



Review of prices for Central Coast Council's Water Supply Authority

Draft Report

Pre-release briefing

14 March 2022

Agenda

01 Key messages

02 Draft decisions on costs

03 Draft decisions on prices

04 Bills & impacts

05 Improving performance

06 Next steps

IPART sets the maximum prices for CCC Water

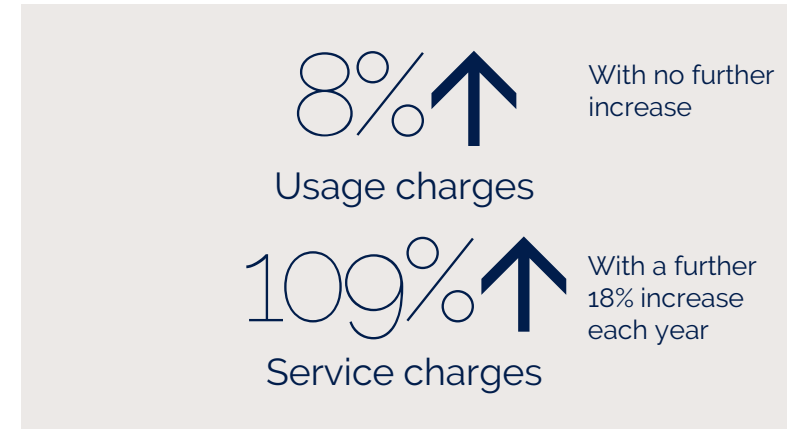
- IPART sets the maximum prices the Central Coast Council (the council) can charge its customers for the water, wastewater and other services provided by it as a Water Supply Authority.
- IPART also sets the maximum percentage by which the council may increase its general income each year through the local government rate peg or special variations.
- To avoid confusion, we refer to:
 - the council's functions as a Water Supply Authority under the *Water Management Act 2000* as '**CCC Water**'
 - the council's local government functions under the *Local Government Act 1993* as '**the council**'

Key messages

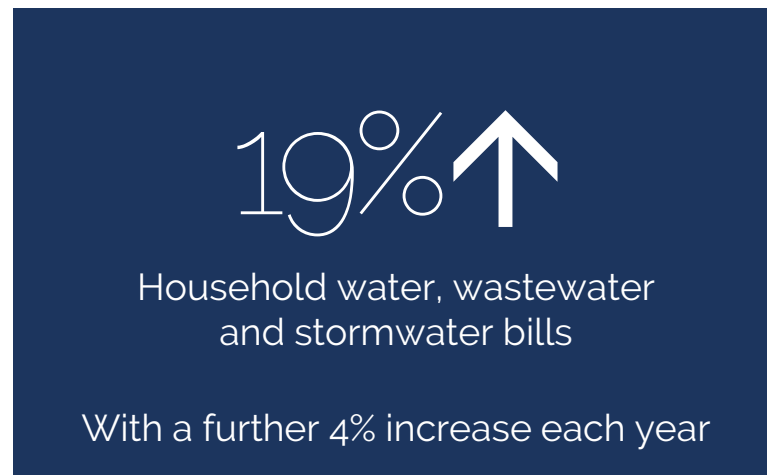
Draft efficient costs



Draft water prices in 2022-23



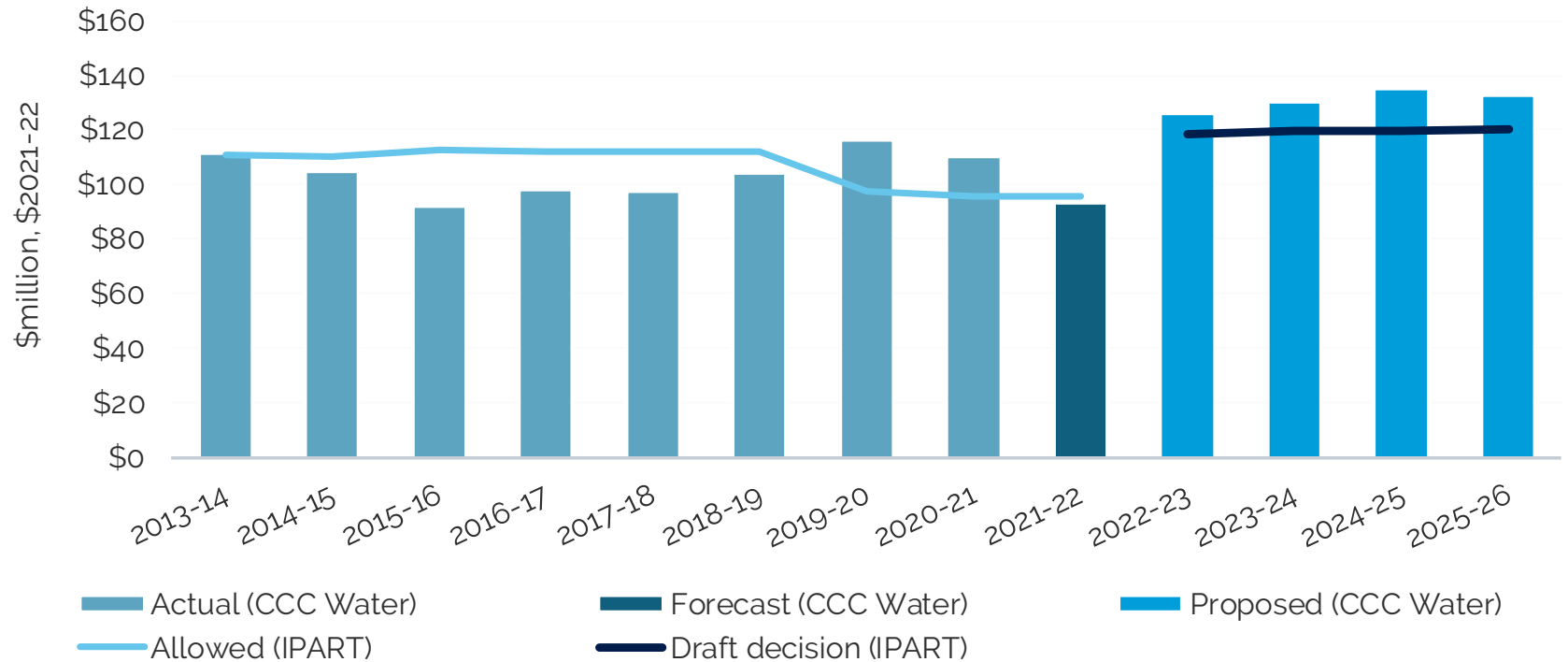
Typical bills in 2022-23



Performance and accountability

Draft recommendations to improve CCC Water's accountability and performance

Draft decisions on efficient operating costs



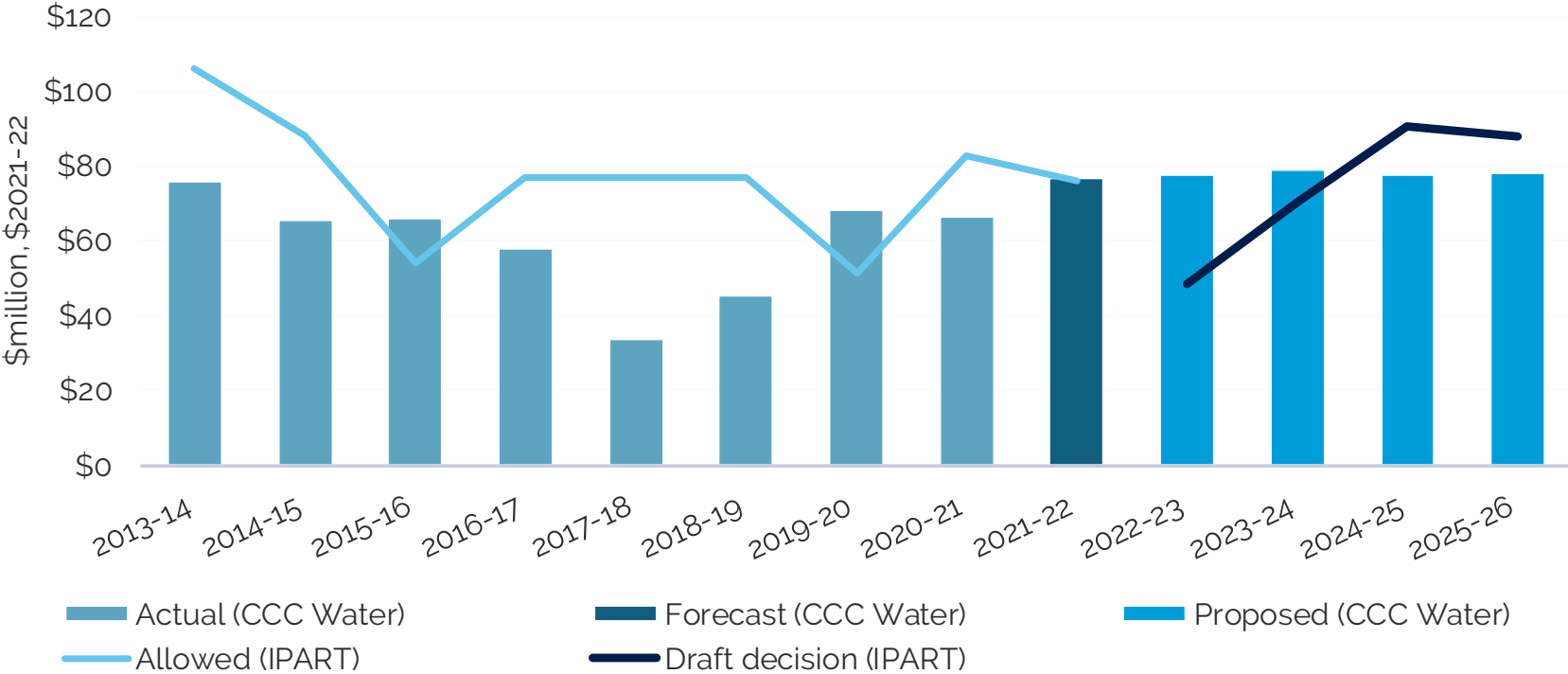
\$119m

Operating cost per year
over the next 4 years

9%

Total efficiency savings
identified from proposal

Draft decisions on efficient capital costs



\$74m

Capital cost per year over the next 4 years

5%

Total efficiency savings identified from proposal

Draft prices - Summary

Households

Average draft price increases in 2022-23

Each year after that



Water

Usage charge	8% ↑	0%
Service charge	109% ↑	18% ↑



Wastewater

Service charge	12% ↑	2% ↑
----------------	-------	------



Stormwater

Service charge	17% ↑	0%
----------------	-------	----

Draft prices – water and wastewater prices

Draft household prices (\$2022-23)

	Current 2021-22	Draft			
		2022-23	2023-24	2024-25	2025-26
Water prices					
Usage charge (\$/kL)	2.10	2.27	2.27	2.27	2.27
Service charge (\$/year)	87.29	182.37	214.85	253.12	298.21
Wastewater prices (\$/year)					
Houses - Gosford	525	563	574	584	595
Houses - Wyong	488	563	574	584	595
Apartments - Gosford	486	521	532	542	553
Apartments - Wyong	449	521	532	542	553

Note: Prices would also increase each year by inflation.

Draft prices – stormwater prices

Draft stormwater prices (\$2022-23)

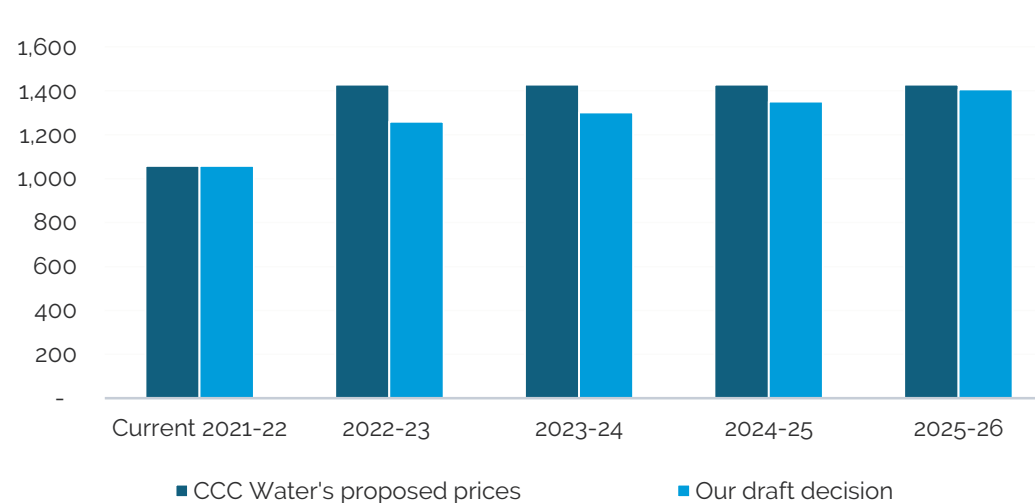
	Current		Draft		
	2021-22	2022-23	2023-24	2024-25	2025-26
Houses	108.00	126.70	126.70	126.70	126.70
Apartments	81.00	95.03	95.03	95.03	95.03
Farmland	108.00	126.70	126.70	126.70	126.70
Vacant land	81.00	95.03	95.03	95.03	95.03
Businesses					
Low-impact	108.00	126.70	126.70	126.70	126.70
Area-based:					
Small (<1,000m ²)	108.00	126.70	126.70	126.70	126.70
Medium (1,001 – 10,000m ²)	189.01	221.73	221.73	221.73	221.73
Large (10,001 – 45,000m ²)	891.02	1045.31	1045.31	1045.31	1045.31
Very large (>45,000m ²)	2,700.09	3167.61	3167.61	3167.61	3167.61

Note: Prices would also increase each year by inflation.

Typical bill increases under draft prices in 2022-23



Comparison of current and future typical bills under draft prices



Overall, we consider the bill increases to be necessary

Bills and impacts

Performance and accountability

Draft recommendations to improve CCC Water's accountability on performance

Short-term focus

Set performance measures

CCC Water should prepare and publish an annual performance report, setting out its performance against measures that reflect the community's preferences

Workshop on performance

At the public hearing, we will consult with customers to help CCC Water develop performance measures that align with the community's preferences

Medium to long-term focus

Performance review

IPART intends to recommend the Minister gives us a referral to investigate and report publicly on CCC Water's performance and progress in 2 years

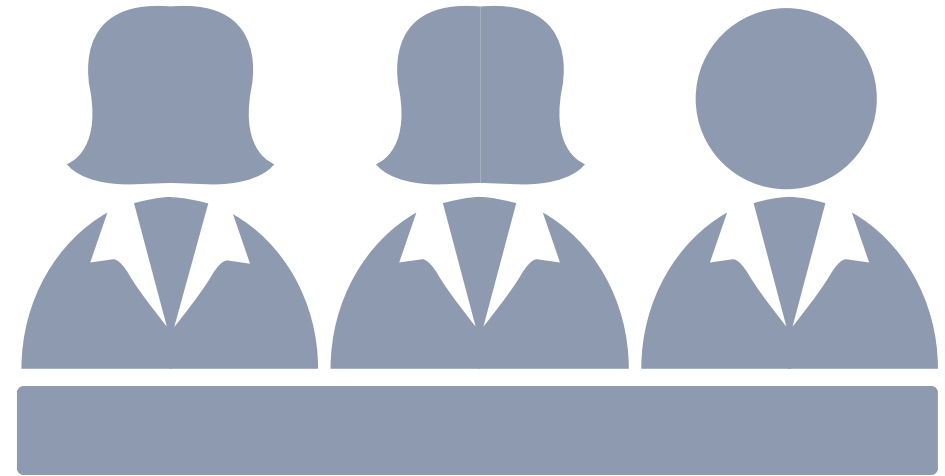
Benefit from other inquiries

This investigation would benefit from the findings of other inquiries and reviews into the council that are currently underway

Next steps



Questions



Contact us

Jessica Forrest

e: jessica_forrest@ipart.nsw.gov.au

Visit our website

<https://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Metro-Pricing/Prices-for-Central-Coast-Council-from-1-July-2022>