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31st October 2021

Submission to IPART's Review of CENTRAL COAST COUNCIL's water prices from 1st July 2022

Attn: Ms. Livingstone (CEO)

Thank you for the opportunity to submit on the prices review and for allowing my verbal input last week via Zoom chat. It was very informative and allowed constituents to talk freely. The IPART initiative was much appreciated by all.

COUNCIL'S FORWARD PLAN FOR PERMANENT DESALINATION

As I had put forward last week from my own perusal of Council's application to IPART there was no particular mention of forward expenditure on a permanent desalination plant nor, particularly, on an ocean inlet pipe as a stage one plan.

The anomaly is that the recent Water Security Plan dated August 2021 put on public exhibition for comment on Page 32 (4:4 Implementing the Plan) quotes;

"Action – Near Term 0- 2 year

Based on the delivery risk assessment consider advancing the delivery of the plan..."

And then "Actions mid term 2 – 5 years

Subject to the delivery risk assessment – deliver the intake for the desalination plant at Toukley and protective works for the Norah Head Ocean Outfall Tunnel". (Unquote).

During the IPART verbal discussion last week when I asked Mr. (Jamie) Loader about the forward plan he answered that "it may not even be at Norah Head ..." I then asked that the Plan as presented to the public was "not correct". His answer was not certain.

In the Council's application the only reference to a desalination plant is in the forward planning table indicating a desal plant being required for the year 2043.

I also asked Mr. Loader in the verbal submission whether Council intended to apply for funding for the intake pipe in the following funding period for 2027 -2031. I also suggested, or asked why, Council were intending to build the intake pipe, at a possible cost of \$30 Million (random assessment...the forecast cost of the whole scheme being \$250 Million) at least 12 years ahead of scheduled requirement.

Understanding the funding basis for the Sydney Desal Plant was partly from private investment, from the 2012 and 2017 IPART papers, my concern was that local ratepayers on the Central Coast

were being asked to forward fund, by at least some 12 years, a scheme that to date has not been discussed or fleshed out in financial terms (except to say that the annual running costs start at about \$16 Million at current rates, according to Council's Water Security Plan, Figure 15).

I understand that the Government, through DPIE, require Council to forward plan an alternative drinking water source, as they have done with Hunter Water for example. I know that Hunter Water have designed a plant for Belmont but the timeframe is not yet known. The plant would not be required to be built until the water storages in the Hunter scheme fall to 45% of capacity. Storages there continue to remain high and are currently at 97%.

Earlier this year Hunter Water had opted for a Temporary Desalination plant at the same location which could be built quickly once levels reached 35%. It is understandable that a permanent plant, and at greater cost, would require a longer timeframe, so reaching a 45% trigger for action probably makes sense.

It would take no more than 3 years to complete a 30ML/day plant (based on Sydney's construction) here on the Coast, so forward construction would not be required till at the very earliest, 2038 (2043 switch on).

The Mardi to Mangrove Pipeline carrying water from the catchment areas was installed in about 2011, for a cost of \$120 Million, and has performed exceptionally well since that time, transferring water to the Mangrove Dam each time creek flows increase. The Dam's graph shows since that time our storage has grown exponentially to peak allowable storages that have ensured a drought proof outcome. There is no clear need to rush, beyond planning for, to install infrastructure 12 years or more ahead of schedule. The cost to ratepayers is simply not justified.

The only justification for priority construction is if storages fall to 45%, which then timeframes are easily achievable. Remember that Sydney Desal was not required to produce water for the system for five years following construction because the dam levels for Sydney were high yet customers had to pay for water production regardless under the funding arrangements.

I do not want residents of the Coast to be burdened, years and years ahead, with costs beyond their means as we have a very low funding base at this juncture for such a costly installation.

The other aspect for ratepayers here is that we have an administered Council wherein people have no input and are shielded from debate that would normally express pros and cons via elected Councillor Representation. That in itself is of major concern and is being played out in separate forums in the public arena.

I AM SEEKING FROM IPART clarification of Council's actual timeframes, location and funding arrangements for a permanent Desalination Plant and also a clear and unambiguous strategy for expenditure on planning and forward estimate costing for desalination, if any, within this pricing period and that for the period 2027 -2031.

Yours faithfully

Michael A. Campbell OAM