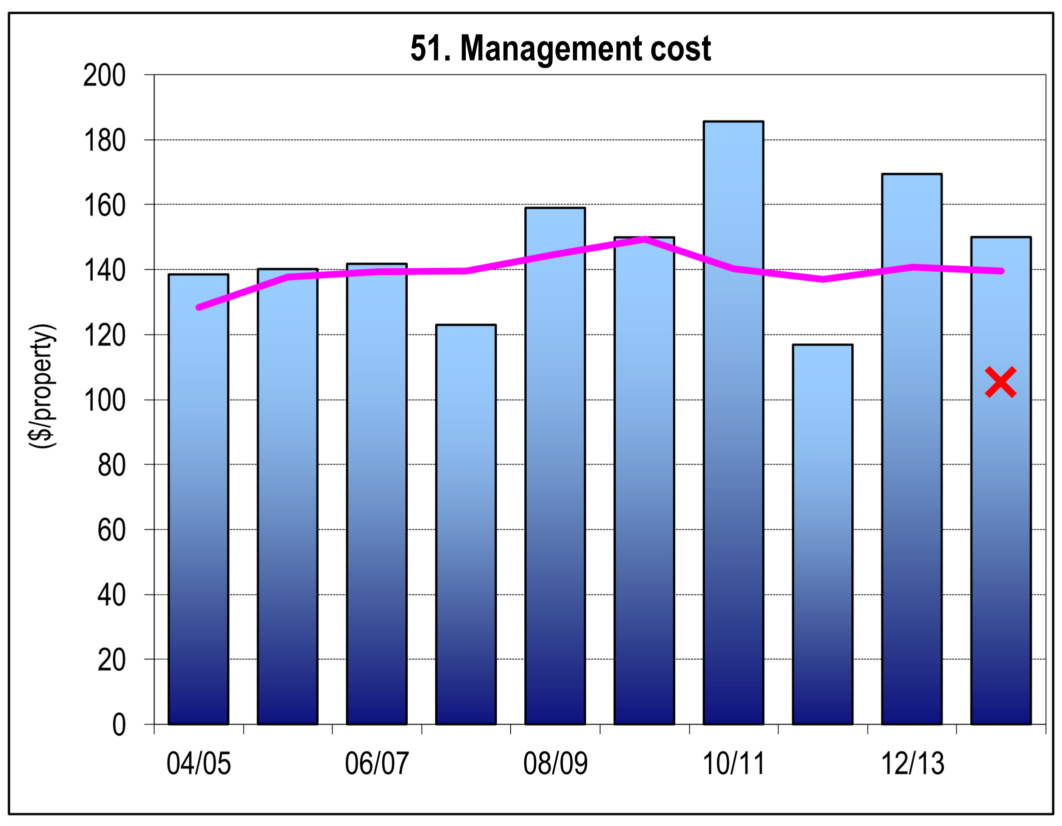






NOTES:

1. Costs are in Jan 2014$ except for graphs 12 and 14, which are in Jan 2015$.
2. Microbiological water quality compliance 1999-00 to 2003-04 was on the basis of 1996 NHMRC/ARMCANZ Australian Drinking Water Guidelines for E. coli; from 2004-05 to 2010-11 compliance was on the basis of the 2004 NHMRC/NRMMC Australian Drinking Water Guidelines (ADWG) and for 2011-12 to 2013-14 compliance was on the basis of the 2011 ADWG.
3. Indicators 33 and 33c - Green shading of bars shows % of time Drought Water Restrictions applied in each year: 0 - 30% 30-50% >50% of time
4. Indicator 33c - Yellow bars show Peak Week Water Supplied for comparison with Peak Day Water Supplied shown in green.

LEGEND

State Median for all years

Top 20% for 2013-14

Kyogle Council	**TBL Sewerage Performance**	**2013-14**

SEWERAGE SYSTEM - Kyogle Council serves a population of 3,600 (1,710 connected properties) and has 3 sewage treatment works providing advanced secondary treatment. The system comprises 4,362 EP treatment capacity (Intermittent Extended Aeration (Activated Sludge), Trickling Filter and Oxidation Pond), 9 pumping stations (13 ML/d), 10 km of rising mains and 52 km of gravity trunk mains and reticulation. 73% of effluent was recycled (Indicator 27) and the treated effluent is discharged to land and river.

PERFORMANCE - Residential growth for 2013-14 was 0.8% which is similar to the statewide median. Kyogle Council achieved 100% implementation of the NSW BPM requirements. The 2014-15 typical residential bill was $643 which was close to the statewide median of $669 (Indicator 12). The economic real rate of return was 0.4% which was less than the statewide median (Indicator 46). The operating cost per property (OMA) was $511 which was above the statewide median of $430 (Indicator 50). Sewage odour complaints were above the statewide median of 1 (Indicator 21). Kyogle Council reported no public health incidents. Council did not comply with the SS requirements of the environmental regulator for effluent discharge. The current replacement cost of system assets was $29M ($16,200 per assessment), cash and investments were $1M, debt was $1M and revenue was $1.2M (excluding capital works grants).

IMPLEMENTATION OF REQUIREMENTS OF NSW BEST-PRACTICE MANAGEMENT (BPM) FRAMEWORK

Requirement		Requirement	
(1) Complete current strategic business plan & financial plan	**YES** [11]	**(2e) Pricing** - DSP with commercial developer charges	Yes
(2) **(2a) Pricing** - Full Cost Recovery without significant cross subsidies	Yes	**(2f) Pricing** - Liquid trade waste approvals & policy	Yes
(2b) Pricing - Appropriate Residential Charges	Yes	**(3) Complete performance reporting** (by 15 September)	**YES**
(2c) Pricing - Appropriate Non-Residential Charges	Yes	**(4) Integrated water cycle management strategy**	**YESC** [11]
(2d) Pricing - Appropriate Trade Waste Fees and Charges	Yes	**IMPLEMENTATION OF ALL REQUIREMENTS**	**100%**

TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

		NWI	No.	Indicator	Unit	LWU RESULT (Col 1)	RANKING 1,500 to 3,000 Note 1 (Col 2)	RANKING All LWUs Note 2 (Col 3)	MEDIANS Statewide Note 3 (Col 4)	MEDIANS National Note 4 (Col 5)
UTILITY	CHARACTERISTICS	C5	1	**Population served: 3,600**						
		C8	2	**Number of connected properties: 1,710** Number of assessments: 1,800						
		C6	3	**Number of residential connected properties: 1,530**						
			4	**New residences connected to sewerage** (%)	%	0.8	2	3	1.0	
		A6	5	**Properties served per kilometre of main**	Prop/km	28			38	41
		W18	6	**Volume of sewage collected** (ML)	ML	307			4,600	5,723
			7	**Renewals expenditure** (% of current replacement cost of system assets)	%	0.6	1	2	0.5	
			8	**Employees per 1000 properties**	per 1,000 prop	3.5	5	5	1.6	
SOCIAL	CHARGES & BILLS	P4		**Description of residential tariff structure:** access charge/prop; independent of land value						
		P4.1	11a	**Residential access charge for 2013-14 ($/assessment)**	$ 2013-14	625	5	4	625	573
			11	**Residential access charge for 2014-15 ($/assessment)**	$ 2014-15	643	4	4	669	
		P6	12a	**Typical residential bill for 2013-14 ($/assessment)**	$ 2013-14	625	5	4	625	683
			12	**Typical residential bill for 2014-15 ($/assessment)**	$ 2014-15	643	4	4	669	
			13	**Typical developer charge for 2014-15 ($/equivalent tenement)**	$ 2014-15	2,130	4	4	5,100	
			14	**Non-residential sewer usage charge** (c/kL)	c/kL	100	4	4	136	
		F6	15	**Revenue per property** - Sge ($)	$	680	2	3	846	938
	HEALTH		16	**Sewerage Coverage** (% of Urban Population with Reticulated Sge Service)	%	87.0	4	4	97.9	
		E3	17	**Percent of sewage treated to a tertiary level** (%)	%	93	4	4	98	91
		E4	18	**Percent of sewage volume treated that was compliant** (%)	%	96	3	3	100	100
		E5	19	**Number of sewage treatment works compliant at all times**		1 of 3				
	SERVICE LEVELS		21	**Odour complaints per 1000 properties**	per 1,000 prop	1.8	5	5	1.0	
		C11	22	**Service complaints - sewerage per 1000 properties**	per 1,000 prop	11	2	3	8	1
		C16	23a	**Average sewerage interruption** (minutes)	min	90	3	3	109	105
			25	**Total days lost** (%)	%	1.7	4	3	2.9	
ENVIRONMENTAL	NATURAL RESOURCE MANAGEMENT	W19	26	**Volume of sewage collected per property** (kL)	kL	180	3	2	221	204
		W26	26a	**Total recycled water supplied** (ML)	ML	210	1	3	630	1,638
		W27	27	**Recycled water** (% of effluent recycled)	%	73	1	1	12	17
		E8	28	**Biosolids reuse** (%)	%	8	2	2	100	100
			30	**Energy consumption - sewerage** (kWh/ML)	kWh	430	2	2	770	
			31	**Renewable energy consumption** (% of total energy consumption)	%	0	1	1	0	
		E12	32	**Net greenhouse gas emissions - WS & Sge** (net tonnes CO2 equivalents per 1000 properties)		330	3	2	370	390
	ENVIRONMENTAL PERFORMANCE		33	**90th Percentile licence limits for effluent discharge:**						
			34	**Compliance with BOD in licence** (%)	%	100	1	1	100	
			35	**Compliance with SS in licence** (%)	%	96	4	4	100	
		A14	36	**Sewer main breaks and chokes** (per 100 km of main)	per 100km main	16	1	2	37	20
			37a	**Sewer overflows** (per 100 km of main)	per 100km main	6	5	4	13	
		E13	37b	**Sewer overflows reported to environmental regulator** (per 100km of main)		0.0	1	1	0.8	0.4
			39	**Non res & trade waste % of total sge volume**	%	30	1	1	21	
ECONOMIC	FINANCE		43	**Revenue from non-residential plus trade waste charges** (% of total revenue)	%	18	3	3	18	
			44	**Revenue from trade waste charges** (% of total revenue)	%	2.5	1	2	2.0	
		F18	46	**Economic real rate of return** - Sge (%)	%	0.4	3	4	1.5	2.6
			46a	**Return on assets** - Sge (%)	%	0.1	4	4	1.3	
			48a	**Loan payment per property** - Sge ($)	$	53	2	2	90	
		F24	48b	**Net profit after tax** - WS & Sge ($'000)	$'000	-237	5	5	1180	5,345
	EFFICIENCY		49	**Operating cost (OMA) per 100 km of main** ($'000)	$'000	1,410	5	3	1,730	
		F12	50	**Operating cost (OMA) per property ($) (Note 9)**	$	511	5	5	430	405
			51	**Operating cost (OMA) per kL** (cents)	c/kL	284	5	5	206	
			52	**Management cost per property** ($)	$	161	4	4	161	
			53	**Treatment cost per property** ($)	$	210	5	5	155	
			54	**Pumping cost per property** ($)	$	109	5	5	68	
			55	**Energy cost per property** ($)	$	33	3	2	42	
			56	**Sewer main cost per property** ($)	$	30	2	2	47	
		F29	57	**Capital Expenditure per property** - Sewerage ($)	$	110	2	3	193	227

NOTES :

1 Col 2 rankings are on a % of LWUs basis - best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 1,500 to 3,000).

2 Col 3 rankings are on a % of LWUs basis - best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs). - see attachment.

3 Col 4 (Statewide Median) is on a % of connected properties basis- best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller LWUs).

4 Col 5 (National Median) is the median value for the 66 utilities reporting sewerage performance in the National Performance Report 2013-14 (www.bom.gov.au).

5 LWUs are required to annually review key projections & actions in the later of their IWCM Strategy and financial plan and their Strategic Business Plan and to annually 'roll forward', review and update their 30-year total asset management plan (TAMP) and 30-year financial plan.

6 Non-residential access charge - $254, proportional to square of size of service connection. Sewer usage charge - 100 c/kL.

7 Non-residential and trade waste volume was 30% of total sewage collected.
Non-residential revenue was 18% of revenue from access, usage & trade waste charges, indicating fair pricing of services between the residential and non-residential sectors.

8 Compliance with Total N in Licence was 100%. Compliance with Total P in Licence was 100%.

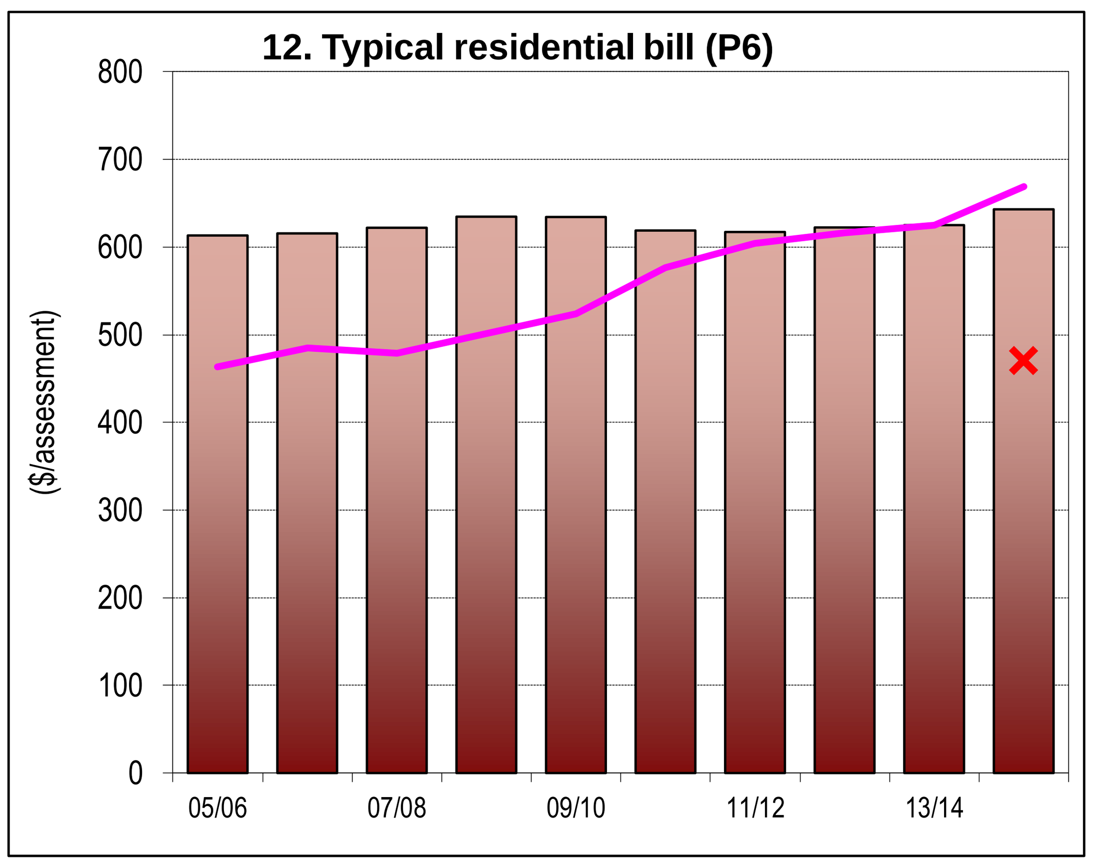
9 Operating cost (OMA)/property was $511. Components were: management ($161), operation ($276), maintenance ($30), energy ($33) and chemical ($11).

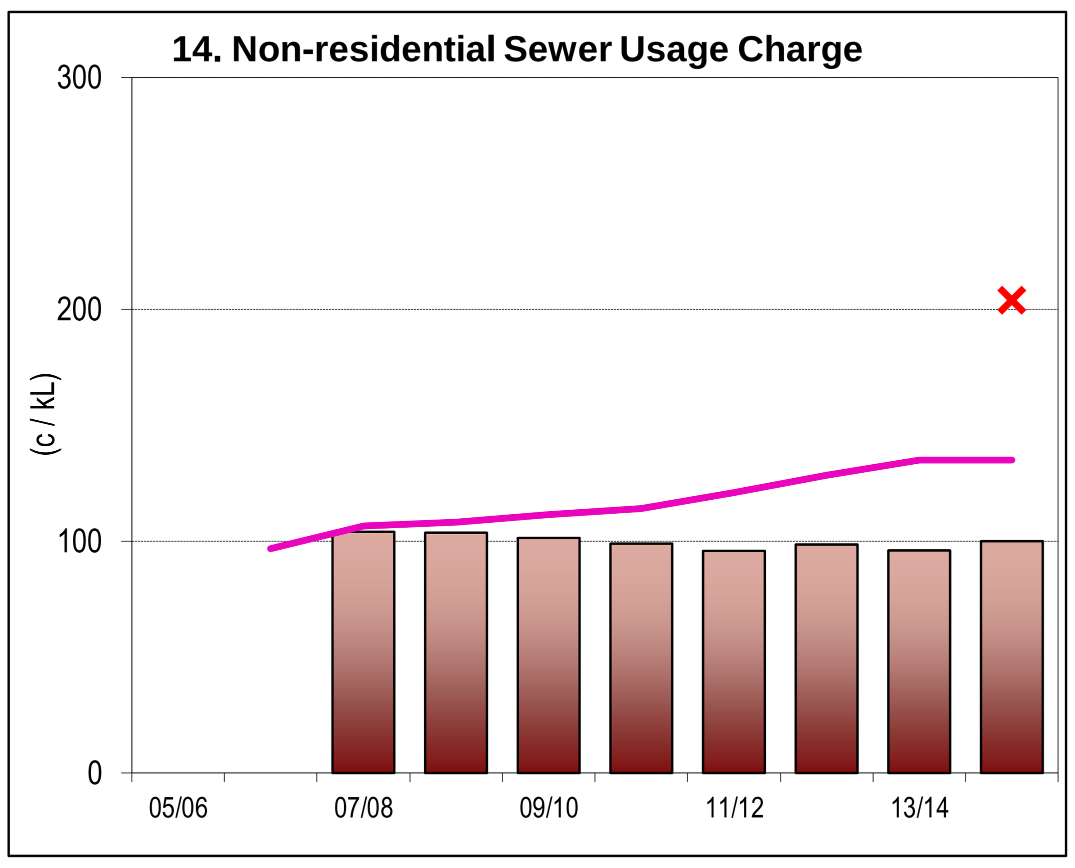
10 Kyogle Council rehabilitations included 1.6% of its sewerage mains and 0.1% of its service connections. Renewals expenditure was $300,000/100km of main.

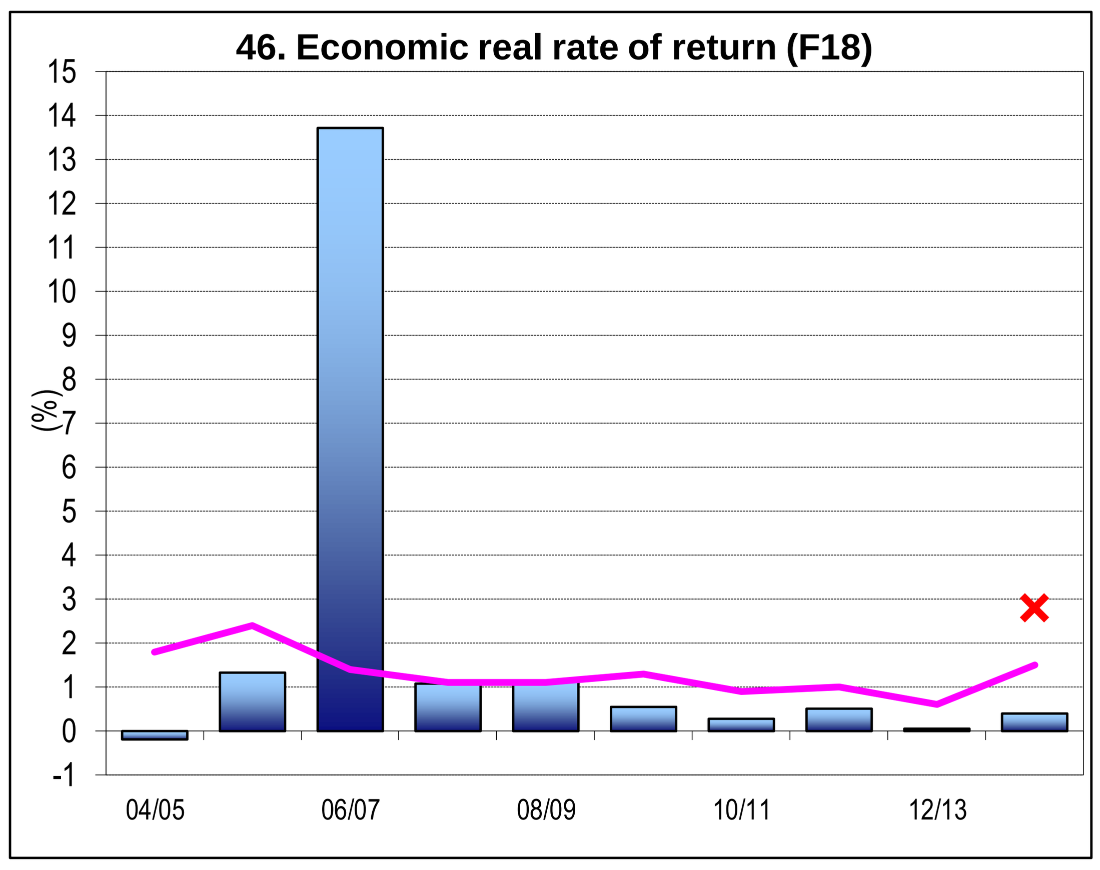
11 As Kyogle Council's strategic business plan and financial plan are over 4 years old, it needs to prepare a 30-year IWCM Strategy and financial plan in accordance with the July 2014 IWCM Check List (www.water.nsw.gov.au).

(Results shown for 10 years together with 2013-14 Statewide Median and Top 20%)

COST RECOVERY







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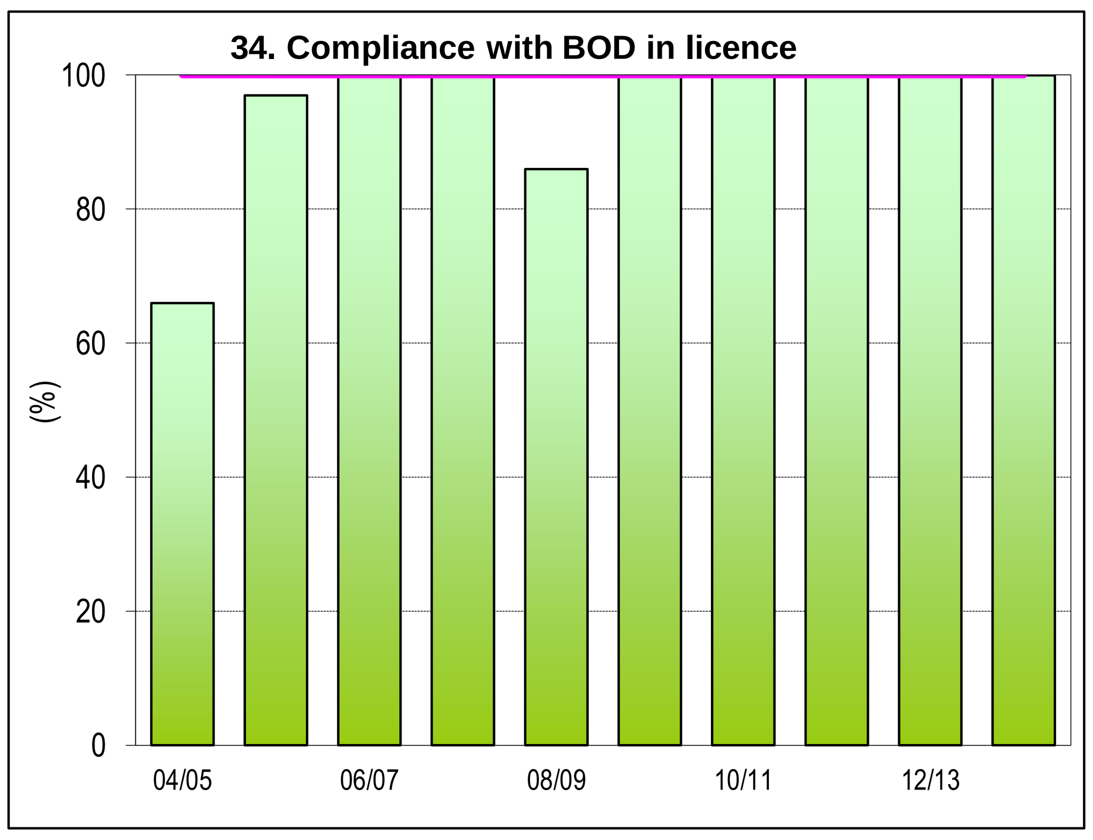
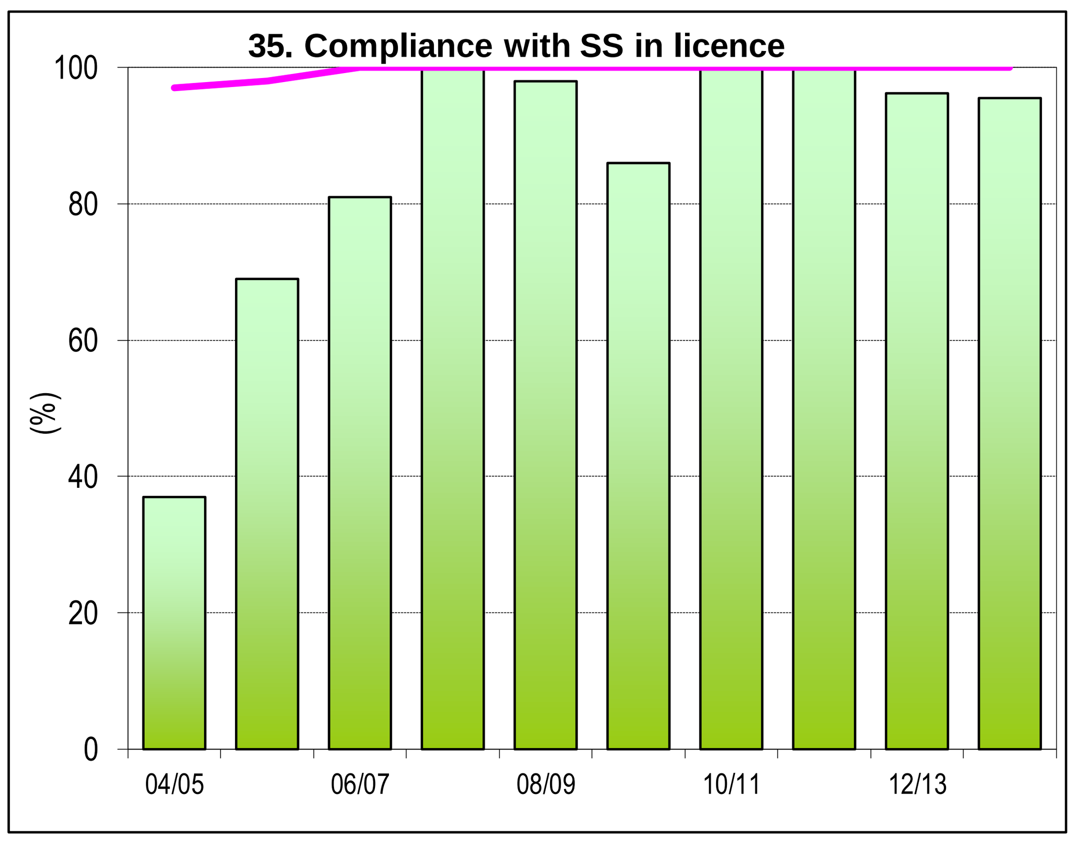
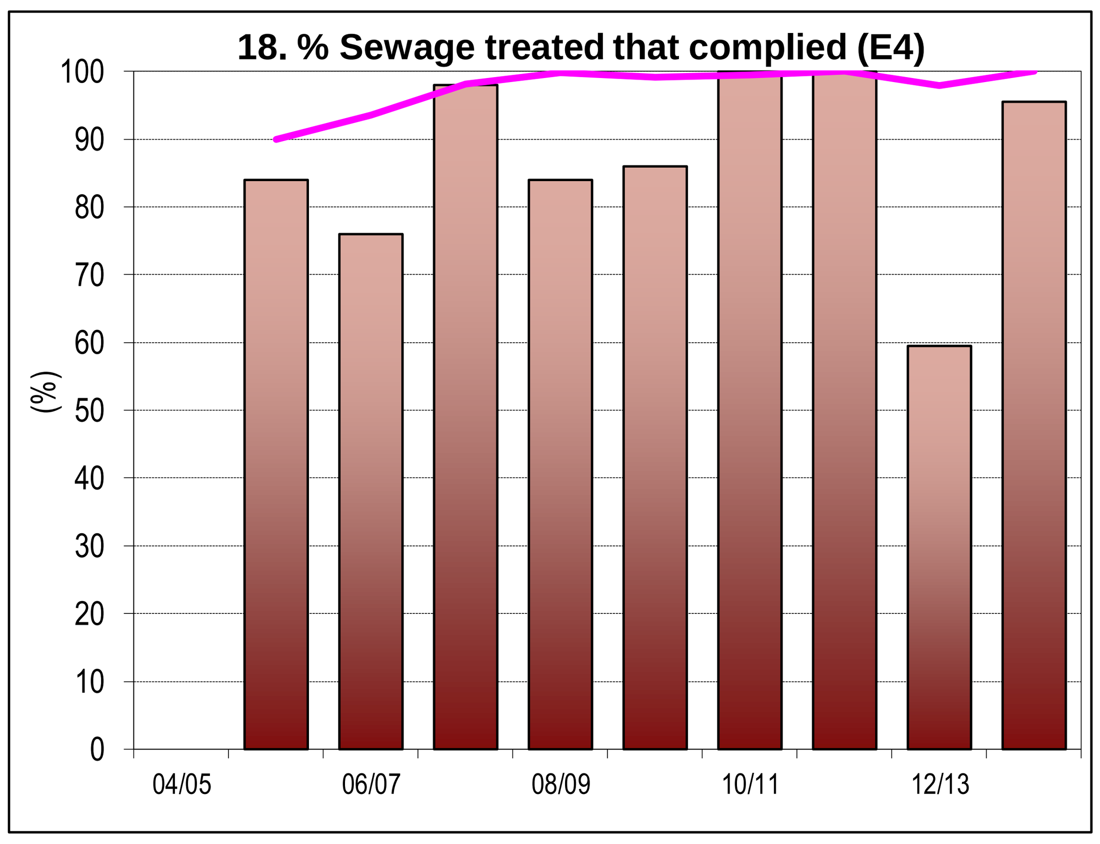
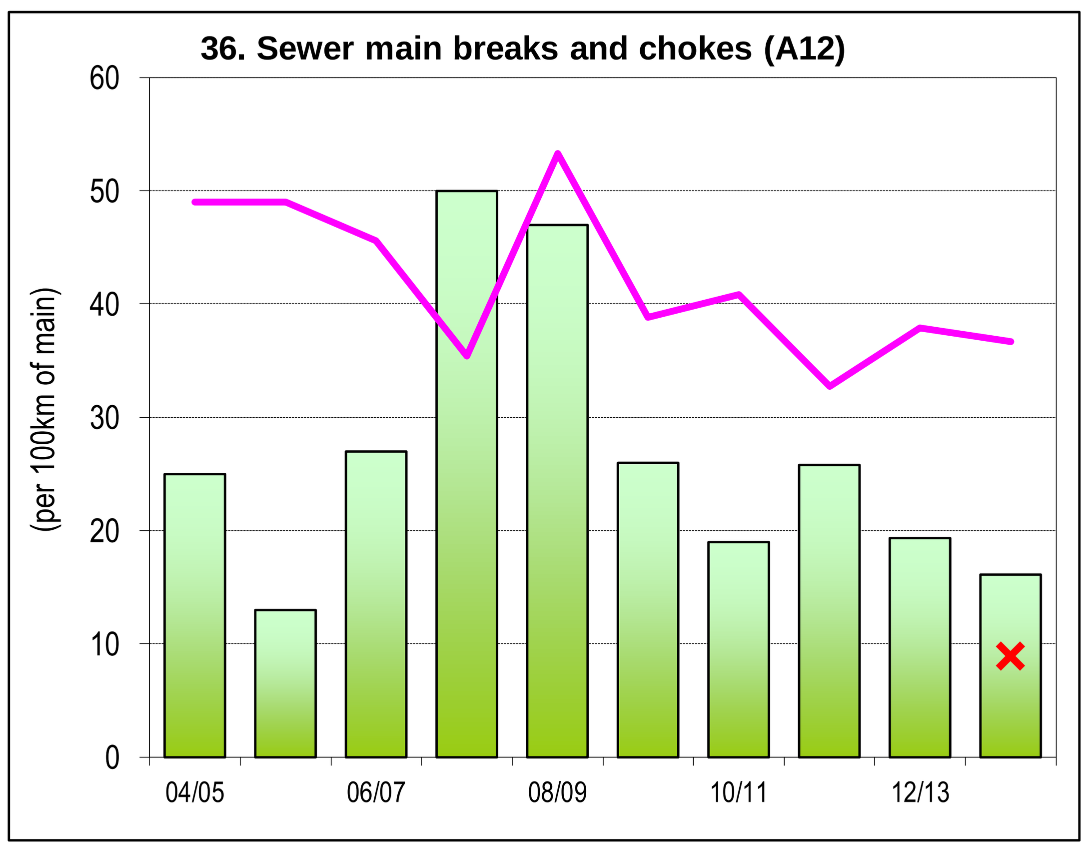
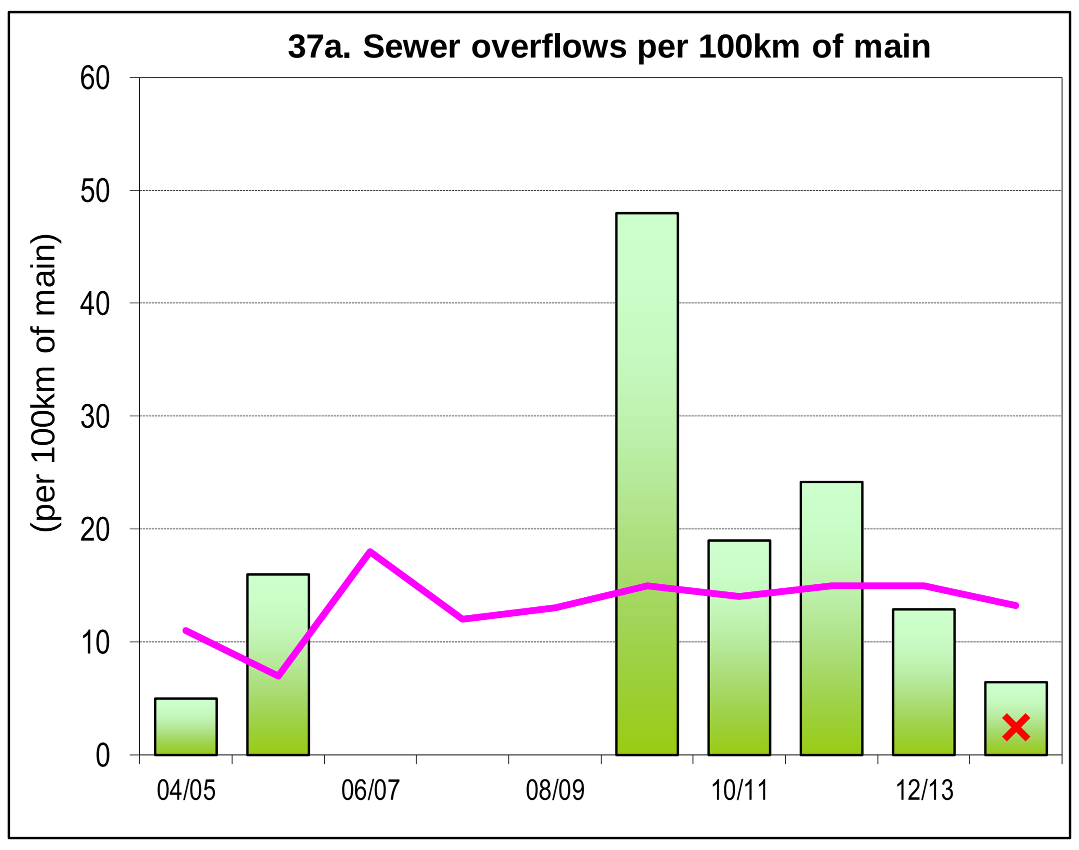


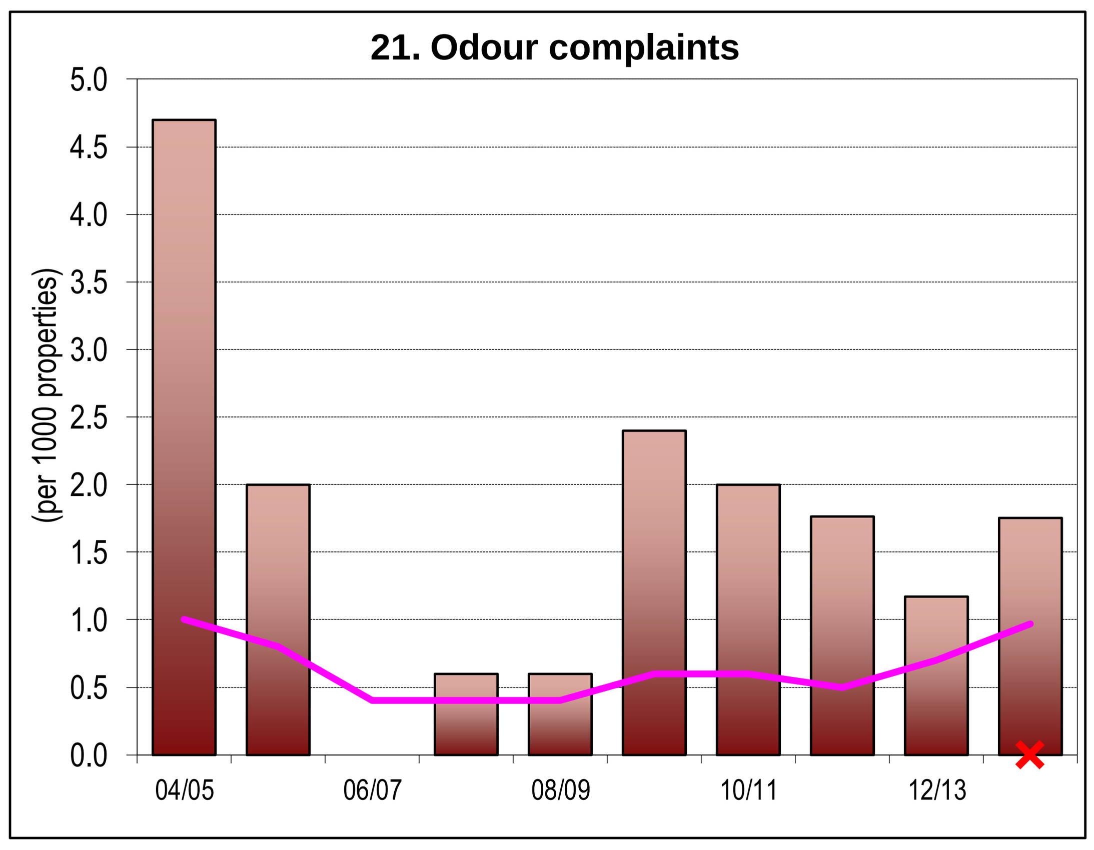




CUSTOMER SERVICE/RELIABILITY







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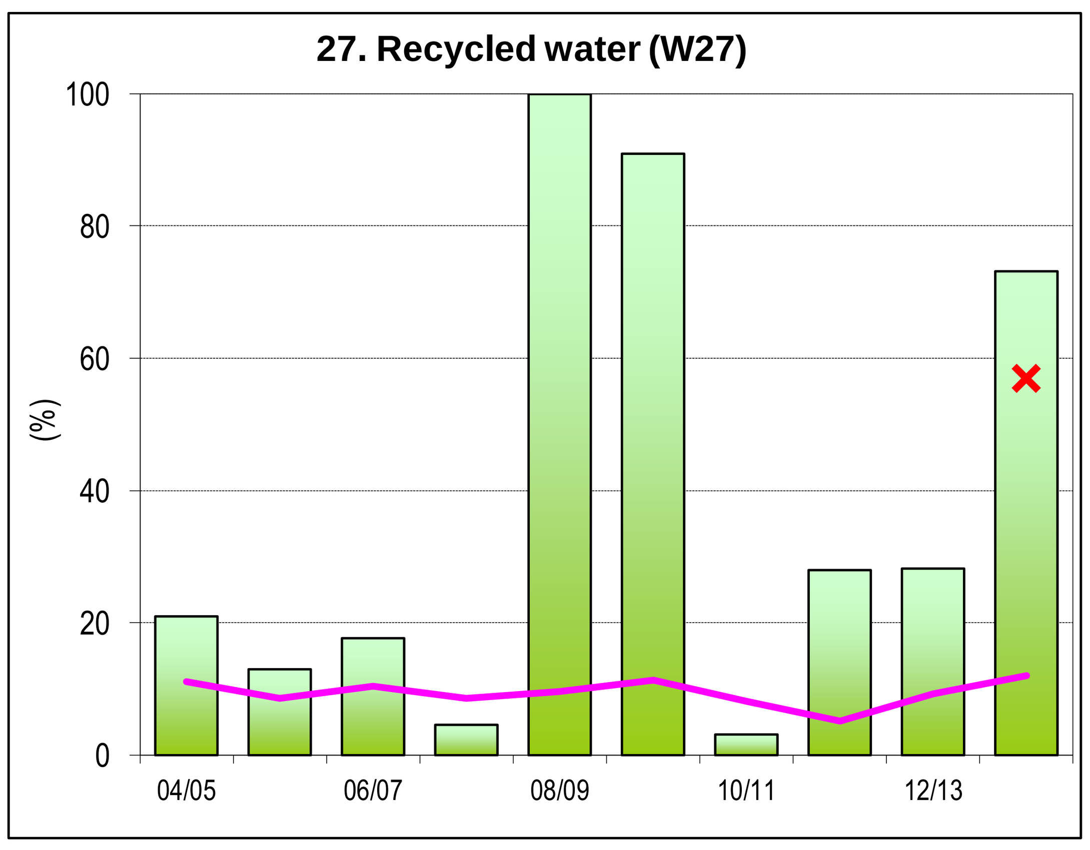

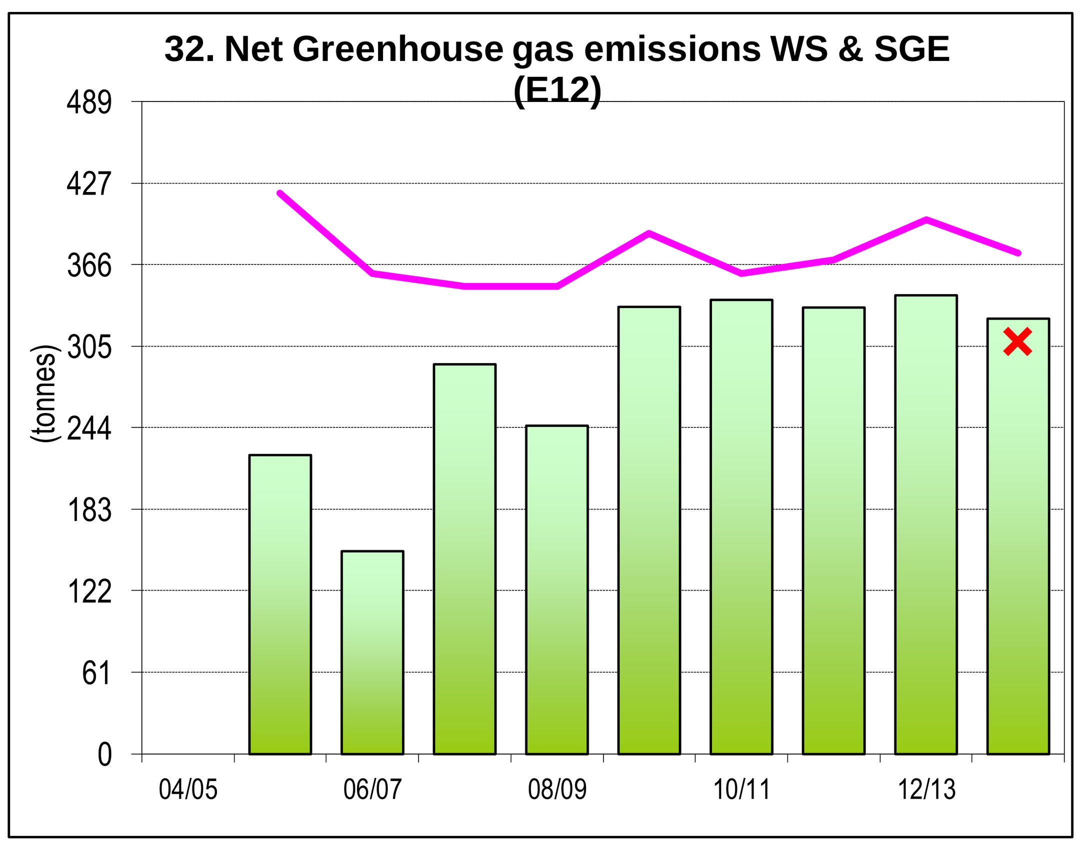

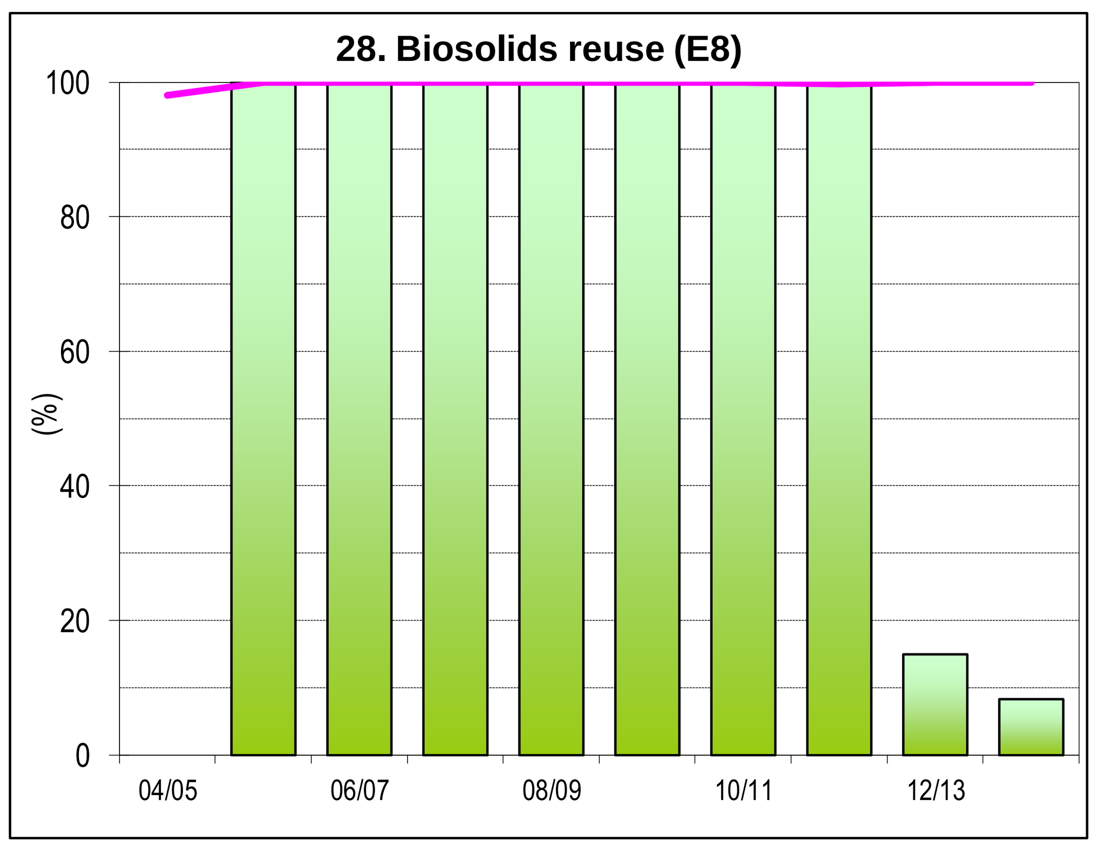

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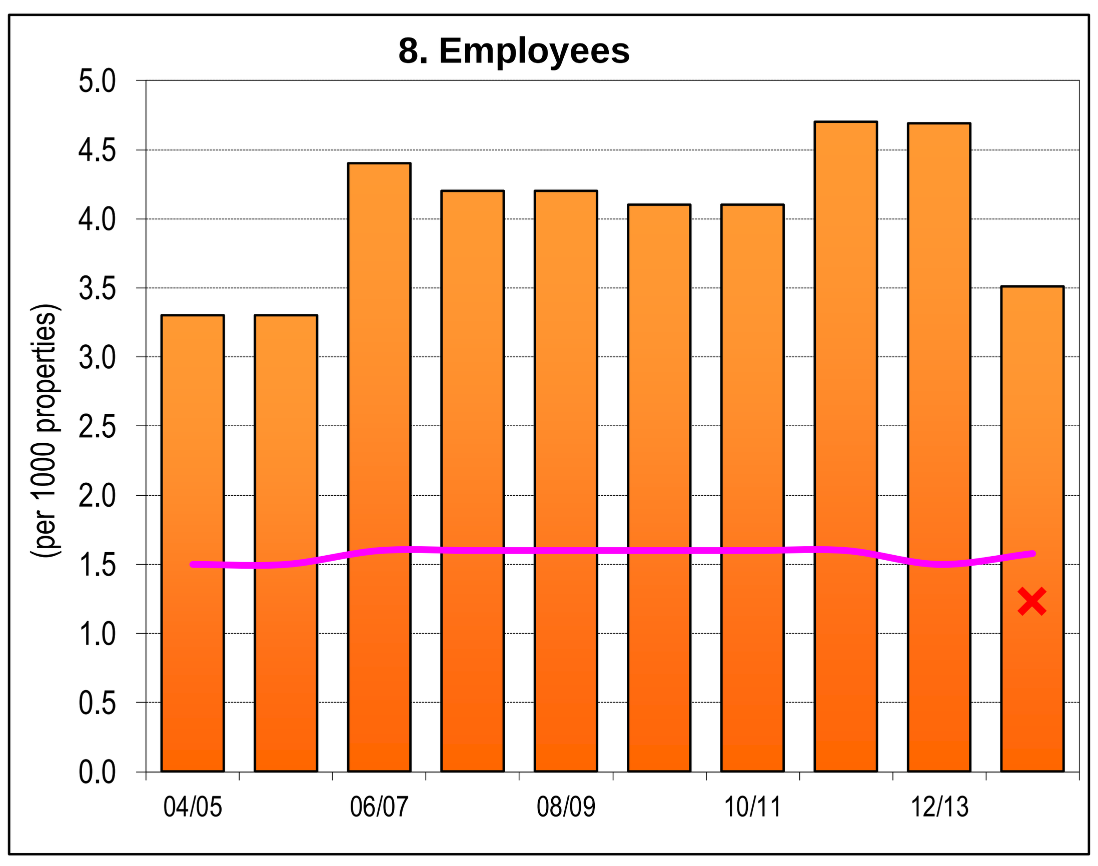

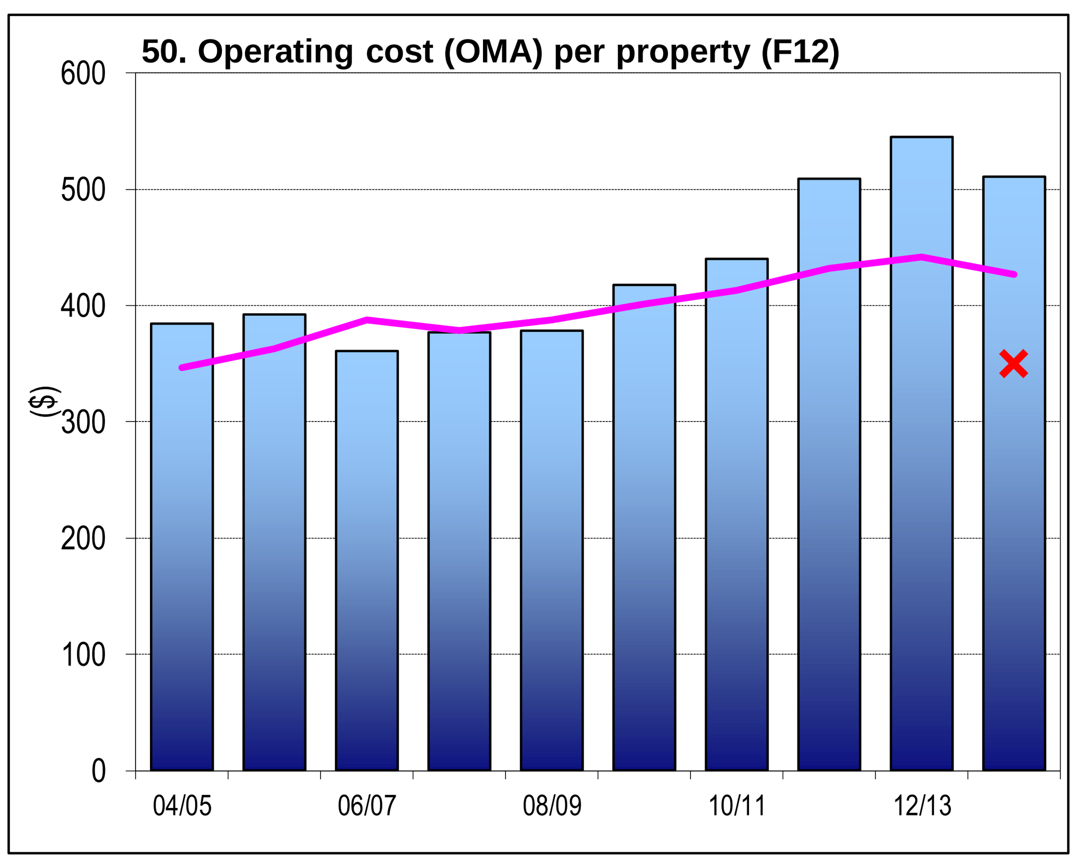

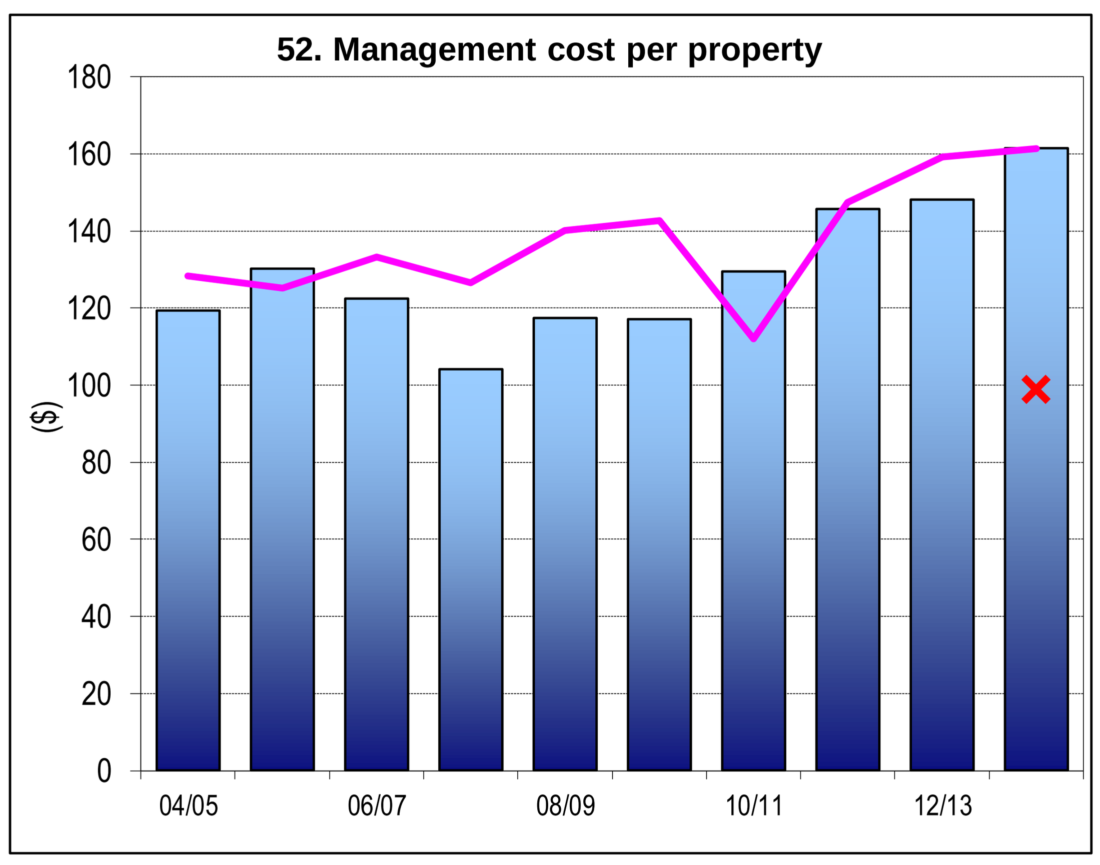

NOTES:

1. Costs are in Jan 2014$ except for graphs 12 and 14, which are in Jan 2015$.

LEGEND
State Median for all years
Top 20% for 2013-14