



GOSFORD CITY COUNCIL

**SUBMISSION TO
INDEPENDENT PRICING AND REGULATORY
TRIBUNAL**

PRICING PROPOSAL FOR 2003/2004 AND 2004/2005

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1. INTRODUCTION

In June 2000, The Independent Pricing and Regulatory Tribunal handed down a three year pricing determination for Gosford City Council for the period 1 July 2000 to 30 June 2003.

The determination formally introduced removal of the prepaid allowance to comply with COAG reform policies to establish a two part tariff. The pay for use methodology adopted has removed cross subsidy of high water users by low water consumers.

Councils current pricing proposal retains pricing equality by maintaining a pay for use pricing structure and increasing the proportion of water revenue attributable to usage rather than availability charges. While it is generally considered that the price for water is rather inelastic, Council considers a pricing structure that includes a higher proportion of usage charges, sends the appropriate demand management signals to the community.

The submission complies with the Council of Australian Governments COAG reforms for the water industry.

Fundamental to the proposal are Councils objectives. These objectives are the result of an extensive consultative process, undertaken in accordance with the Local Government Act.

In addition to the core business charges for water and sewerage, this submission also includes a supplementary submission for miscellaneous charges.

2. COUNCIL'S OBJECTIVES

2.1 City Management Plan

The Council's prime objectives as contained within the City Management Plan are

To meet the community's needs by providing a high quality water supply complying with recognised drinking water standards through the planning and development of water supply schemes and the operation and maintenance of existing installations.

To transport and treat sewage for disposal by effectively planning and developing works and operating and maintaining existing installations to provide services fit for customers' purpose in an environmentally sustainable manner.

Development of the City Management Plan involves a comprehensive program of public consultation to develop all aspects of the future directions from the corporate values to the levels of service and associated programs and budgets that reflect the community wishes while balancing resources and expectations.

As part of this process, Council regularly commissions independent surveys to assess community expectations and review customer satisfaction with Council services. In June 2001, the Hunter Valley Research Foundation conducted a telephone survey of 500 randomly selected residents within the Local Government area, resulting in greater insight of customer expectations and perceptions.

These perceptions and expectations are translated into levels of service objectives and plans together with the necessary funding, balancing resources and expectations.

2.2 Council Restructure

Section 333 of the Local Government Act requires Councils to re-determine its management structure within 12 months after any ordinary election of the council. In effect, this means every four years. As a basis for this process Council engaged KPMG to prepare an independent report on how Council could improve the services it provides to the community.

The report which has taken some seven months to complete involved a large range of consultation mediums including public forums, street surveys, a phone in, a survey of users of Council facilities, group sessions, one on one interviews and written submissions.

Extensive internal consultation also took place with over 300 Council staff taking the opportunity to provide direct input into the process. In addition to the one on one interviews with staff, large and small focus group sessions were held, as well as numerous written submissions from staff members.

Over 200 community members, including community groups, child care centres, progress associations, chambers of commerce, planners, developers and individual residents were involved in the consultancy process.

As a result of the report, the structure of the Water and Sewerage businesses has significantly changed. A Director has been appointed to the Water and Sewerage businesses, reporting directly to the General Manager. This has given water and sewerage a strong voice within Council's Senior Management Group (SMG) and allows the businesses to have a stronger focus at the senior level.

The owner / operator distinction has been replaced by an integrated and customer focused team. While in principle the owner / operator split was an operational success, the restructure has flattened the previous structure by eliminating the two senior management positions, being the Manager of Water and Sewerage Operations (MWSO) and the Manager of Water and Sewerage Services (MWSS). As a consequence the dual reporting lines have also been removed, with the management positions previously reporting to the MWSS and MWSO now reporting directly to the Director.

Other sections effected within water and sewerage are the separation of Bulk Water from the Mechanical Electrical group, and the formation of a Asset Management group, coordinated by the newly created position of Manager Asset Management. The creation of this group will provide a strong focus and coordinated direction for asset management within water and sewerage.

A copy of the water and sewerage directorate corporate structure (three tiered only), is attached as Appendix A.

2.3 Financial

2.3.1 Pay for Use

In June 2000, IPART approved the removal of the prepaid allowance in-line with Council's submission. Council proposes to continue down the path of its 2000/01 submission by maintaining the pay for use methodology and increasing the usage charge by 5 cents per annum until the original target of 80 to 90 cents per kilolitre is reached. To limit the impact of the new pricing policy, IPART previously reduced the annual increase to 2.5 cents for the 2000 to 2003 period.

At the time of the last submission, Council's support to adopt this pricing structure was contingent upon IPART and the State Government maintaining the then current value of Pensioner rebate. As the rebate has been maintained, Council is in the position to continue along the same medium term strategy.

2.3.2 Reduction of Debt

In previous submissions, Council has expressed its commitment to reduce indebtedness and not to rely on new debt to fund new or replacement capital works.

Council's objective with respect to debt remains

- to minimise the reliance on new debt to fund new or replace capital works.
- to follow a strategy of debt retirement which minimises the cost of servicing this debt
- to make no significant funds available from revenue to fund future renewals whilst significant levels of debt exist.

At the present stage Council is following a strategy of reducing its indebtedness at a rate which on an overall basis minimises the cost of provision of infrastructure to the community. However, as a result of significant reductions in revenue resulting from the current determination, Council will require additional loans within the sewerage business to fund its Capital Works Program in 2003, assuming the Capital program remains on schedule. Alternatively, Council may consider establishing an internal loan from the Water fund or re-finance existing loans.

This does not eliminate Council's wish to maintain a strategy of debt reduction, and as part of this decision Council has minimised the transfer of funds to its asset replacement reserves. This is on the basis that it is inequitable for current customers to contribute towards replacement of assets whilst also repaying debt associated with purchase of these assets.

Further, as the existing customers have by choice sought a high quality water and sewerage scheme and accepted the funding of these schemes; it is considered reasonable that the replacement of the assets not be charged until after debt associated with the schemes are retired.

Upon retirement of debt residents will then contribute to the replacement costs of assets as they are consumed over their lives through an annual cost built into the water and service charges. The alternative is to leave future generations with the

legacy for high charge fluctuations as replacement peaks as a consequence of the aging of the assets.

Gosford City Council has relatively young infrastructure and a reducing debt. Council proposes to fund future renewals through the accumulation of revenue based on an annuity.

2.3.3 Drainage Contributions by Water and Sewerage

Council has recently resolved for the Water and Sewerage Funds to make contributions towards Council Drainage works. In 2001/02, each fund contributed \$2.54M towards Drainage works, with a budgeted forecast of \$3.0M per annum.

2.3.4 Gosford Wyong Councils Water Authority

The Gosford Wyong Councils Water Authority Board is currently undertaking a number of reviews that will impact on future expenditures. A number of consultancies are being undertaken to inform the Board of future environmental and economic conditions, in particular with respect to Water Sharing Plans. While the impact of water sharing plans is not yet finalised, interim advice shows no significant impact on the amount of water available for pumping on an annual basis. However, the timing of diversions is expected to be effected, with diversions under low flows being restricted but increased diversions allowable under higher flows.

Current infrastructure may not be able to handle the additional capacity required when high diversions are permissible and consequently large capital works may be required to boost capacity in these peak periods. The cost of infrastructure works may be extensive, however this will not be known until after the reviews are completed. As this is a short-term determination for two years, Council has included an estimate of Capital costs that may result from the current consultancies. It is expected that preliminary estimates will be available in about twelve months and updated information will form part of Councils next submission. Council remains committed to supporting the Board in determining the environmentally sustainable and economically viable direction for the water supply Authority.

2.4 COAG Reforms

Council's two part pricing structure based on consumption supports COAG requirements and National Competition Policy guidelines. In addition, Council in conjunction with IPART have made a number of structural changes to eliminate or reduce cross subsidies and inequities within the current pricing structure.

This pricing submission includes a calculation which satisfies COAG reforms:

- a return on investment in the infrastructure
- full cost recovery and competitive neutrality.

The proposal as submitted maintains charges at a level that continues to earn a rate of return on public investment when financial commitments have been satisfied. For illustrative purposes Council has used the tribunals RAB to show a return on assets as shown in section 4.4. It is noted that returns for 2002/3 and 2003/4 are below a commercial return due to expected usage reductions resulting

from water restrictions. Council considers that revenue from usage should be based on an annual average and should cover the loss of revenue from surpluses received from years of high usage.

To date, Council has not been in the position to make dividend or tax equivalent payments, due to concerns over Section 409 (3) (a) of the Local Government Act that precludes local government water and sewerage businesses from making such payments to a Council's General Fund. In the current determination, the Tribunal has quoted a response from the Crown Solicitor advising:

“Although the matter is far from clear, the better view is that surplus money, being the return on water and sewerage services provided by the Council, may be remitted to their general funds as dividends”

At the Public Hearing of March 2000, Council indicated it would pursue the matter further and obtain independent legal opinion on the matter. This has been obtained independently by both Gosford and Wyong Council. Gosford obtained its opinion in relation to payment of dividend under the now repealed Water Supply Authorities Act 1987, with Wyong later obtaining clarification under the Water Management Act 2000. It appears that while Gosford's advice was that it may have been possible for dividend payments to be made under the Water Supply Authorities Act, the Water Management Act 2000 does not allow dividend payments.

While Tax equivalents and dividend payments have formed part of Council's calculated revenue requirements, the inability at this stage to make such payments to Council's General fund has eliminated these payments from the submission calculations.

National Competition Policy requires Council to obtain a rate of return inclusive of tax equivalents and dividend calculations, therefore Council considers it prudent to include these costs in future submissions. It is proposed that tax equivalent payments and returns in the form of a dividend be made to the Council as owner of the water and sewerage business. This will avoid the accumulation of cash reserves in the water and sewerage business and provide a return to the local community.

In order to make such future payments, clarification of or change to the relevant acts is required. As Councils water authority regulator, IPART is considered to be in a better position to lobby for the Local Government Act and the Water Management Act to be amended to allow future payments. Alternatively IPART may wish to adjudicate on Council's current position by allowing notional tax and dividend payments in the upcoming determination.

3. ISSUES RAISED BY IPART

3.1 Review of Metropolitan Water Agency Prices - Issues Paper June 2002

As noted in the *Review of Metropolitan Water Agency Prices – Issue Paper* (to be referred to as the Issues Paper), Gosford City Council does not operate under an Operating Licence, nor has it adopted a customer contract. The Issues Paper also noted Council's obligations to develop annual management plans and report performance data to both the Dept of Land and Water Conservation and the Dept of Local Government for comparison with other LGA Water businesses. In addition to these identified performance monitoring activities conducted by

Council, elected members for the City of Gosford directly represent the local community thus ensuring close scrutiny of activities carried out by the water and sewerage businesses.

3.2 Obligations for Service Provision

The Tribunal seeks comment on how best it can access customer's willingness to pay for the services offered by Council and the need for enhancements in services.

Local Governments like Gosford offer a broad range of services, beyond just water and sewerage. When Council is considering a general fund rate rise to fund additional works, it has been Council's experience that even though the community considers a particular service to be priority, residents have a very limited budget or willingness to pay for these additional services. Translating this to Council's water authority, we have the same customer base with the same limited budget.

To offer different levels of service to individuals or regions without informing the public of the relevant costs associated with these options is a mute exercise. To distinguish between what the current generation would like as opposed to future generations is again difficult, and considering the capital intensity of the water industry, it is difficult and cost prohibitive to make changes to infrastructure should there be a change in public opinion.

Council has a strong commitment to ensuring the views and perceptions of the community it serves are fully accounted for in its planning processes. In June 2001, Council commissioned the Hunter Valley Research Foundation (HVRF) to undertake a survey of residents' perceptions and opinions about Council and the facilities and services that it provides. The HVRF conducted a telephone survey of 500 randomly selected residents within the LGA, weighting the responses by household size, respondents' age and gender to match the demographic profile of the city.

Respondents were presented with a five point scale for the assessment of the importance and the satisfaction with Council services. With regard to importance of a service, a rating of 1 indicated that a services was not important, 2 that the service was somewhat important, 3 that the service was moderately important, 4 that the service was quite important, and 5 that it was very important. Water supply and sewerage received an importance score of 4.8, the highest score achieved by any service offered by Council.

With regards to satisfaction with a Council service/issue, a rating of 1 indicated that residents were very dissatisfied with a service, 2 that service users were dissatisfied, 3 users were neither satisfied nor dissatisfied, 4 that the service was satisfactory and 5 indicated residents were very satisfied. Once again the water and sewerage services received the highest result of 4.2. Table 3.1 shows a more detailed view of the results obtained.

Table 3.1 Community Attitudes to Services Provided by Gosford City Council – August 2001

	Importance Rating	Satisfaction Score
Reliability of water supply	4.8	4.2
Quality of Water	4.8	4.0
Sewerage Services	4.8	4.2

In short residents of Council seem satisfied with water and sewerage services provided and do not seem willing to pay for additional services where they are not warranted. Unlike SWC or HWC, Councils have a very direct method of dealing with dissatisfaction, through the ballot box. Councils also have a strong community focus through their elected representatives, who are very aware of negative public opinion. Council believes IPART should continue to regulate price through identified economic efficiencies, not through imposition of increased levels of services that will not be willingly paid for by the community.

3.3 Service Standards

Service Standards maintained by Council fall under two main categories, mandatory and discretionary standards. Mandatory standards maintained by Council are enforced through a number of agencies and legislative requirements, while discretionary standards are self regulated by Council to ensure customer needs and identified level of services are maintained.

The Environmental Protection Authority regulates compliance to environmental legislative requirements including discharge from sewerage systems through Environmental Protection Licences. Gosford City Council operates under NSW EPA licence No. 1802, which prior to June 2002 only licenced maximum daily discharge volumes and load limits pertaining to pH, requirements. Following a licence review in June 2002, load licensing requirements increased to include heavy metals, BOD, nitrogen, PCBs and pesticides. Additional EPA requirements deal with odours emanating from Council's sewerage system, requiring monitoring of odour complaints and action taken to eliminate the source.

Council is required to meet drinking water standards enforced by NSW Health. NSW Health independently tests Council water supplies for bacteriological compliance including faecal and total coliform levels. These levels are set by the National Health and Medical Research Centre (NHMRC) as a guideline to water quality and adopted by the NSW Health Department. Council has adopted the NHMRC 1996 guidelines for bacteriological compliance and also for physical-chemical compliance as a discretionary standard being self regulated and reported to the Department of Land and Water Conservation and the Water Services Association of Australia.

Compliance under the Occupational Health and Safety Act and the Dams Safety Act is also actively pursued by Council to ensure safe a work place for employees and safety for its residents, visitors and the environment.

Council's water authority does not operate under an operating licence nor does it maintain a service agreement with its customers. Many of the service standards maintained are discretionary and are set in conjunction with Council through a consultative process with the community. Levels of service resulting from the public consultation process are contained in Council's budget, placed on public display for public comment one month each year prior to their adoption by Council.

Service level performance information is reported to Council on a quarterly basis. An example of the information provided is shown in Table 3.2: Further details are contained in Council's Special Information Return.

Table: 3.2

Business	Standard	2002/03 Target
Sewerage		
	% Occasions where sewer choke removed and / or service restored in ≤ 5 hours	99%
	Main Chokes per 100km of main	45
	No. of discharges due to Pump Station failure	30
	% of effluent to licence requirement quality	100%
	Provide S26 advice within 14 days of application	95%
Water		
	% of timed releases made to satisfy operational requirements	98%
	No. of dirty water complaints/1000 properties	7
	Ave interruption time (hours) / 1000 properties	7
	% Occasions unplanned interruption to water service ≤ 5 hours	99%
	% of time water is produced to 1996 NHMRC guidelines	98%

Alternative levels of service are considered with the corresponding change to costs by Council on an annual basis, with Council making appropriate changes to reflect community expectations and standards. These levels are formally adopted by Council with associated budgets, staffing levels, service requirements and operating targets for the upcoming year.

3.4 Regulatory Framework: Pricing

The tribunal is seeking comment on the most appropriate way to create incentives to encourage achievement of an optimal level of service quality. Council is working to continually improve the level of service to the extent practicable within the constraints of limited funding. However, Council is concerned at what IPART may consider an “optimal level of service quality” and how an “optimal level” can be determined and measured. As already stated in section 3.2 Council does not believe the community is willing to pay for a higher level of service than that currently offered by Council.

Council is involved in a number of benchmarking activities through industry bodies and comparison reporting with industry peers. In addition, regulation by the EPA, NHMRC and DLWC ensures appropriate levels of service are enforced. Incentives are imposed by the EPA by way of load based licensing and fines for breach of licence conditions. Consequently many financial incentives already exist for Council to maintain appropriate levels of service. In addition to financial incentives, the political environment that Council operates within, provides community input into identifying any gap between perceived “optimal” and current service levels.

While it is considered prudent to allow agencies to maintain windfalls due to any reductions in operating costs as an incentive, so long as service levels do not change, it is considered inappropriate to reduce future revenue allowed due to failure to meet enforced gains that may not have been attainable. This may only have a negative effect of reducing expenditure in the short term to maximise profits, which may result in not maintaining assets to a previously determined level. Conversely, agencies can in the short term increase resources into an area of perceived low level of service at the expense of long term performance. Continual improvement through benchmarking with other agencies to determine

and implement best practice is Council's preferred option over reducing revenues as an incentive to drive efficiency.

In the last determination, concerns were raised at the methods used by IPART's consultant Halcrow to determine the alleged level of efficiency gains to be met by Council. Council is still not satisfied that Halcrow's report accurately reflected Council's ability to make what is considered purely a reduction in costs, particularly in the time frame availed by IPART, (ie. from year one of the determination). To have these purported levels of efficiency enforced upon Council by way of reducing revenue without offering suitable time to make operational changes and not considering externalities, such as industrial relations and environmental issues is considered inappropriate use of regulatory power at the expense of Council. This must be considered a form of incentive regulation enforced before the fact. Council has not met the level of cost reductions identified by Halcrow and IPART, and is therefore adversely effected by the reduction in revenue.

3.5 Time Period of Determination

Due to the current issues pertaining to Water Sharing Plans and current water restrictions, it is considered prudent to limit the current pricing path period to 2 years. Should additional finances be required to fund capital works resulting from water sharing system reviews, a short term determination will allow changes in revenue to be amended quickly.

4. REVENUE REQUIREMENTS

4.1 Business Challenges

Council has identified a number of business challenges over the period of the upcoming determination as a result of imposed standards and business decisions made by Council, including:

- Additional costs as a result odour control and improvement in environmental standards
- Involvement in the Cities for Climate Protection 2000 commitment to reduced green house emissions targets and the purchase of green energy
- Negotiation and potential impact of a new Enterprise Bargaining Agreement
- POEO Act
- Financial impacts of minimising risks involving water quality and sewerage overflows
- Implementation of the Council restructure and the need for continual improvement in performance
- Cost effective biosolids management and the upcoming renewal of biosolids removal contract

- Water Restrictions and changes in revenue and planning to meet the challenges of a reduced water supply
- Implementation of an aggressive infiltration/inflow abatement program to reduce overflows
- Impact of water sharing plans on future capital works

All of these issues will add costs to the running of the water utility and have been discussed in further detail throughout this section.

4.2 Operating Expenditures

The Tribunal requested comment regarding the efficiency of operating costs and the scope available for future gains to be achieved over the next pricing determination period. It should be noted that comparisons of operating expenditure shown in table 6.1 of the issue paper used the Tribunal's expected operating expenditure, not Council's current expenditure. This does not address the variance between Council's original budget and actual outcomes for 2000/01 or 2001/02.

Operating expenditure for operation and maintenance activities and management, supervision and customer service conducted by water and sewerage staff have been reduced over the current pricing period. However, corporate costs incurred by governance, finance, human resources, information technology and management have increased. This has imposed additional overheads on water and sewerage business outside of its control.

4.2.1 Councils Enterprise Bargaining Agreement

As was previously indicated in the last submission, Council had undertaken an Enterprise Bargaining Agreement (EBA) with staff. The EBA was for a period of three years, and provided for financial rewards for Quality Process Teams (QPT) for meeting predetermined Key Performance Indicators (KPIs) as well as corporate KPIs based on customer service, sick leave and frequency rate indicators. As this was the original EBA, the focus was to set up QPTs, identify Continuous Improvement Initiatives (CII) and begin collecting data for current and future process improvements. The value realised by Council as a result of these process improvements was not expected to be cost neutral given the payments made to staff. However it was expected to set up procedures for future efficiency gains that will be realised by either improved service levels, or decreased costs. The increased costs associated with the EBA have meant an overall increase of labour costs above previous expectations. As a consequence, this has increased the corporate costs paid by the water and sewerage funds to general fund. A renewal of Council EBA to take effect in July 2002 was not formed due to the Union and Management not coming to a final agreement on conditions of the proposed new EBA.

4.2.2 Council restructure

Other increases in payments to the general fund of Council have occurred due to the restructure including costs of an increased number of Directors as well as the one off restructure costs. It is expected that as a result of the restructure, some

recurrent costs will decrease in the future, however these gains are yet to be realised with redundancy and termination costs likely to offset any savings in the immediate future.

4.2.3 Contributions to Drainage Works

In 2001/02, Council resolved to make contributions from water and sewerage to the general fund for the purpose of funding some drainage works. The funding for 2001/02 was \$1.27M per fund, and increased to \$1.5M in 2002/03 and in future years. As these costs are a contribution to drainage, water or sewerage will acquire no additional assets and costs will be treated as operating expenditure to the water and sewerage programs.

4.2.4 Odour Septicity Control Measures

Additional costs are also expected to result from environmental compliance issues. Council is commissioning a septicity control system to reduce odours. The installation and commissioning costs will be \$550,000 with annual recurrent costs of \$720,000 being paid to contractors to operate the facilities.

4.2.5 Biosolids Reuse

Biosolids reuse has been a major cost to Council over the past few years, with an annual expenditure of around \$612,500, based on 25,000 tonnes at \$24.50 per tonne. Biosolids are fully reused through rehabilitation of mine sites in the Hunter Valley.

At the time of signing the current contract the NSW State average cost for biosolids removal was \$60.00 per tonne, this would equate to around \$1.5M per annum, or an increase of \$887,500 per annum. This is based on a presentation by Michael Lane at the Vivendi Water Australia Biosolids Seminar held 16 May, where Mr Lane commented the “average biosolids was \$55-60 per tonne (in 2002) disposed off site after initial dewatering”. Currently some authorities are paying as high as \$100.00 per tonne, as indicated by Sydney Water Corporation at the AWA Biosolids Specialty Conference 19/20 June 2002.

At the completion of Council contract in February 2004, it is expected that similar costs may be charged to Council. Much depends upon the demand for biosolids and relevant environmental laws placed on reuse of biosolids. While Council may still have the same disposal opportunities, regulatory requirements and the price other Authorities pay will force prices higher.

Alternative methods of biosolid removal are being pursued however no economically suitable substitute has been identified. This pricing submission is made on the assumption a suitable alternative will be found and costs will remain at the current or similar level. IPART is requested to note the potential impact of not being able to maintain the same level of contract payments per tonne will have on Councils revenue requirements.

4.2.6 Cities for Climate Protection 2000

Gosford City Council is a member of the Cities for Climate Protection program which is an international program based on local governments and its actions

towards reducing greenhouse gas emissions. Gosford has recently completed milestone 3 of the program which includes the adoption by Council of Corporate and Community Greenhouse Gas Reduction Strategies. These strategies include efforts towards co-generation and use of green energy by Council and the community. In 2002/03 around 6% of the water and sewerage energy requirements will be purchased as green energy, resulting in additional electricity charges of \$266,358 in 2003/04 and \$274,349 in 2004/05.

Council would like to reinforce an opinion it has maintained for sometime that operation, electricity, telemetry, maintenance and replacement costs of water and sewerage pump stations is going to be higher per customer in Gosford than in Sydney or the Hunter due to the high number of stations required for its topography. Council would appreciate IPART taking this into consideration when determining efficiency targets and making comparisons to other authorities, quite apart from the reduced economies of scale available to Gosford in comparison to the larger authorities.

4.2.7 Environmental Regulations

Council now operates under a total sewage systems licence, regulated by the Environmental Protection Authority (EPA). The EPA is reviewing a draft document on Regional Sewerage Treatment System Licences that may increase licensing fees and fines imposed on Council for non-compliance with regulations and levels of service set by the EPA. Additional operation costs may result in meeting the standards imposed by the EPA. Some of the areas that may increase in costs as a result of the review are listed below:

- High pressure jetting of sewer mains (clean and clear mains)
- Root foaming of sewer main (remove tree roots, maintain capacity)
- Closed circuit television inspections (assess condition of sewers)
- Inflow and infiltration reduction programs (minimise sewage discharges)
- Disposal of materials extracted from sewers (sediment, debris)
- Disposal/treatment of acid sulphate soils (resulting from excavations)
- Stand by generators on all new sewage pump stations, or those augmented to “as new” condition

At this stage Council does not know what the levels of compliance will be and cannot include any additional operating costs as a result of the review until the review is finalised and the impacts analysed. This will be available for the next determination in two years time.

It is encouraging that IPART is going to use the actual expenditure for 2001/02 as the base line for the determination of future revenue streams given the changing and increasing regulation and environmental constraints confronting the water industry.

4.2.8 Increased Efficiencies, Cost reductions and Operating Opportunities

Future operation efficiencies will become realised in the medium to long term as a result of benchmarking activities with WSAA. Benchmarking activities have been undertaken in the civil works, mechanical electrical activities and Council is currently involved in a customer service benchmarking project. The quantum and timeframe required to implement operation changes will become more evident

once the restructure has been finalised and work units are clarified. What is now evident is that imposed environmental and legislative requirements will require additional revenue prior to any of these gains becoming realised.

Council is currently involved in benchmarking its water treatment activities. Possible outcomes include an increase in the complexity of the control and monitoring equipment, resulting in additional capital and possibly operating costs.

Council is reviewing options for increased revenue through the sale of Renewable Energy Certificates (REC's). A cogeneration plant at Kincumber Sewerage Treatment Plant (KSTP) is being considered either in conjunction with AGL or as an in house project. Consultants are being briefed to investigate the most financially attractive solution for Council.

4.3 Capital Expenditure

As shown by table 6.2 in the issues paper, Gosford City Council has not achieved the expected capital works expenditure in 2000/01. This is mainly due to a delay in the Terrigal / North Avoca sewerage augmentation works. The unexpended amount from 2000/01 has been carried forward into 2001/02 and 2002/03, mainly due to delays by the external consultant (See Major Capital Works). The Annual Information Return (AIR) has been amended to show these revised figures, along with the detailed listing in the SIR.

As part of the current organisation restructuring of Gosford City Council, an increased focus will be placed on asset management activities through the development of a dedicated team for water and sewerage asset management. The Asset Management team will oversee the capital works program to ensure the appropriate works are carried out within the required time frame.

Further, Council is in the process of developing a corporate wide asset management system to help consolidate existing data and knowledge, establish better data collection processes, and assist with analysis for whole of life management of the assets.

Capital works as a result of outcomes from the current water sharing and scheme review consultancies is a major uncertainty in Council's submission. Council is unable to determine at this stage, to what level the findings will affect revenue requirements in the future. In addition any additional major capital works will likely carry with it increased operating expenses. As the level of capital expenditure could be as large as \$100M, Council is reluctant to make unsubstantiated estimates at this point in time, but has supplied conservative capital estimates in conjunction with Wyong Shire Council estimates. Fortunately, the upcoming determination is for a two year period, giving time for Council to review options, and without significant impact on revenue requirements before the next submission.

The sewage overflow abatement program is another issue that could affect future expenditures. Council is currently undertaking the replacement of its Telemetry system, which has reached the end of its design life. The replacement will include an additional 40 telemetry sites on sewage pumping stations within environmentally sensitive areas at a cost of approximately \$1M in 2002/03. The large body of water fronting Gosford, Brisbane Waters is used by many oyster farmers who could be adversely affected by an overflow from a sewage pumping station. Telemetry systems are a cost-effective method of controlling pumping

station overflows through advanced warnings of mechanical breakdown, loss of electricity supply or additional flows through the stations.

Augmentation of the Terrigal / North Avoca sewage system is to incorporate dry weather storage tanks that will hold approximately 2 hours of additional dry weather flow, to comply with EPA licence in cases of mechanical breakdown or electrical blackouts. In all, 9 dry weather storage tanks are included in the Terrigal / North Avoca design.

Major Capital Works

4.3.1 Terrigal Major Pump Station

This project involves the augmentation of components of the sewerage system within the catchment of the Terrigal Major Pump Station (PS TM) including this major pump station along with eight (8) other minor pump stations and three (3) rising mains.

It is a complex, multi-disciplinary project involving the civil, mechanical and electrical upgrade of existing infrastructure. The work also presents major environmental risks associated with excavation in acid sulphate soils, construction near wetland areas and cutting into live sewer systems.

The Terrigal Project has been significantly delayed due to the following reasons:

1. The original design of the project was carried out by an interstate consultant who performed poorly in regard to time and quality of work. The time taken by this consultant to complete the design documentation was more than double what was expected.
2. Further investigation work and design amendment was required in order to reduce Council's risk exposure. This included geo-technical investigations and alterations to improve constructability and disruption to the operation of the existing sewer system.
3. Preparation of detailed environmental reports were required for each site as well as the lodgement of development applications.
4. Some standards and regulations have changed since the original design was commenced, resulting in further amendments particularly in regard to electrical requirements.

Council has now engaged the services of a Project Manager to progress the project through the tendering and assessment phases and manage construction works.

All of this work will be carried out under one large contract. It is anticipated that tenders will be called in September 2002 with construction works commencing early in 2003 and finishing in early 2004.

4.3.2 North Avoca

Major upgrade works have been planned for the North Avoca sewerage catchment. A number of elements of the sewerage system have been identified as requiring augmentation including gravity carrier mains, major pump stations and rising mains.

However, further investigation work is required to determine the optimum strategy to carry out the upgrade work. This investigation work will need to consider a number of factors including:

- Minimising disturbance to the residents of the area and to the existing sewer system.
- The proximity of environmentally sensitive areas including designated wetlands.
- Integration and staging of works in respect to adjacent sewer systems.

The additional investigation work has been delayed because available resources have been committed to the Terrigal Project (refer to above).

It is proposed to engage a consultant to carry out the additional investigation work, which is expected to be completed in early 2003. Following Council acceptance of the consultant's recommendations, it is proposed to fast track the design and construction work, which is anticipated to be completed in 2005.

4.3.3 Hawkesbury Villages

Mooney Mooney, Cheero Point and Little Wobby are small towns, total population approximately 485, located on the Hawkesbury River in Gosford City local government area.

Existing sewerage services comprise on-site systems. Problems associated with these existing systems have been evident from some time and include health risks; runoff and poor drainage; odours; pollution of ground and surface waters.

In 1997 the NSW Government announced the Small Towns Sewerage (STS) program which provides increased subsidy for small towns (population less than 1000 persons). Mooney Mooney, Cheero Point and Little Wobby are on the government's priority list of 150 small towns eligible to receive subsidy under the program. The program is administered by the Department of Land & Water Conservation (DLWC) and is targeted at providing sewerage services to some 100,000 people in unsewered small communities was identified by the increasing failure of existing on-site systems, public health risks linked to uncontrolled discharges of liquid wastes, and associated environment impacts.

Subsidy under the program is subject to a number of conditions and requirements, including that council investigates alternative low cost (affordable) options and implements the most cost effective and environmentally sound option. Low cost solutions rely on adopting standards, features and risks more appropriate to small towns. Capital cost savings of up to 30% have been estimated for low cost schemes in comparison to those adopting standards and features normally applied to large towns.

The availability of increased subsidy under the STS program (up to approximately 67%) has presented an opportunity for Council to proceed with scheme development. In addition, the NSW Government has extended its

Priority Sewerage Program to several priority areas on the Central coast, including Mooney Mooney, Cheero Point and Little Wobby, providing Council with additional financial support to improve sewerage services in these areas.

Council has bankrolled funds for an options report to be prepared by DLWC under the STS program.

The report will present the investigation work and findings to date, examines and defines feasible scheme options, and compares scheme options for consideration by community and other stakeholders. It is intended that this process will lead to identification and adoption of preferred sewerage scheme(s) for Mooney Mooney, Cheero Point and Little Wobby that meet Government and stakeholder objectives and needs at an affordable price.

Further expenditure of \$50,000, \$150,000 and \$1,000,000 have been allowed in 2003-03, 2003-04, 2004-05 respectively for further bankrolling of pre-construction activities. These projects will ultimately be funded by the community and therefore be at nil cost to Council. However, the STS program funding is subject to community acceptance of the preferred low cost scheme and substantial upfront expenditure is required. Therefore the presentation is included at this stage. Further details on proposed expenditure and timing will be known by the next determination by IPART.

4.4 Rate of Return Calculations

In previous years, Council has not included a regulatory asset base (RAB) in its annual informational return (AIR). This is due to the difficulty in obtaining a base considered appropriate for rate of return calculations, and as is stated in the IPART determination of June 2000, "The Tribunal has estimated" this value, based on a the businesses "worth at a point in time (based on revenue generated)". As the regulator sets the revenue allowable at any point in time, and then uses this calculation in determining future revenue ceilings, it seems the RAB is a convenient value to use to ensure a commercial return without increasing revenue.

Council believes the full written down replacement cost should be used to calculate a rate of return, not the Tribunals estimated RAB. Council is aware of the Tribunals view on excluding developer funded and grant provided assets from the calculated RAB, and has calculated what it believes to be a more correct and appropriate value of assets that have been funded by Central Coast residents through rates and charges. A commercial rate of return on the written down replacement cost of assets would mean large cash reserves being created unless dividend payments can be made. Council believes this is an issue for IPART to determine whether National Competition Policy should be put aside by not allowing Council to receive a commercial return, or if provision for dividends should be made. As the RAB is currently used by IPART, a return based on the Tribunals RAB is shown below using Council submitted fees and charges.

Table 4.1

Financial year ending 30 June	2000	2001	2002	2003	2004	2005
Opening fixed asset value		218.7				
Plus net capital expenditure		4.2	3.8	8.9	13.5	11.9
Less depreciation		(3.0)	(3.2)	(3.3)	(3.5)	(3.8)
Less disposals		0	0	0	0	0
Plus indexation		6.6	6.8	7.0	7.4	7.9
Closing fixed asset value	218.7	226.3	233.7	246.3	263.6	279.7

Working Capital (closing bal)	8.0	5.8	5.6	5.7	5.7	5.7
Total RAB	227	232	239	252	269	285
Operating Expenditure				28.8	29.8	30.0
Depreciation				3.3	3.5	3.8
Expected return on RBA				7.2	9.3	12.5
Expected revenue				39.3	42.6	46.3
Return on assets %				2.84%	3.48%	4.43%

Note: Income used excludes interest income, developer charges and developer contributed assets. Expenditure excludes interest expense. Depreciation based on opening balance and assets assume a 70 year life.

As is evident from the above table, the expected return on assets is still below that expected of a commercial business. It is worth noting that the expenditures used in the table include contributions to drainage of \$3.0M per annum. The returns including the drainage contributions are 4.03%, 4.59% and 5.48% respectfully.

A rate of return based on the written down replacement cost of Council's assets would dramatically change either the rate of return or the revenue received. In the 2001/02 NSW Water Supply and Sewerage Performance Comparison Report, Gosford Councils economic real rate of return was calculated as 0.8% and 2.6% for the water and sewerage businesses respectfully. The state medians were 2.6% and 2.6% respectfully. This is considered inappropriately low and does not meet COAG objectives of a commercial return on assets.

In the June 2000 determination, IPART commented on Council's inability to make dividend or tax equivalent payments to its general fund. As stated in 2.4 COAG Reforms, Council has not included dividend and tax equivalents in this submission. To have the ability to make such payments, it would be necessary to obtain a commercial return on the infrastructure assets employed by the water and sewerage businesses. Council believes future payments of dividend should be a major focus of the tribunal role as regulator to bring Council in line with National Competition Policy guidelines.

4.5 Water Consumption

Both Gosford and Wyong Council's are currently enduring water restrictions. While restrictions have been applied at level 1, being the lowest level, there will still be an impact on water revenue. In August 2002 the Board amended the restrictions to Level 1A water restrictions which are detailed in the following Table 4.2.

Table 4.2

External use at:- Residential, Industrial and Commercial Premises	Hand held hoses may be used at any time, Microspray and drip systems may be used for 1hr between 7pm and 9pm, All other fixed watering systems are banned .
Private Swimming Pools (existing)	Emptying and refilling of pools prohibited (except for repair purposes), Topping up only – OK anytime.
Washing paved areas	Hosing down is banned except a required by law. (use of gerni or similar is OK).

Major Regional / Sports facilities	Fixed watering systems permissible 1 hour per day, 3 times per week, between 7pm and 9pm.
Nurseries and Commercial Gardens	Fixed watering systems permissible for 2 hours per day between 7pm and 9pm.
Washing Motor Vehicles / Boats	Use of buckets encouraged.
Bowling Greens, Golf Club Greens and Tees and Turf Wickets	Fixed water systems permissible for up to 2 hours daily between 6pm and 8pm.
Water Cartage from Town Supply	For domestic use only.
Industrial / Business / Commercial Operations (where process is directly dependant upon water usage).	Efficient water use is encouraged.

Conservative estimates: These have been used in Councils calculation of water and non-residential pricing requirements for this submission. It is expected that the target reduction of around 10% consumption will be experienced over the period of restrictions at this level. Should the current dry period continue, restrictions may be tightened, resulting in further loss of revenue. In 2001/02, \$10.38M of water revenue came from water usage. A 10% decrease in consumption brought about by restrictions would reduce revenue by \$1.04M. As future usage charges are expected to increase in comparison to service charges, restrictions will have an even greater effect on total revenue. Table 4.3 shows the expected impact on revenue should restrictions remain enforced for the next two years.

Table 4.3

	METERED AND CHARGED CONSUMPTION KL		WATER USAGE REVENUE \$'s	
	WITH RESTRICTIONS	WITHOUT RESTRICTIONS	WITH RESTRICTIONS	WITHOUT RESTRICTIONS
2002/03	14,769,409	16,410,454	\$10,338,586	\$11,487,318
2003/04	14,990,950	16,656,611	\$11,243,212	\$12,492,458
TOTAL	29,760,359	33,067,065	\$21,581,798	\$23,979,776
REDUCTION IN REVENUE				\$2,397,978

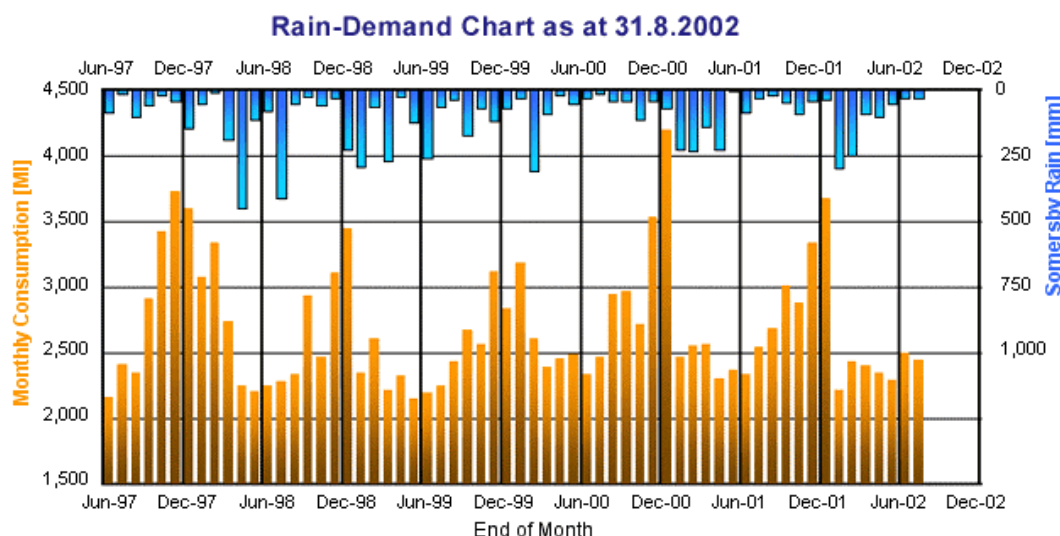
4.6 Demand Management and Pricing

It has been recognised for sometime that water consumption is rather inelastic to price. The major driver behind water consumption is weather patterns. The Issues paper shows a large increase in residential water consumption within Gosford City in 2000/01. Council has revisited the consumption figures supplied to the Water Service Association of Australia for their WSAAffacts 2001 report, and has identified that the median consumption by a residential property in 2000/01 was 229kl, based on connected properties only.

There is still an increase above average annual consumption levels due to the low rainfall experienced in the summer months. The chart below shows the correlation between dry periods and high water demands. The very high level of consumption in January 2001 correlates to the low rainfall experienced in the

same time frame. The trends shown by peak demands in the summer months is also largely due to the higher summer temperatures.

Monthly Rain Demand Chart for (June 1997-August 2002)



While appropriate pricing of water will send an appropriate signal for demand management, it will not by itself have any significant effect on demand unless water is subject to extremely high pricing levels similar to those in table 7.3 of the issues paper.

While step pricing may be an alternative for the purchase of bulk water by Sydney Water from the Catchment Authority, it is not considered an option for retail sales on the Central Coast. Large families who may consume large amount water, may also be large families with limited income. The Gosford City Council does not have a large number of high consumers in the commercial or industrial sectors either and consequently step pricing is unlikely to be an effective demand management tool.

Opportunities to reduce water consumption include leakage control, pressure management and regulation of plumbing fittings in new developments. Retrofitting of existing fittings does not currently seem to be an economical method of demand management, although the current consultancies of the Board are reviewing this issue. Council has benefited from current regulated plumbing facilities (ie. Dual flush toilets), due the relatively high level of new development which has occurred in Gosford since these requirements have come into effect.

The opportunities of reducing consumption through leakage control is not only limited to the Councils infrastructure, it is an opportunity available to residents and businesses alike. Education is an important mechanism to inform residents of the reduction in accounts available through leakage reduction. While education programs for the young have been successful in teaching students and future property owners of the need for demand management at home and the office, the need is just as strong to educate the residents and business owners alike. There is also some potential to lower water pressure within some areas. This will result in tangible consumption / leakage savings.

The subsidised showerhead program conducted by Gosford and Wyong Councils in 1998 is again being considered as part of the Consultants current review of the Water System. Also both Councils have entered into a memorandum of understanding with the NSW Sustainable Energy Development Authority (SEDA) to participate in a Smart Showerhead program. The program promotes the benefits of saving energy, saving water and helping the environment by providing a financial contribution to the purchase of Smart Showerheads.

While the original trial was disappointing due to the lack of interest in the program, it is considered prudent to revisit the program now that the prepaid allowance has been removed and water restrictions have been implemented.

The major step taken by the Gosford Wyong Councils Water Authority is the engagement of a consultant to investigate options for the future development of the Gosford-Wyong Joint Water Supply Scheme. A major part of the consultancy pertains to the investigation of the potential for a structured program of demand management. Issues being considered include the provision of water tanks to all/or new properties on the Central Coast. Investigation of a structured community communications program to reduce water usage includes the promotion of water efficient appliances (dishwashers, washing machines, dual flush toilets, shower heads etc), water effective practises (types of gardens, plants, shrubs and lawns and efficient watering systems)

Alternative water supplies are also to be considered by the consultant. Options include desalination, effluent re-use, potential use of groundwater and a review of the adopted scheme.

4.7 Residential sewer usage charges

Previous submissions have clearly indicated the difficulty in linking the quantity of sewage discharge to the volume of water consumed through a residential meter and the variation between households use of water that does not find its way to the sewer. However, it is considered appropriate for non-residential customers to be volumetrically charged on a discharge factor based on water consumption. The smaller number of non-residential properties, allows for management of the system and for meter testing of the discharge from a particular industry or property to ensure the factor is correct. An issue has arisen in the current determination, where non-residential vacant land is being charged \$254.00 per property, whereas residential properties are being charged \$341.00. Council is requesting clarification as the only reference to vacant land in the sewerage charges is under the non-residential banner. Council proposes to eliminate any inequity by charging both residential and non-residential properties the same access charge in the new determination.

4.8 Other Pricing Issues

In the IPART Review the issue has been raised regarding the use of other property based charges. Gosford City Council does not use property based charges within the water and sewerage pricing methodology.

While the water and sewerage businesses are operated as a consolidated business, pricing should be cost reflective for each business in its own right. Council operates two Category 1 businesses under Nation Competition Policy and consequently pricing should reflect the ability for each of the businesses to

operate independently. To this end Council is endeavouring to separate reliance on each business and this will be reflected in the next submission, following finalisation of the Council restructure.

5. PREVIOUS DETERMINATION

5.1 Clarification of Determination Wording

The current determination, lists a number of meter sizes for non-residential sewerage service charges and water service charges. Council has long adopted the approach of ensuring that service charges based on meter size increase in charge proportionate to the draw capacity on the system. In the current determination, not all meter sizes are represented; therefore Council has adopted the standard formula used to calculate the relevant charges from the base charge of a 20mm meter for all meter sizes used by the Council.

Using the CPI-X formula per the determination has also created a small number of problems, while water service charges for vacant land was \$70, using CPI-X meant that a residential property would have attracted a base charge of a few cents less than the vacant land charge. Non-residential sewerage service charges have the same problem. Verbal agreement was made with the IPART secretariat to round up any loose cents to the nearest dollar, although it was noted that the secretariat was not in a position to approve such charge, it was understood that there would be no objection if Council saw a benefit in doing so. However, this meant that while the changes to meter based charges for a 20mm meter were rounded to the same dollar value, larger meters obtained much larger variances. The result is that the calculation of charges based on meter size $((\text{service size})^2 \times \text{base charge}/400)$ no longer reflect actual charges shown in Table 5 and 8 respectively. Council suggest that IPART no longer tabulate the charges, but simply list the base charges for a 20mm meter and show the formula for larger meters. This will ensure all meter sizes can be accounted for and all meter charges in future subsequent years of the determination match the formula $((\text{service size})^2 \times \text{base charge}/400)$.

A clarification was made to the June 2000 determination where the service connection size was used to calculate the service charge, where the Tribunal was actually referring to the meter size. Council would like to ensure that meter size is used in the next determination.

5.2 Vacant Land

Council is of the view that vacant land should attract an availability charge for both water and sewerage services when available to the property. There is no doubt that the owners of vacant land gain a considerable increase in their investment when services become available. These charges are also included in the calculation of developer contributions as a credit to the developer. To not levy the charge would effectively provide a double credit to the land owner.

All serviced but non-connected vacant land should receive the same water availability charge regardless of the land use or zoning. This should remain consistent with the service availability charge for an occupied property with a 20mm meter.

In the current determination, the Tribunal has listed Vacant Land sewerage charges under 3.1.2 Non-residential. Council has interpreted this as being a charge for non-residential vacant land.

Council considers that all vacant land should receive the same service availability charge, which should be equal to the non-residential charge for a 20mm meter using nil consumption. This submission is based on the premise that all serviced but non-connected vacant land will attract the non-residential base charge.

5.3 Social / Welfare Issues

Gosford City Council has maintained a hardship committee for approximately ten years. The committee was formed to assess applications by residents for reduction or writing off of rates due to financial hardship. Despite approximately 270 credit arrangements being made on an annual basis for customers to repay rates and charges over an extended period, no hardship applications were ever received.

In June 2001, Council resolved to increase the exposure of the hardship committee to assist residents who were adversely effected by the removal of the prepaid allowance. An external agent from Gosford City Community and Information Service, was approached to become an independent member of the committee. The focus of the committee is now to identify hardship cases with respect to the water usage accounts, and recommend appropriate action to write off the outstanding amounts in whole, part or to reject the application. Applications will still be accepted for all Council rates and charges, however the focus is on water usage accounts. To inform the residents of Gosford about the committee's existence, advertisements have been placed in local papers encouraging those with genuine hardship issues to contact Council regarding their water usage account. To date only one application has been received since the inception of the new committee in June 2001. The role of the committee is currently being reviewed and no outcome has yet been determined.

6. DRAINAGE

6.1 Reason For The Levy

The Drainage Levy was first introduced in 1991 after the severe flooding experienced in the late eighties and early nineties. The reason for the implementation of the Drainage Levy was to provide a source of funds in addition to Council's General Fund and any grant funds. The funds were to be used for Capital works to upgrade the inadequate drainage systems to current design standards so as to alleviate the flooding to regularly affected houses and property.

The old drainage systems were designed to low intensity storm events (ie 1 in 10 year events), with no thought about failure consequences. At the same time there was an increase in rainfall statistics, the calculations methods were improved and the standards were revised. In the severe storms many systems overflowed showing the need for the upgrading of existing systems.

In addition, the Gosford area has experienced a rapid growth in urban development and urban consolidation. This development has placed pressure

on existing downstream drainage systems which need to be reviewed and upgraded where necessary.

6.2 Overall Size Of Problem

Council identified that in 1990 there were some estimated \$50M of outstanding drainage works and \$20M of flood mitigation works to be performed. This broad estimate was based on the reported drainage problems at that time, however this figure is increasing as catchment based detailed studies are undertaken each year to more accurately identify the needs for each area. The latest figure amounts to approximately \$144M as a result of the completion of many area catchment studies which have accurately defined the problems. A copy of Councils list of Outstanding Stormwater Drainage Works is attached.

With the introduction of the Drainage Levy, currently \$2.42M per year, it has greatly reduced the amount of outstanding work and timeframe to completion to approximately 60 years.

6.3 Work Done To Date

As at June 2002 Council has collected \$26.9M of Drainage Levy funds which have been used to assist in planning and completing flood mitigation and drainage works. Also, with the assistance of government flood mitigation grants amounting to \$11.6M, many flood mitigation projects have been completed, however this type of funding has been drastically reduced over recent years and there is doubt whether this type of assistance will continue. A graph showing the funding assistance since 1991 from the Drainage Levy and government grants is shown in Figure 1. Also a graph showing Council's expenditure against Drainage Levy income is displayed in Figure 2.

Council has been concentrating its funding to date on alleviating the most severely flood affected houses and town centres. Many of the drainage schemes for particular catchments require extensive upgrades costing millions of dollars. These works are planned to be constructed in stages in order to provide funds each year to the high priority areas.

6.4 Outstanding Works And Strategy

The flooding that has occurred in Gosford is widespread. Council has performed numerous detailed flood and drainage related studies and plans to accurately determine the flooding problems, investigate the most economical whilst environmentally satisfactory option, and then recommend the most appropriate strategy. These studies have intensely investigated various catchments to date and have identified many more drainage and flooding inadequacies than that had been previously estimated.

As each study is completed, Council adds the identified works to its Forward Plan of Works. To date the list of outstanding works has risen from \$70M to \$144M.

For new developments, Council requires that they comply to the current standard which is to address flows up to the 1% AEP flood event. However, when upgrading its existing systems, Council is only providing a standard that alleviates the flooding to houses and not to all land. In addition, where the cost to provide works to alleviate the existing problem is not cost effective, Council

has set Minimum Floor Levels (MFL) for new development on those properties. It is therefore not setting an unrealistically high standard and aiming to make all existing properties flood free up to the 1% AEP flood event. Council is attempting to find cost effective solutions and use the Drainage Levy funds to mitigate many problem areas each year.

6.5 Council's Ability To Fund

With Council having limitations on general rate revenue due to rate pegging, and also with the State and Federal Governments reducing their commitment to flood funding, there is little opportunity for Council to obtain funding assistance for drainage and flood mitigation works.

Funding assistance is available from the government for flood mitigation, and until recently drainage works. However this funding is severely limited and competitive.

To assist with the completion of drainage Capital Works Council resolved in 2001 to commence using Water and Sewerage available funds. The budget proposed for 2001/2002 was \$2,537,977. This funding was provided in accordance with the provisions of the Water Management Act 2000.

6.6 Standards For Flooding And Drainage Works

In addition, various government departments are requiring Councils to comply with upgraded, revised or new regulations which take into consideration the existing environment.

For example, the Department of Land and Water Conservation under the Rivers and Foreshores Improvement Act requires Council to design and construct their drainage systems that affect watercourses so as to maintain the natural state of the watercourse where practical and to reintroduce native flora and thus improve native fauna habitat. This type of treatment whilst environmentally friendly, is also very costly and requires a higher level of maintenance in restricted urban areas so as not to worsen flooding.

Further, EPA requires Councils to address water quality improvement within all existing and proposed drainage systems. To comply with this condition requires consideration of the installation of gross pollutant traps, nutrient filters, wetlands, sedimentation traps etc and therefore increases the cost of the overall drainage system. Council has been very careful however to ensure it does not allocate any Drainage Levy funds to purely environmental projects.

NSW State Fisheries are now enforcing the new Fisheries Management Act which generally requires no net loss of aquatic habitat and also to design watercourse upgrades to allow fish passage and improve habitat eg improved riparian vegetation.

In addition, with the introduction of the Threatened Species Management Act, Council is now required to perform extensive environmental studies and provide amelioration measures to maintain any threatened species habitat particularly in the riparian zone of watercourses.

All the above revised or new regulations will mean that the cost of most upgrading work will increase.

6.7 Capitol Works Program

The Capital Works Program is being constantly expanded as each new drainage or flood study is completed. With only approximately half of the major populated areas investigated to date it is unlikely that the program will reduce. The program, a copy of which is attached, lists all the outstanding works identified to date in present day dollars. An allowance has been included in the program for project investigation and supervision of \$334,000 per annum. An allowance has also been included of \$25,000 for design by consultants, \$50,000 per year for consultant investigation, \$50,000 per year for Minor Drainage Improvement Program (ie a program of small drainage works each not exceeding \$10,000) and \$25,000 per year to purchase flood liable land.

In addition it should be noted that Council is investigating ways of reducing the cost of upgrading the Woy Woy drainage, and if successful may drastically reduce the cost which is currently approximately \$51M.

Please note that the program does not include works required to be completed under a Development Control Plan. These works are funded from S94 plans with funds collected from developers.

6.8 Alternate Funding Proposals To Execute Work

Under current funding, it is unlikely that the program can be completed within the next 60 years. However with increased funding it could accelerate the program. The following options are considered available to Council.

Option 1 - No annual change in levy

Under this option, the program of works could not be completed under 60 years.

Option 2 - Accelerated program with use of loans

Under this option, if the Drainage Levy could be used to finance large loans for major capital works then in the short term a large proportion of the outstanding program could be completed within the next 10 to 15 years. This option would mean that some ratepayers would benefit from their contributions in an earlier timeframe. However increased funds would be necessary to accelerate design, property acquisition, project planning and associated costs currently met by recurrent funding. The effectiveness of acceleration may be impacted by the cost of loan funds and may extend the duration of funding required.

6.9 Summary

With any increase in funding to reduce the time to completion there would be a benefit as it would reduce the incidence of flooding to properties and also the likelihood of being affected by larger flood events.

The Gosford area experiences high rainfall which requires the provision of adequate drainage systems. These systems are required to convey and discharge stormwater and flood flows so as to reduce the overall chance of flooding to houses and property. Just recently early in September, over ten (10) houses were flooded in Copacabana as a result of only a short duration storm event.

The standards and levels of service applicable to drainage are difficult to prioritise and it is difficult to determine when standards are 'adequate'. This is particularly a problem with drainage because the problems are very difficult to visualise and are only certainly realised every now and again and often ten or more years apart.

However, when severe storms occur with resultant damage, it is often devastating to the community, causes a high level of destruction, is essentially uninsurable and causes social and psychological trauma. The outcomes in Wollongong, Nyngan and Coffs Harbour are clear examples of the problems.

The Drainage Levy has enabled Council to address the highest priorities and its continuance at a reasonable level appears to be necessary for more than 60 years.

Program progress and effectiveness should be reviewed at about 10 year intervals.

Projects successfully completed using Drainage Levy funding include:

Althea Place Stage 1, Point Clare
Althea Place Stage 2, Point Clare
Australia Avenue Drainage, Umina
Avoca Bowl Trunk Drainage, Hunts Lane
Bounty Road, Avoca
Bradys Gully Creek, Wyoming Trunk Drainage
Coburg Street, East Gosford Trunk Drainage
Copacabana Area (Segura/Del Monte St) Trunk Drainage
Copacabana Main Drain Trunk Drainage
Copacabana Trunk Drainage (section)
Cutrock Creek, Lisarow Trunk Drainage
Davistown Road Trunk Drainage
Drainage Diversion, Henry Parry Drive/Lushington Street
Duke Street Drainage, Gosford
Easement Acquisitions under Lisarow DCP
East Gosford Trunk drainage - Hylton Moore Park
East Gosford Trunk Drainage (Section ?)
East Gosford Trunk Drainage Stage 3. Hylton Moore to Coburg Street
East Gosford Trunk Drainage, Hylton Moore Park
Emerald Avenue Culvert, Pearl beach
Erina Street Drainage, Gosford CBD
Florence Avenue, Pt Frederick Trunk Drainage
Gosford CBD Trunk Drainage
Gosford CBD Trunk Drainage
Grassland Catchment, Terrigal Trunk Drainage
Havenview Catchment stage 2 culverts
Havenview Catchment (u/s hotel) Terrigal
Havenview Catchment, Terrigal, Stage Works u/s of Primary School
Hillcrest Street Public School, Terrigal
Kincumber Trunk drainage (Carrak Road)
Koolinda Avenue, Point Clare, Concrete Drains
Lake St, Avoca Trunk Drainage
Narara Creek, Narara Trunk Drainage
Nooree Lane, Avoca Trunk Drainage

Nooree Lane, Avoca
Paton street Drainage, Woy Woy
Patonga Area Trunk Drainage
Pearl Beach Area Trunk Drainage(Tourmaline Avenue Culvert)
Peninsula Infiltration
Peninsula Infiltration Traps
Point Clare Area Trunk Drainage
Ross/Rowan Catchment, Woy Woy Trunk Drainage
Surfrider Avenue, North Avoca Trunk Drainage
Swagman/Billabong St, Woy Woy Trunk Drainage
Tourmaline Avenue Culvert, Pearl Beach
Veron/Dulkara (Catholic School) Culvert
Vista Avenue Drainage, Copacabana
Vista Avenue, Copacabana, pipe watercourse
Warwick/Wallaby Catchment, Woy Woy Major Drainage
Warwick/Wallaby Street 506, Woy Woy
Wingello Creek, Wyoming Trunk Drainage
Woy Woy Peninsula Infiltration Works
Wyoming Creek, Wyoming Trunk Drainage

\\UPPER\\ENVIRON\\DATAWORKS\\OTHER\\IPART DRAINAGE SUBMISSION-VT.DOC

FIGURE 1 - GRAPH SHOWING FUNDING ASSISTANCE SINCE 1991 FROM THE DRAINAGE LEVY AND GOVERNMENT GRANTS

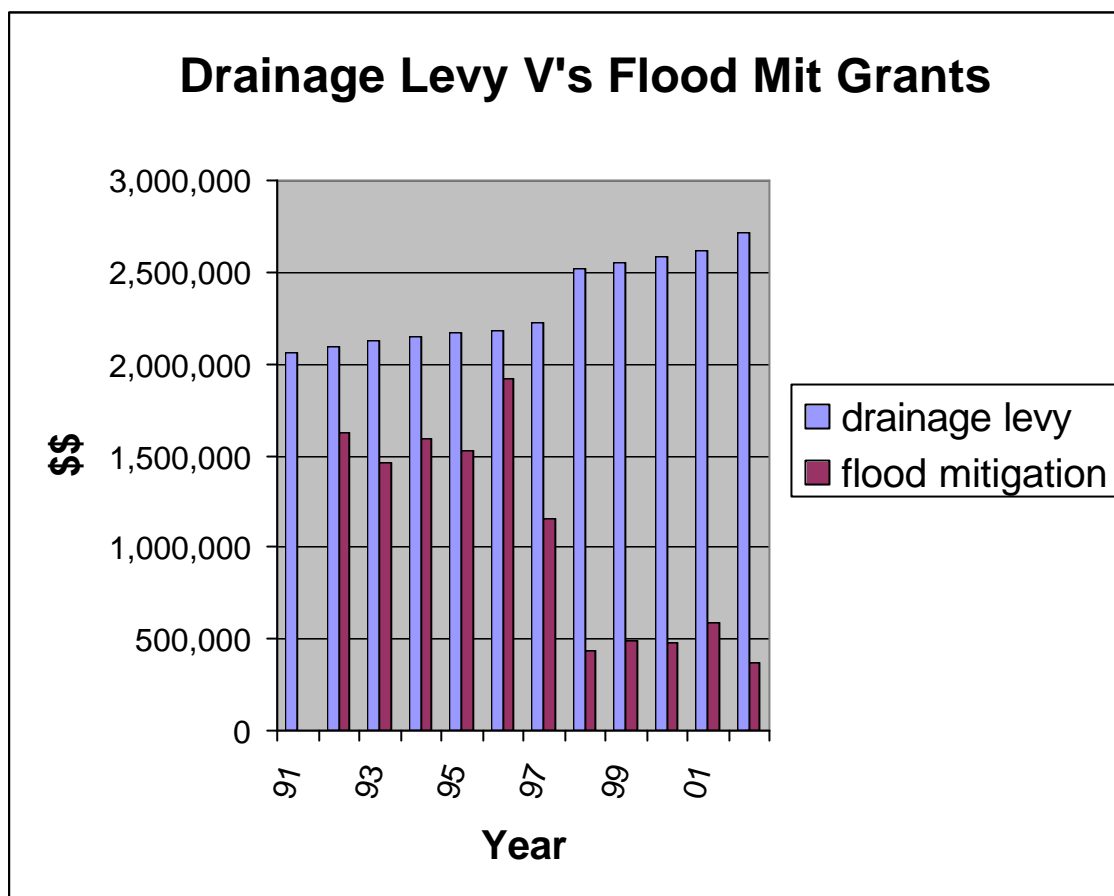
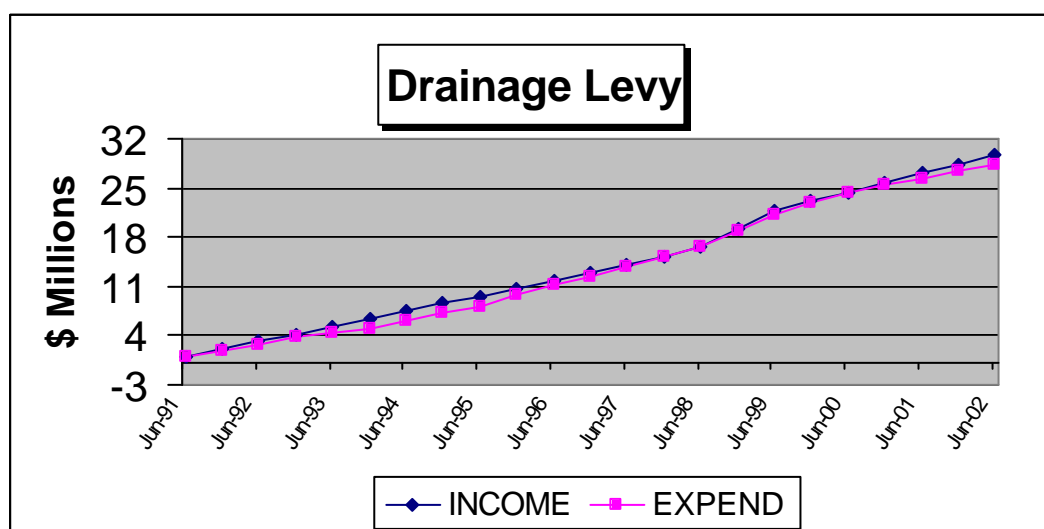


FIGURE 2 - GRAPH SHOWING COUNCIL'S EXPENDITURE AGAINST INCOME FOR DRAINAGE LEVY



**GOSFORD CITY COUNCIL
OUTSTANDING STORMWATER DRAINAGE WORKS as at 30/6/02**

Year	Suburb	Project Title	Project Description	Project Cost
2003/04	Avoca	Avoca Bowl Drainage - Line Middle	Upgrade 4 culverts/ channel	100,000
2005+	Avoca	Avoca Bowl Drainage - Right Branch - Culvert Fairsce Cr	Upgrade Culvert	15,000
2005+	Avoca	Avoca Bowl Drainage -Line North	Construction of Line North	150,000
2005+	Avoca	Avoca Bowl Drainage -Line North	Design & Acquisition	25,000
2005+	Avoca	Avoca Bowl Drainage -Line West-R. Branch Culvert	Design & Construction of culvert	15,000
2005+	Avoca	Avoca Bowl Drainage-Endeavour Dr/Avoca Dr-Construction	Construct trunk drainage	350,000
2005+	Avoca	Hillside Rd/ Round Dr, Nos. 49/51, Avoca	Trunk Drainage	60,000
2005+	Avoca	Peel St, Avoca Beach	Street Drainage	60,000
2005+	Avoca	Lake St, Avoca- Stage 2	Trunk Drainage	100,000
2005+	Avoca North	Beachcomber Parade, North Avoca	Provide secondary flowpath over Lot 243 & 263 Lakeshore Dr	15,000
2005+	Copacabana	Chico St, Copacabana - Line kk, jj & ll	Design & Construct Line -kk, jj & ll	15,000
2005+	Copacabana	Del Mar Dr, Copacabana - Line mm & nn	Design & Construct Line mm & nn	30,000
2005+	Copacabana	Del Monte Pl, Copacabana - Line- a&b	Design & Construct Line a&b	300,000
2005+	Copacabana	Del Rio Dr/ Copacabana Park Drainage	Construction U/S of main channel	250,000
2005+	Copacabana	Del Rio Dr/ Segura St/ Vesta Av, Copacabana Drainage	Construct lines w,x,y,z,u,v & t	331,000
2005+	Copacabana	Ensenada Rd/ Fiesta Cr, Copacabana - Line -oo	Design & Construct Line -OO	150,000
2005+	Copacabana	Ensenada Rd/ Puebelo St, Copacabana - Line rr,qq,&ss	Design & Construct Line -qq,rr,& ss	100,000
2005+	Copacabana	Fiesta Cr/ Del Mar Dr, Copacabana - Line -pp	Design & Construct Line- pp	60,000
2005+	Copacabana	Vesta Av/ Oceano St, Copacabana	Improve collection & drainage-Lines d,e,f,g,h,I,j,k & l	120,000
2004/05	Davistown	Davistown Drainge Investigation	Drainage investigation	50,000
2005+	Davistown	Davistown Trunk Drainage Construction	Construct trunk drainage	1,500,000
2005+	Davistown	Mirreen Av, Davistown	Pipe D/E over Lots 140 - 155 Lintern St to Emora Av	22,000
2003/04	East Gosford	Springfild/East Gosford Drainage- Lushington/Coburg St Sg 4	Stage Construction	150,000
2004/05	East Gosford	Springfild/East Gosford Drainage- Lushington/Coburg St Sg 5	Stage Construction	200,000
2005+	East Gosford	East Gosford Drainage -Line 26- Marshdale Rd/Moreall Cl	Design & Construction of trunk drainage	36,000
2005+	East Gosford	East Gosford Drainage- Line 27- George St to Erina Creek	Design & Construction of trunk drainage	250,000
2005+	East Gosford	East Gosford Drainage-Line 10-Russell St/ Hylton Moore Park	Construction of trunk drainage system	500,000
2005+	East Gosford	East Gosford Drainage-Line 11- Russell St/ Victoria Street	Design & Construction of trunk drainage	203,000
2005+	East Gosford	East Gosford Drainage-Line 12- Russell St/ York Street	Design & Construction of trunk drainage	235,000
2005+	East Gosford	East Gosford Drainage-Line 13- Lushington St/ Coburg St Sg 5 & up	Construction of trunk drainage system	2,700,000
2005+	East Gosford	East Gosford Drainage-Line 17- Althorp Street	Design & Construction of trunk drainage	220,000

Gosford City Council – Water and Sewerage Pricing Submission

2005+	East Gosford	East Gosford Drainage-Line 18-Maitland Rd/Wells St/Green Plateau Rd	Design & Construction of trunk drainage	1,732,000
2005+	East Gosford	East Gosford Drainage-Line 23-Newcastle St/ Maitland Rd/ Wells St	Design & Construction of trunk drainage	1,200,000
2005+	East Gosford	East Gosford Drainage-Line 6-Frederick St/ Russell Drysdale St	Design & Construction of trunk drainage	590,000
2005+	East Gosford	East Gosford Drainage-Line 7-Lushington St/Henry Parry Dr	Design & Construction of trunk drainage	1,010,000
2005+	East Gosford	East Gosford Drainage-Line 9-Melborne St/ Webb St	Design & Construction of trunk drainage	210,000
2005+	East Gosford	East Gosford Drainage-Marsons Pd/Henry Parry Dr-Line 3	Design & Construction of trunk drainage	1,840,000
2001/02	Empire Bay	Empire bay are drainage study	Prepare drainage Study	40,000
2005+	Empire Bay	Boongala Av, Empire Bay Stage 4	Extension of drainage system	100,000
2005+	Empire Bay	Empire bay are drainage Construction	Design & Constuct trunk drainage	2,000,000
2005+	Empire Bay	Greenfield Rd, Empire Bay	Acquisition of easement	70,000
2005+	Empire Bay	Rickard & Rosella Rds, Empire Bay	Acquisition	100,000
2005+	Empire Bay	Shelly Beach Rd, Drainage	Provide collection & drainage	28,000
2005+	Empire Bay	Sorrento Rd, Empire Bay	Pipe D/E over Lots A & B DP 401805	6,000
2005+	Empire Bay	Yugari Cres, Empire Bay		23,000
2005+	Empire Bay	Shelly Beach Road Area Drainage investigation	Drainage Investigation	20,000
2005+	Erina	Erina Creek floodmitigation works-Acquisiton of remaining easements	Acquire easements	10,000
2005+	Erina	The Entrance Rd, Erina	By-pass open drain over Lot A DP 1976	28,000
2002/03	Forresters Beach	Kalaka Av, Forresters Beach- Drainage construction	Additional Pits & Drains construction	200,000
2005+	Forresters Beach	Crystal St, Forresters Beach	Pipe open drain- low point adjacent playground	15,000
2005+	Forresters Beach	Crystal St, Forresters Beach	Pipe open drain fromNoorong Av to The Entrance Rd	65,000
2005+	Forresters Beach	Forresters Bay area drainage- Design & Construction	Design/ acquisition/ construction	750,000
2005+	Forresters Beach	Forresters Bay area drainage study	Prepare Drainage Study	15,000
2002/03	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	324,000
2003/04	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	365,000
2004/05	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	324,000
2005/06	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	324,000
2005+	Gosford	Brisbane Water FPM Study/ Plan	Prepare Studies	100,000
2006/07	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	324,000
2007/08	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	324,000
2008/09	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	324,000
2009/10	Gosford	Gosford CBD Trunk Drainage	Repayment of Loan	324,000
2005+	Green Point	Sun Valley Road Creek Flood & FPM Study/ Plan	Prepare Studies	50,000
2005+	Green Point	Asca Av, Green Point	Pipe public pathway adjacent #66 & #185	18,000
2005+	Hardys Bay	Araluen Dr	Repare drainage problem behind existing foreshore wall	30,000

Gosford City Council – Water and Sewerage Pricing Submission

2005+	Hardys Bay	Araluen Dr/Stanley St, Hardys Bay Drains	Purchase of DE and construction of drain	60,000
2005+	Hardys Bay	Araluen Drive drainage, Hardys Bay	Piping drainage easement- No.156 Araluen Dr	10,000
2005+	Hardys Bay	Fraser Rd, Hardys Bay	Pipe D/E over Lot 53	15,000
2005+	Hardys Bay	Heath Rd, Hardys Bay	Pipe D/E over Lot 1723	12,000
2005+	Holgate	Oak Rd, Holgate	Culvert 200 m South of McGarrity Crs	90,000
2005+	Holgate	Paroo Rd/ Wattle Tree Rd, Holgate	Pipe D/E over Lot 44	12,000
2005+	Horsfield Bay	Monastir Rd, Horsfield Bay Trunk Drainage	Upgrade drainage & siltation trap & provide S.F.P	80,000
2005+	Kariong	Kariong catchment trunk drainage	Construct Trunk Drainage	400,000
2003/04	Killcare	Killcare Drainage- The Scenic Rd/ Noble Rd- Stage 3	Stage Construction	150,000
2004/05	Killcare	Mudflat Creek flood mitigation works - Stage1	Stage Construction	100,000
2004/05	Killcare	Killcare Drainage- The Scenic Rd/ Noble Rd- Stage 4	Stage Construction	150,000
2005+	Killcare	Mudflat Creek flood mitigation works Stage 2	Stage Construction	225,000
2005+	Killcare	Fraser Road Creek Flood & FPMS	Prepare Studies	50,000
2005+	Killcare	Killcare Drainage- The Scenic Rd/ Noble Rd- Stage 5	Stage Construction	1,230,000
2005+	Killcare	Killcare Drainage- Blythe St/ Araluen St	Design of drainage Works	20,000
2005+	Killcare	Killcare Drainage- Blythe St/ Araluen St	Construction of culverts/ GPT/ other improvements	150,000
2005+	Killcare	Mud Flat Creet, Killcare	Design of Channel Works	20,000
2005+	Killcare	Mud Flat Creet, Killcare	Acquisition of drainage easement	100,000
2003/04	Kincumber	Water St/ Wallan Rd, Kincumber- Drainage- Stage 1	Construction	200,000
2004/05	Kincumber	Water St/ Wallan Rd, Kincumber- Construction Stage 2	Construct pipe drainage	100,000
2005+	Kincumber	Water St/ Wallan Rd, Kincumber- Construction Stage 2	Construct pipe drainage	150,000
2005+	Kincumber	Booragal Cl , kincumber	Design & Construct Trunk Drainage	25,000
2005+	Kincumber	Carlo Cl/ Joalah Rd, Kincumber - Trunk Drainage	Design trunk drainage	25,000
2005+	Kincumber	Carlo Cl/ Joalah Rd, Kincumber - Trunk Drainage	Construct Trunk Drainage/ GPT	780,000
2005+	Kincumber	Gunya Rd / Tilba St, Kincumber- Trunk Drainage	Design trunk drainage	20,000
2005+	Kincumber	Gunya Rd / Tilba St, Kincumber- Trunk Drainage	Construct trunk drainage	680,000
2005+	Kincumber	Kincumber - Caneo Pl Catchment - Trunk Drainage	Design & Construct Trunk Drainage	200,000
2005+	Kincumber	Kincumber - Karuah Av Catchment- Drainage	Design & Construct drainage - Algona Av / Karuah Av	10,000
2005+	Kincumber	Kincumber -Seabreeze Av Catchment - Drainage	Design & Construct drainage - Avoca Dr / Seabreeze Av	53,000
2005+	Kincumber	Moro Cl /Davies St, Kincumber - Trunk Drainage	Design trunk drainage	25,000
2005+	Kincumber	Moro Cl /Davies St, Kincumber - Trunk Drainage	Construct trunk drainage/GPT	2,000,000
2005+	Kincumber	Samantha Cr, Kincumber - OFP Construction	Construct OFP	7,000
2005+	Kincumber	Water St/ Wallan Rd, Kincumber- Drainage- Stage 2	Construction	200,000
2005+	Kincumber	Yarto Cl, Kincumber - Trunk Drainage	Design & Construct Trunk Drainage	15,000
2005+	Kincumber South	Humphrey Rd, South Kincumber	Pipe open drain over Lot 5	10,000

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2005+	Koolewong	Nimala Av/ Nimbin Rd, Koolewong	Pipe open channel	25,000
2005+	Kulnura	Wisemans Ferry Rd, Kulnura	Culvert at chainage at 21.1km	16,000
2002/03	Lisarow	Cutrock Creek flood mitigation works- Barand place channel works	Stage Construction	150,000
2002/03	Lisarow	Lisarow retarding basin construction	Stage Construction	84,000
2003/04	Lisarow	Lisarow retarding basin construction	Stage Construction	116,000
2005+	Lisarow	Cutrock Creek flood mitigation works- Tall tinbers Estate access	Construct bridge	80,000
2005+	Lisarow	Cutrock Creek flood mitigation works- Bank protection Tall Timbers Estate	Construction	50,000
2005+	Lisarow	Cutrock Creek flood mitigation works- Barand place Easements	Acquire easements	50,000
2005+	Lisarow	Lisarow St, Lisarow	Pipe water course rear of lots on western side south of Ourimbah St	36,000
2003+	Macmasters Beach	Cockrone Lagoon	investigate & assess letout level	30,000
2003+	Macmasters Beach	Cockrone Lagoon letout level investigation	Assessment of letout level	37,000
2002/03	Narara	Narara Creek Tributaries flood mitigation works	Stage Construction	180,000
2003/04	Narara	Upper Narara Creek flood mitigation works	Stage Construction	150,000
2003/04	Narara	Narara Creek Tributaries flood mitigation works	Stage Construction	195,000
2004/05	Narara	Narara Creek Tributaries flood mitigation works	Stage Construction	60,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- Property purchase	Purchase of Lot B DP 393508 and removal of house & Levee	150,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- hanlan St culvert	Construct culvert	500,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- Sediment trap research station	Design and construct	53,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- East Hanlan channel works	Design and construct	216,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- Hanlan St Wet basin 1	Design and construct	552,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- Hanlan St Wet basin 2	Design and construct	1,030,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works-Nursery St channel works	Design and construct	363,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- Reeves Sr courseway	Design and construct	2,595,000
2005+	Narara	Narara Creek West of Hanlan flood mitigation works- Reeves Sr Culvert	Design and construct	35,000
2005+	Narara	Narara Valley Drive Bridge	Design & Construct	450,000
2005+	Narara	Upper Narara Creek Narara Valley Dr & Deane St channel works	Design & Construct	100,000
2005+	Narara	Upper Narara Creek flood mitigation works-Yurunga Av Floodway	Stage Construction	21,000
2005+	Narara	outstanding works- culvert		
2005+	Narara	Upper Narara Creek flood mitigation works- Bridge over tributary A	Stage Construction	280,000
2005+	Narara	Upper Narara Creek flood mitigation	Stage Construction	50,000

Gosford City Council – Water and Sewerage Pricing Submission

2005+	Narara	works- Access road Willari Av		
		Upper Narara Creek flood mitigation	Prepare evacuation plan	20,000
2005+	Narara	works- Fllo evacuation plan		
		Lower Narara Creek flood mitigation	Stage Construction	300,000
		works- Manns Rd & Deane St floodway improvement		
2005+	Narara	Lower Narara Creek flood mitigation	Stage Construction	300,000
		works- Carrington St/Manns Rd channel works		
2005+	Narara	Wingello Creek flood mitigation works- Pecan Close retarding basin	Retarding Basin Improvement	280,000
2005+	Narara	Wyoming Creek flood mitigation remaining works	Remaining works	225,000
2005+	Narara	Barree Av, Narara	Pipe DE's to SH10 Pacific Highway	45,000
2005+	Narara	Manns Road / Wananda Road drainage, Narara	Construction of collection/ pipe drainage	25,000
2005+	Narara	Narara Cr, Narara	Pipe D/E over Lot 11 DP 29905	14,000
2005+	Narara	Narara Vally Dr, Narara	Pipe open drain over #4	8,000
2005+	North Gosford	Etana St	Improve drainage collection	30,000
2002/03	Patonga	Patonga Area Trunk Drainage	Stage Construction	125,000
2005+	Patonga	Lower Hawkesbury River FPM Plan	Prepare Studies	80,000
2002/03	Pearl Beach	Middle Creek Flood mitigation works	Stage Construction	64,000
2003/04	Pearl Beach	Garnet Rd/ Diamond Rd, Pearl Beach Trunk Drainage- Stage 1	Stage construction	150,000
2004/05	Pearl Beach	Middle Creek Flood mitigation works	Stage Construction	225,000
2005+	Pearl Beach	Middle Creek Flood mitigation works	Stage Construction	254,000
2005+	Pearl Beach	Green Point Creek flood mitigation works	Voluntary purchase of flood liable house	260,000
2005+	Pearl Beach	Middle Creek Flood & FPM Study	Prepare Studies	30,000
2005+	Pearl Beach	Garnet Rd/ Diamond Rd, Pearl Beach Trunk Drainage - Stage 2	Stage construction	1,150,000
2003/04	Point Clare	Point Clare Area Trunk Drainage	Stage Construction	150,000
2005+	Point Clare	Kurawah Av, Point Clare	Carpark drainage	1,000
2005+	Point Clare	Nioka Av, Point Clare - Draiang	Trunk Drainage Works	150,000
2005+	Point Clare	Penang St/ Brisbane Water Dr, Point Clare	Pipe drain at rear of Jaccarande Village	20,000
2005+	Point Clare	Point Clare Area Trunk Drainage	Stage Construction	550,000
2002/03	Pretty Beach	Turo creek, Pretty Beach flood mitigation works Stage 1	Stage Construction	70,000
2003/04	Pretty Beach	Turo creek, Pretty Beach flood mitigation works Stage 2	Stage Construction	144,000
2004/05	Pretty Beach	Turo creek, Pretty Beach flood mitigation works Stage 3	Stage Construction	150,000
2005+	Pretty Beach	Turo creek, Pretty Beach flood mitigation works Stage 4	Stage Construction	225,000
2005+	Pretty Beach	Turo Creek FPM Study	Prepare Studies	50,000
2005+	Pretty Beach	Highview Rd, Pretty Beach	Street Drainage	40,000
2005+	Pretty Beach	Pretty Beach Area Trunk Drainage	Design/ acquisition/ construction	570,000
2005+	Saratoga	Broadwater Dr, Saratoga	Pipe D/E Lot 81	1,000
2005+	Saratoga	Saratoga area drainage- Davistown Rd/ Patric Cres	Design / Construction of drainage system	450,000
2005+	Saratoga	Saratoga area drainage-Broadwater/	Design / Construction of drainage	550,000

Gosford City Council – Water and Sewerage Pricing Submission

2005+	Saratoga	Davistown Rd/ Jirramba Av Steyne Rd, Saratoga	system Concrete line open drain between Lots 1 & 48 - Potential liability case	100,000
2005+	Saratoga	Weston St, Saratoga		18,000
2005+	Saratoga	Wilki- King Av Drainage, Saratoga	Pipe open channel	15,000
2005+	Springfield	Clarence Rd, Springfield	EIS & outlet works	90,000
2005+	Springfield	Green Plateau Rd, Springfield	Pipe D/E over Lot 45	10,000
2002/0	Terrigal	Terrigal Riviera- Lagoon to Ena St	Stage Construction	250,000
3		Trunk Drainage Stage 4		
2003/0	Terrigal	Terrigal Riveira- Ena St Drainage	Construct side lines	200,000
4				
2005+	Terrigal	Terrigal Riviera- Lagoon to Ena St	Stage Construction	2,700,000
		Trunk Drainage Stage 5		
2005+	Terrigal	Terrigal CBD - Ash St Area Trunk Drainage	Design & Costruction	635,000
2005+	Terrigal	Terrigal CBD - Bowling Club/ Henley Av Trunk Drainage	Stage Construction	170,000
2005+	Terrigal	Terrigal CBD - Church St/ Campbell Cr Drainage	Construct Trunk Drainage	450,000
2005+	Terrigal	Terrigal CBD - Grosvenor Rd/ Kurrawyba Av Drainage	Design & Construct Trunk Drainage	179,000
2005+	Terrigal	Terrigal CBD - Painters Ln Trunk Drainage	Design & Construct Trunk Drainage	84,000
2005+	Terrigal	Terrigal CBD - Wilson Rd/ Grosvenor Rd Trunk Drainage	Design & Construct Trunk Drainage	282,000
2005+	Terrigal	Terrigal CBD- Henlel Av/ Wilson Rd Trunk Drainage	Design & Construct Trunk Drainage	172,000
2005+	Terrigal	Terrigal CBD- Kurrawyba Av/ Boomerang Rd	Design & Construct Trunk Drainage	70,000
2005+	Terrigal	Terrigal CBD- Scenig Hw Trunk Drainage	Design & Construct Trunk Drainage	53,000
2005+	Terrigal	Terrigal CBD- Tennis Court to Open Channel Drainage	Design & Construct Trunk Drainage	176,000
2005+	Terrigal	Terrigal CBD- Wilson Rd/ Boomerang Rd	Design & Construct Trunk Drainage	87,000
2005+	Terrigal	Terrigal CBD - Sceni Hw Trunk Drainage	Design & Construct Trunk Drainage	72,000
2005+	Terrigal	Terrigal Riveira- Chantell Av Drainage	Construct Trunk Drainage	320,000
2005+	Terrigal	Terrigal Riviera - Barnhill Rd Trunk Drainage	Construct Trunk Drainage	80,000
2005+	Terrigal	Terrigal Riviera - Cottee Cr Drainage	Construct Trunk Drainage	45,000
2005+	Terrigal	Terrigal Riviera - Martin Pl Trunk Drainage	Construct Trunk Drainage	70,000
2005+	Terrigal	Terrigal Riviera - Travally Cl Trunk Drainage	Construct Trunk Drainage	114,000
2005+	Terrigal	Terrigal Riviera- Casino St/ Riviera East Trunk drainage	Construct Trunk Drainage	160,000
2005+	Terrigal	Terrigal Riviera- Junction Rd Drainage	Construct Trunk Drainage	44,000
2005+	Terrigal	Terrigal Riviera- Parry Av/ Chantell Av Drainage	Construct Trunk Drainage	145,000
2005+	Terrigal	Terrigal Riviera- Parry Av/ Riviera Av/ Travelly Cl Drainage	Construct Trunk Drainage	154,000
2005+	Terrigal	Terrigal Riviera- Travelly Cl/ Casino St Drainage Easement	Acquire DE	120,000
2005+	Umina	Kahibah Creek remaining flood mitigation works	Stage Construction	1,530,000
2005+	Umina	Brisbane Av -Street drainage		120,000
2005+	Umina	Gallipoli Av, Umina- Trafalga to Banksia	Stage 2 Street drainage	80,000
2005+	Umina	Iluka Drainage System	Stage 2	60,000

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2005+	Umina	Osbourne Av	Street Drainage	12,000
2005+	Umina	Poziers/ Birdwood Avs, Umina	Street Drainage	96,000
2005+	Umina	Priesman Av, Umina	Street Drainage	60,000
2005+	Umina	Stella Rd, Umina - Drainage	Improve drainage/ collection near intersection with Iluka Rd	25,000
2005+	Umina	Woy Woy Drainage-Catchment P/O- Trafalgar St/Ocean Beach Rd	Investigation/ Design/ acquisition/ construction	13,164,000
2002/03	Various	Design of Drainage & Flood Mitigation Works		25,000
2002/03	Various	Minor Drainage Improvement Works		50,000
2002/03	Various	Purchase of flood liable for flood mitigation works		25,000
2003/04	Various	Review of flood studies & FPM plans	Revoew of studies	20,000
2004/05	Various	Review of flood studies & FPM plans	Revoew of studies	50,000
2005+	Various	Review of flood studies & FPM plans	Revoew of studies	255,000
2005+	Various	Drainage designs- 2003 to 2043(40 Yrs @ \$25K)	Detailed designs	1,000,000
2005+	Various	Purchase of flood liable land-2003 to 2043(40 Yrs @ \$25K)	Acquisition of lands	1,000,000
2005+	Various	Investigation & Project Management- 2003-2043(40Yrs @ 280K)	Project Management	11,200,000
2005+	Various	Acquisition of DE at various locations	DE Acquisition	20,000
2330+	Various	Minor drainage improvement works- 2003to2043(40Yrs @ \$50K)	Investigation/ Design/ acquisition/ construction	2,000,000
2005+	Wagstaffe	Wagstaffe area trunk drainage - Stage 1	Construcy Trunk Drainage	200,000
2005+	Wagstaffe	Wagstaffe area trunk drainage - Stage 2	Construcy Trunk Drainage	530,000
2005+	Wamberal	Aldinga Dr, Wamberal-Stage 3	Pipe Benwerrin Rd	150,000
2005+	Wamberal	Aspen/ Willoughby Rds, Wamberal	Improve collection	10,000
2005+	Wamberal	Benwerrin Rd, Wamberal	Augment existing drainage system	20,000
2005+	Wamberal	Blue Bell Dr, Wamberal - Trunk Drainage	Piping easement	50,000
2005+	Wamberal	Brush Rd, Wamberal	Drainage improvement works	36,000
2005+	Wamberal	Leonard Av/ Hilltop rd, Wamberal	Upgrade drainage at various intersections to reduce overland flow	100,000
2005+	Wamberal	Tall Timbers Rd, Wamberal	Pipe D/E to Wamberal Lagoon	150,000
2005+	Wamberal	Tumbi Rd, Wamberal	Upgrade existing culvert oppsite Lot 39	35,000
2005+	West Gosford	Freshwater Creek Flood & FPM Study	Alleviate flooding to Lot 19	40,000
2005+	West Gosford	Donnision St West Gosford	Prepare Studies	
2005+	West Gosford	Pacific Highway, West Gosford	Flood relief works Stage 1	50,000
2005+	West Gosford	West Gosford Industrial Areas	Pipe D/E adjacent to RTA	45,000
2005+	West Gosford	West Gosford Industrial Areas	Stage 2	60,000
2005+	Wisemans Ferry	Wisemans Ferry Rd	Pipe D/E over Lot 402	12,000
2000/03	Woy Woy	Veron Rd/ Dulkara Rd Trunk Drainage- Stage 2	Stage construction	150,000
2002/03	Woy Woy	Woy Woy Peninsula- Catchment B/C- Stage 2	Trunk Drainage construction	875,000
2003/04	Woy Woy	Woy Woy Peninsula- Catchment B/C- Stage 3	Trunk Drainage construction	450,000
2004/05	Woy Woy	Woy Woy Peninsula- Catchment B/C- Stage 4	Trunk Drainage construction	500,000
2005+	Woy Woy	Veron Rd/ Dulkara Rd Trunk Drainage- Stage 3	Stage construction	700,000

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2005+	Woy Woy	Woy Woy Peninsula- Catchment B/C- Stage 5	Trunk Drainage construction	2,480,000
2005+	Woy Woy	Blackwall Rd, Woy Woy	Street Drainage	60,000
2005+	Woy Woy	Everglades Main Channel, Woy Woy	Channel improvement works	250,000
2005+	Woy Woy	Koonora Av, Woy Woy	Orange Grove Rd to reserve	6,000
2005+	Woy Woy	North Burge Rd, Woy Woy	Street Drainage	96,000
2005+	Woy Woy	Plane St, Woy Woy	Street Drainage	18,000
2005+	Woy Woy	Regina St, Woy Woy	Street Drainage	96,000
2005+	Woy Woy	Veron Rd/ Dulkara Drainage Stage2- Karloo Rd/Timbertop Dr	Acquisition & Construction	700,000
2005+	Woy Woy	Veron Rd/ Dulkara St Drainage- Dulkara St/ Gilwah St	Design/ acquisition/ construction	265,000
2005+	Woy Woy	Veron Rd/ Dulkara St Drainage- Karingal Cl to outlet	Design/ acquisition/ construction	282,000
2005+	Woy Woy	Veron Rd/ Dulkara St Drainage- Numby Cl/ Lentara Rd	Design/ acquisition/ construction	214,000
2005+	Woy Woy	VeronRd/ Dulkara St Drainage- Shoalhaven Dr/ Karingal Cl	Design/ acquisition/ construction	123,000
2005+	Woy Woy	Warwick/ Wallaby/ Warrigal Sts Woy Woy	Stage Construction	50,000
2005+	Woy Woy	Woy Woy Drainage- CatchmentAB, AC, AK & AL	Design/acquisition/ construction	18,338,000
2005+	Woy Woy	Woy Woy Drainage-Catchment AA- Carpenter St/Shephard St	Construction of trunk drainage	3,500,000
2005+	Woy Woy	Woy Woy Drainage-Catchment D- Paton St/Melba Rd/Station St	Design/ acquisition/ construction	1,895,000
2005+	Woy Woy	Woy Woy Drainage-Catchment E- Blackwall Rd/ Brick Wharf Rd	Design/ acquisition/ construction	1,912,000
2005+	Woy Woy	Woy Woy Drainage-Catchment F	Desing/ acquisition/ construction	786,880
2005+	Woy Woy	Woy Woy Drainage-Catchment G	Desing/ acquisition/ construction	936,390
2005+	Woy Woy	Woy Woy Drainage-Catchment H	Desing/ acquisition/ construction	1,868,970
2005+	Woy Woy	Woy Woy Drainage-Catchment J	Desing/ acquisition/ construction	7,107,160
2005+	Woy Woy	Woy Woy Drainage-Catchment K- Warwick/ Wallaby	Desing/ acquisition/ construction	217,000
2005+	Woy Woy	Woy Woy Drainage-Catchment L	Desing/ acquisition/ construction	2,694,000
2005+	Woy Woy	Woy Woy Drainage-Catchment M	Desing/ acquisition/ construction	7,520,000
2005+	Woy Woy	Woy Woy Drainage-Catchment N	Desing/ acquisition/ construction	6,833,000
2005+	Woy Woy	Woy Woy Rd, South Woy Woy	Pipe local low point	18,000
2003/04	Wyoming	Blanche St, Wyoming- Construction- Stage 2	Construct pipe drainage	150,000
2004/05	Wyoming	Blanche St, Wyoming- Construction- Stage 3	Construct pipe drainage	200,000
2005+	Wyoming	Binya Av, Wyoming	Eliminate dish drain	15,000
2005+	Wyoming	Chestnut St, Wyoming	Pipe D/E over Lot 49	24,000
2005+	Wyoming	Elizabeth St, Wyoming - Trunk Drainage	Upgrade Trunk Drainage	100,000
2005+	Wyoming	Gazelle/Chamberlain Rd, Wyoming	Wyoming Creek increase water course capacity	123,000
2005+	Wyoming	Halcyon St, Wyoming	Pipe D/E from public school to Jarrettt St	156,000
2005+	Wyoming	Blanche St, Wyoming- Construction- Stage 4	Construct pipe drainage	400,000
2005+	Yattalunga	Bourke Av, Yattalunga	Pipe D/E over Lot 67	15,000
TOTAL				144,398,400

7. CURRENT PRICING STRUCTURE

7.1 Water Supply and Sewerage Services

All properties with access to water and \ or sewerage services supplied to the property, regardless of whether connection has been made pay an availability charge for the services provided.

7.2 Water Service Charges

All single residences and residential strata properties and vacant land with access to a water main are charged a water service charge of \$70.00 per annum.

All non-residential properties with access to water services are charged in accordance with Table 7.1, relevant to the size of the meter servicing the property. Where more than one meter exists on a property, the sum of all meter charges will be levied. Where a property maintains a fire service or services and normal water service meters, the property will be charged with either the sum of fire service charges or the sum of water service charges, whichever is the greater.

Table 7.1 Water Service Charges in 2002/03

METER SIZE	WATER SERVICE CHARGE	FIRE SERVICE CHARGE
20mm	\$70.00	\$35.00
25mm	\$109.00	\$54.50
32mm	\$179.00	\$89.50
40mm	\$279.00	\$139.50
50mm	\$437.00	\$218.50
65mm	\$738.00	\$369.00
80mm	\$1,118.00	\$559.00
100mm	\$1,747.00	\$873.50
150mm	\$3,930.00	\$1,965.00
200mm	\$6,986.00	\$3,493.00
>200mm	(service size) ² x \$70/400	Half service charge

7.3 Water Usage Charge

All water consumed, regardless of property type or land usage is currently charged at \$0.70 per kilolitre (2002/2003). This is consistent with the Tribunal's determination 2.2 Water usage charge.

7.4 Residential Sewerage Charge

All properties with sewerage access are charged \$340.30 per annum.

7.5 Non-residential Sewerage Service Charge

All non-residential properties that are not strata properties, with access to sewerage services are charged in accordance with Table 7.2

Table 7.2 Non-residential Sewerage Service Charges in 2002/03

Water Meter Size	Charge
20mm	\$254.00
25mm	\$396.00
32mm	\$649.00
40mm	\$1,014.00
50mm	\$1,585.00
65mm	\$2,678.00
80mm	\$4,056.00
100mm	\$6,337.00
150mm	\$14,259.00
200mm	\$25,349.00
>200mm	(service size) ² x \$254/400
Vacant Land	\$254.00

7.6 Non-residential sewer usage charges

The non-residential usage charge is \$0.70 cents per kilolitre, based on recorded usage at the water meter. A discharge factor is applied to the recorded usage to calculate the relevant usage charge. The default factor is 90%, with the option for non-residential customers to apply for an audit of volume discharged as a percentage of water usage recorded.

7.7 Trade Waste Charges

For non-residential properties classified as trade waste discharges, additional charges on top of the non-residential service and discharge charges apply per Table 7.3,

Table 7.3 Trade Waste Charges in 2002/03

Trade Waste Discharge	Charge
Acceptable Quality Excess Volume (per kl)	\$0.20
Unacceptable Quality Volume (per kl)	\$1.30
Biological oxygen demand (per 1,000mg/litre)	\$1.30
Non-filterable residue (per 1,000mg/litre)	\$1.30
Re-inspection fee	\$74.00

7.8 Stormwater Drainage Services

All properties within the Gosford City Local Government Area pay a stormwater drainage service fee of \$42.00.

7.9 Recoverable Works

The maximum amount chargeable for recoverable works is the direct cost plus internal overheads in accordance with the charge out rates published annually by Council.

7.10 Miscellaneous Charges

Miscellaneous charges are charged in accordance with the Tribunal's determination of June 2000. A detailed list showing current and proposed charges are attached in Appendix A.

7.11 Developer Charges

Developer contributions are calculated in accordance with the Tribunal's determination of September 2000.

8. PROPOSED WATER AND SEWERAGE CHARGES 2003/04 to 2004/05

Over the last few determinations, the Tribunal has set the prices for the first year of the determination in nominal terms and adopted a CPI-X methodology for setting prices in subsequent years. Council has not been able to advertise the actual water and sewerage rates charges with the rest of Councils rates as a result of waiting for CPI figures to be released for the March quarter. Section 315 of the Water Management Act 2000, requires Council to advertise and advise the Minister of Council's intended Water and Sewerage charges for the upcoming year, one month prior to the charging period.

To eliminate this inconvenience to Council and the city residents, Council requests the Tribunal adopt nominal prices for the two periods of the determination. As the determination will only be for two years, neither residents nor Council will be adversely effected by movements in CPI if a realistic index is used in determining prices. In addition to the convenience of knowing what charges will be in both years of the determination, it minimises the likelihood of not meeting the correct charges in the second year of the determination due to calculation errors or interpretation variances.

The proposed charges in the following section are nominal charges, and assume a CPI of 3.0% per annum, although charges reflect an increase above CPI as prescribed in the submission.

8.1 Water Charges 2003/04 to 2004/05

A The water availability charge for residential properties be equivalent to a 20mm service. Table 8.1 shows the future availability charge in nominal dollars.

B Charges for water usage in 2003/04 be set at 75 cents per kilolitre, to be increased in 2004/05 to 80 cents per kilolitre.

C The availability charges for residential, commercial, industrial and exempt properties are to be the maximum of either the meter size base charge applicable to the property or the unmetered fire service availability charge. The unmetered fire charge is calculated as 50% of an equivalent size meter and is shown in Table 8.1.

Table 8.1: Fire Service Charge and Water Availability Charge based on Water Meter Size

	WATER SERVICE CHARGE	FIRE SERVICE CHARGE
--	-----------------------------	----------------------------

Meter Size	2003/04	2004/05	2003/04	2004/05
20mm	\$70.00	\$70.00	\$35.00	\$35.00
25mm	\$109.00	\$109.00	\$54.50	\$54.50
32mm	\$179.00	\$179.00	\$89.50	\$89.50
40mm	\$280.00	\$280.00	\$140.00	\$140.00
50mm	\$438.00	\$438.00	\$219.00	\$219.00
65mm	\$739.00	\$739.00	\$369.50	\$369.50
80mm	\$1,120.00	\$1,120.00	\$560.00	\$560.00
100mm	\$1,750.00	\$1,750.00	\$875.00	\$875.00
150mm	\$3,938.00	\$3,938.00	\$1,969.00	\$1,969.00
200mm	\$7,000.00	\$7,000.00	\$3,500.00	\$3,500.00
Usage Charge	\$0.75 per k/L	\$0.80 per k/L	\$0.75 per k/L	\$0.80 per k/L

For meter sizes greater than 200 the availability charge is

$$(\text{nominal size})^2 / 400 \times 20\text{mm Availability Charge}$$

The annual water base charge for each unit within a strata development and for vacant land be the same as the 20mm base charge.

8.2 Sewerage Charges 2003/04

A The 2003/04 sewerage charge for residential properties be set at \$363. This figure is to be maintained in real terms in 2004/05, set at \$374.

B Residential Sewerage service charge for vacant land be set at \$274.00 in 2003/04. This figure is to be maintained in real terms in 2004/05, set at \$282.

C Non Residential Sewerage base access charge be \$274.00 in 2003/04. This figure is to be maintained in real terms in 2004/05, set at \$282.

D Non-Residential Sewerage Access Charge be based on the property's water meter(s) multiplied by the assessed Discharge Factor for the property:-

Size of Service for Water Usage	Non-Residential Service Charge 2003/04	Non-Residential Service Charge 2004/05
mm	\$	\$
20	274.00	282.00
25	428.00	441.00
32	701.00	722.00
40	1,096.00	1,128.00
50	1,713.00	1,763.00
65	2,894.00	2,979.00
80	4,384.00	4,512.00
100	6,850.00	7,050.00
150	15,413.00	15,863.00
200	27,400.00	28,200.00

E The maximum price for sewer usage charges applicable to non residential properties in 2003/04 is 72 cents per kilolitre. This is to be maintained in real terms to be 74 cents per kilolitre in 2004/05.

F Non-residential sewerage usage assessed for a property be the product of the metered water consumption and the Discharge Factor.

G The Discharge Factor be the proportion, determined by Council, of the metered water consumption of the property which approximates the volume of waste discharge to the sewers or with Council's agreement determined from direct metering. If direct metering is the method used to access the sewage volume, the property owner is responsible for all the costs associated with the metering system.

H For the purpose of charging for water and sewerage services, the following properties be subject to residential charge:-

Single residential dwellings
Residential dwelling plus one non-strata flat
Residential strata unit

All other properties will be subject to the non-residential charge.

8.3 Fees & Charges

The proposed Fees and Charges for 2003/04 and 2004/05 are attached in Appendix A.

8.4 Drainage Service Charge

The 2003/04 Drainage Service Charge be set at \$43.70. This is to be maintained in real terms to be \$45.00 in 2004/05. Pensioners will receive a 50% discount on drainage charges.

8.5 Trade Waste Services

The proposed Trade Waste Charges for 2003/04 and 2004/05 are shown in table 8.2.

Table 8.2 Trade Waste Charges in 2003/04 and 2004/05

Trade Waste Discharge	Charge
Acceptable Quality Excess Volume (per kl)	\$0.20
Unacceptable Quality Volume (per kl)	\$1.30
Biological oxygen demand (per 1,000mg/litre)	\$1.30
Non-filterable residue (per 1,000mg/litre)	\$1.30
Re-inspection fee	\$74.00

8.6 Recoverable Works

The maximum amount charged for recoverable works be the direct cost plus internal overheads in accordance with the charge out rates published annually by Gosford City Council.

8.7 CPI Calculation

CPI is to be calculated as the increase in the average all-groups CPI for Sydney for the four quarters to March on the average index value for the four quarters to the previous March. Council requests that nominal charges be set for the two-year period of this determination. The effect on residents due to movements in CPI outside that used in the calculations for this submission or on the budget of the Council is anticipated to be minimal and can be adjusted in the following determination if required.

8.8 Developer Charges

Developer Charges be increase by CPI in accordance with the approved IPART methodology.

9. IMPACTS OF PROPOSED PRICING STRUCTURE

9.1 Water Charges

Council's previous submission proposed a base service availability charge for a 20mm meter at \$90.00, reducing to \$70.00 by 2002/03. The Tribunal reduced this charge to \$70.00 from year one of the determination, citing efficiency gains identified by Halcrow and the inability for dividend payments being made to General Fund as being the drivers behind the decision. Council was unable to meet the identified efficiency measures and has identified additional costs associated with running of the water business, including an increase in electricity charges due to Council's decision to purchase green energy and a number of consultancies currently engaged by the Gosford Wyong Water Authority Board.

Council proposes to increase the water revenue received in line with inflation and to recover the additional costs incurred due to green energy purchases and consultancies.

An increase of 5 cents per kilolitre each year while maintaining the base service charge increase the revenue received over the two years of the determination by \$932,400 above that which would have been received if CPI (assumed at 3%) was applied to the existing service and usage charges.

The purchase of green energy will increase operating costs by \$260,700 over the two years and consultancies issued by the Gosford Wyong Council's Water Authority will increase expenditure by \$672,400 above that previously budgeted by Gosford City Council. While Council has shown these increases as capital expenditures, the ability to capitalise these costs is dependent on the out come of the consultancies and if the costs can be attributed to the acquisition of assets.

The proposed increases in water charges are analysed in Tables 9.1 and 9.2 below for residential properties using various levels of consumption.

Table 9.1:

Residential Property Using 200kl Per Annum			
	2002/03	2003/04	2004/05
SERVICE CHARGE	\$70.00	\$70.00	\$70.00
USAGE CHARGE	\$140.00	\$150.00	\$160.00
TOTAL CHARGE	\$210.00	\$220.00	\$230.00
Residential Property Using 250kl Per Annum			
	2002/03	2003/04	2004/05
SERVICE CHARGE	\$70.00	\$70.00	\$70.00
USAGE CHARGE	\$175.00	\$187.50	\$200.00
TOTAL CHARGE	\$245.00	\$257.50	\$270.00

Table 9.2

Water Use (kL per Year)	Percentage of residential customers	Average Consumption (kL per year)	2002/03 Water Account (Current)	2003/04 Water Account	2004/05 Water Account	Impact on Account from 2002/03 to 2004/05
vacant	2%	0	\$70.00	\$70.00	\$70.00	\$0.00
0 to 50	13%	25	\$87.50	\$88.75	\$90.00	\$2.50
50-100	8%	75	\$122.50	\$126.25	\$130.00	\$7.50
100-150	13%	125	\$157.50	\$163.75	\$170.00	\$12.50
150-200	15%	175	\$192.50	\$201.25	\$210.00	\$17.50
200-250	14%	225	\$227.50	\$238.75	\$250.00	\$22.50
250-300	12%	275	\$262.50	\$276.25	\$290.00	\$27.50
300-400	13%	350	\$315.00	\$332.50	\$350.00	\$35.00
400-500	5%	450	\$385.00	\$407.50	\$430.00	\$45.00
500-1000	4%	750	\$595.00	\$632.50	\$670.00	\$75.00
>1000	1%	1500	\$1,120.00	\$1,195.00	\$1,270.00	\$150.00

As is evident from the table, service charges are remaining constant in nominal terms. The increase in reliance on consumption based charges sends the correct demand management signals and gives residents greater control over their total water accounts.

9.2 Sewer Charges

Sewerage charges be increased by CPI plus \$12 per residential property in 2003/04. The non-residential service base charge be also increased by CPI plus \$12. The sewerage usage charge be increased by CPI, rounded to the nearest cent in 2003/04. All sewerage charges be increased in the second year of the determination by CPI.

9.2.1 Residential Sewer Charges

Residential sewerage charges increase by \$22.70 in year one and an additional \$11.00 in the second year.

Pensioners will still maintain the current rebate scheme with a maximum rebate of \$87.50 off their water charges and \$87.50 off their sewerage charge.

Vacant residential land sewer charges reduce by \$66.30 in the first year of the determination to \$274.

9.2.2 Non-Residential Charges Water & Sewerage

Comment on water

Non-residential base charges for sewerage increase by \$16.00 in year one and \$4.00 in the second year. Sewerage usage charges for non-residential properties increase by 2 cents per kilolitre each year.

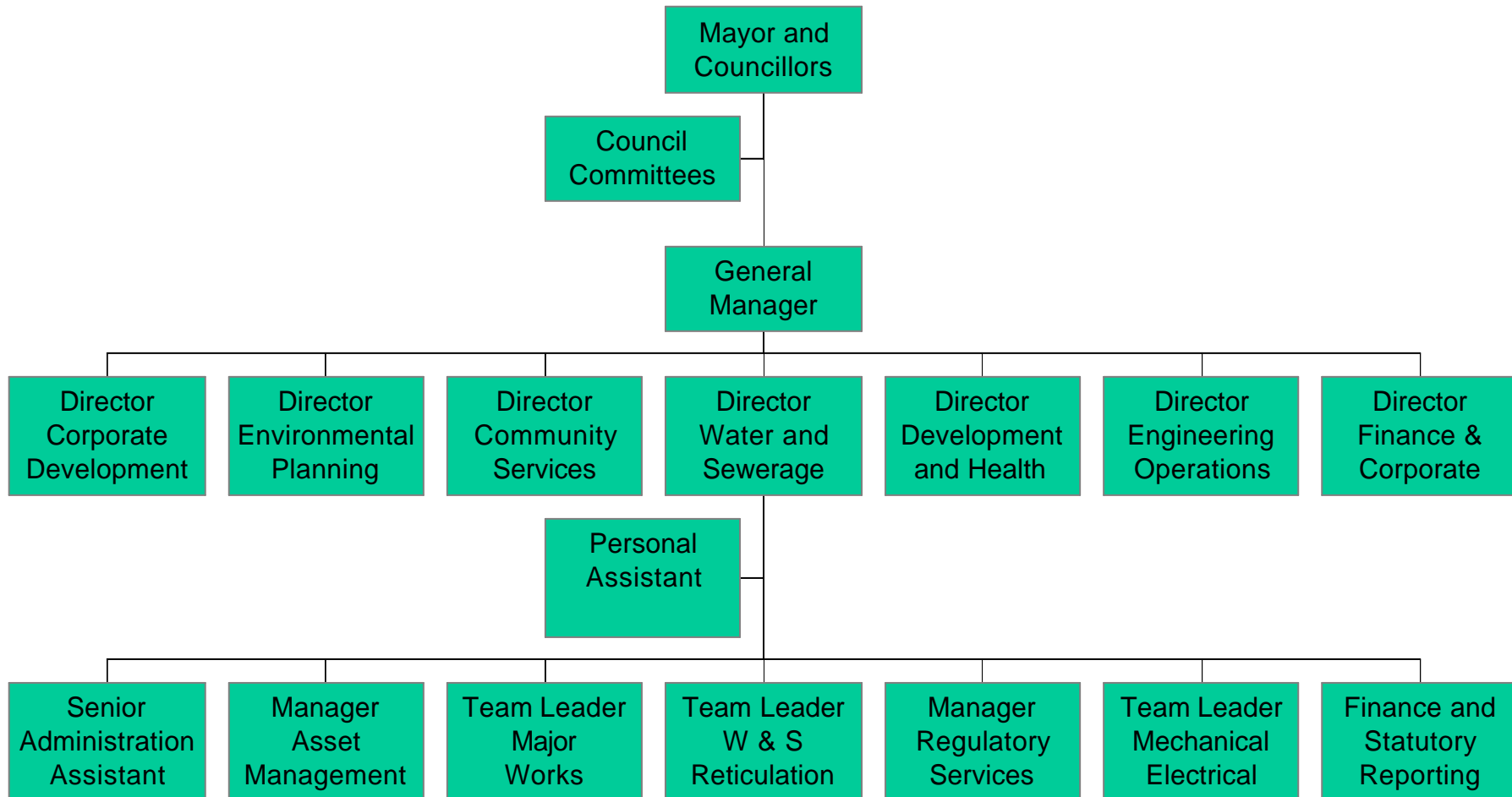
Table 9.3 shows the effect of charges on a non-residential property with a 40mm meter consuming 250kl per year, with a sewerage discharge factor of 90% (standard factor).

Table 9.3:

Non-Residential Property with a 40mm meter using 250kl Per Annum & a 90% discharge factor			
	2002/03	2003/04	2004/05
WATER SERVICE CHARGE	\$280.00	\$280.00	\$280.00
WATER USAGE CHARGE	\$175.00	\$187.50	\$200.00
SEWER SERVICE CHARGE	\$1,016.00	\$1,096.00	\$1,128.00
SEWER USAGE CHARGE	\$157.50	\$162.00	\$166.50
TOTAL CHARGES	\$1,628.50	\$1,725.50	\$1,774.50

APPENDIX A

Water and Sewerage Corporate Structure



APPENDIX B

MISCELLANEOUS CHARGES

2003/04 TO 2004/05

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1. INTRODUCTION

IPART approved maximum charges for various monopoly Miscellaneous Charges in the June 2000 Determination. The range of charges and the amount of the charge have been reviewed. The charges are applied in many forms including application fees, inspection fees, registration fees etc.

This submission forms Appendix B of the Medium Term Pricing Submission for 2003/04 and 2004/05 to IPART.

2. METHODOLOGY

Background

In 1996 Gosford Council participated in the Water Miscellaneous Charges Working Group (WMCWG) convened by IPART. The WMCWG examined a common pricing methodology to gain consistency across the four metropolitan authorities for miscellaneous pricing. Further the group endeavored to develop a list of common services and a corresponding list of common charges.

One outcome of the Group was the adoption of the following pricing methodology:

$$\text{Miscellaneous Charge} = \left[\begin{array}{l} \text{Direct cost of labour + oncosts} \\ \text{+ transport + equipment} \\ \text{+ Direct material costs} \\ \text{+ Profit (if considered appropriate)} \end{array} \right] \times \text{business overhead}$$

An agreed set of common services was developed for seventeen services with an agreed common charge for three of these services. The difficulty in achieving a complete set of common charges for all services include:

- different services being offered
- different levels of service offered for similar services

In June 2002, the WMCWG was reformed to identify common service categories for the 2003 Metro Water Determination. An agreed set of 20 common services were identified and are listed as such in this submission.

Gosford Council's Methodology

Council has generally adopted the approach of full cost recovery of the service in accordance with the agreed formula used in the 2000 submission. It is not considered appropriate for Council to adopt a profit component at this stage and therefore no profit has been included.

Council has waived or reduced the calculated charge where it is considered the waiving or reduction of the charge would provide a benefit to the customer or Council.

Where considered applicable, Council has adopted the Possible Common Charge or a similar charge to the other agencies for a common service.

Only monopoly charges have been included in the submission.

3. PROPOSED MISCELLANEOUS CHARGES

The proposed charges including description, summary of service provide, frequency, previous charge and proposed cost justification.

It is noted that some charges have significantly increased as full cost recovery was not previously applied to every charge. For example the application of labour on costs and business overheads was not widely applied previously.

The business overhead of 50% adopted for the calculations was based on the overhead determined by Halcow Management Sciences in the NSW Water Agencies Review.

Service: *Provision of Service Location Diagrams (Water and Sewer Location Plans)*

Common Service: *Agreed common service No. 3*

Monopoly Service: Yes

Frequency: 1700 Per Annum

Current Fee: \$ 15.00 for A4 and A3 copy per sheet

Narrative:

Council establishes information required regarding water and sewer locations, search records and provides a plan and any required long sections. Most property requests require three copies (ie: one sewer main copy, one water main copy and at least one long section copy). Plans covering larger areas and with more than two longsections will incur additional fees. This is an agreed common service, with two options for purchase being over the counter (hardcopy) and electronic copies. At present this service is not available electronically.

Outline of Service:

- ❖ Establish information required
- ❖ Search for records
- ❖ Provide A4 or A3 copy of plan including any long sections required and available
- ❖ Maintain records and equipment
- ❖ Dispatch of plan by post or facsimile if required

Fee Justification:

- | | |
|--|---------------------------|
| ❖ Take query, locate, photocopy plan and receipt | 8 min per sheet @ \$27/hr |
| ❖ Paper and photocopying cost | \$1.00 |
| ❖ Postage or facsimile costs | \$1.00 |
| ❖ Business Overhead | 50% |

Calculated fee: ***\$7.40 per plan (at present sewer main, water main and long sections are on separate plans). Fee aligned to Common Fee in February 2000***

Over the Counter Common fee: ***\$15 per plan***

Over the Counter Proposed fee: ***\$15 per plan***

Electronic Copies: ***Not Available***

Estimated income per annum: ***\$25,500***

Service: Cancellation Fee – Water and Sewerage Applications

Common Service: No

Monopoly Service: Yes

Frequency: 50 Per Annum

Current Fee: \$50.00

Narrative:

Where application for services are cancelled by the applicant a request is made on Council to refund water and sewer application fees. This fee is also charged due to double paying of an application fee, where the process has been initiated twice due to the double payment.

If the application was lodged on incorrect advice from Council no cancellation fee to apply. (Statutory cancellation fee to apply where applicable and current development application fee refund procedures to remain).

Outline of Service:

- ❖ Processing of original request
- ❖ Receipting of original request
- ❖ Receive request for refund
- ❖ Check payment details and prepare refund voucher, circulate copies to relevant areas
- ❖ Prepare and process cheque refund

Fee Justification:

- | | |
|--|------------------|
| ❖ Update of database and checking for payment | 20 min @ \$27/hr |
| ❖ Prepare letter for refund and prepare cheque | 20 min @ \$27/hr |
| ❖ Postage or facsimile costs | \$1.00 |
| ❖ Business Overhead | 50% |
| ❖ Initial Administration Works completed | \$39.00 |

Calculated fee: **\$67.00**

Proposed fee: **\$50 (Fee to align to corporate charge for refunding application charges)**

Estimated income per annum: **\$2,500**

Service: *Issue of Conveyancing Certificate (Section 41 Certificate)*

Common Service: *Agreed common service No. 1*

Monopoly Service: Yes

Frequency: 6800 Per Annum

Current Fee: \$15.00

Narrative:

Section 41 Certificates are a mandatory requirement of conveyancing. Council issue a combined Section 603 (Local Government Act 1993) and Section 41 Certificate (Water Management Act 2000) showing outstanding rates and usage charges for the purpose of sale or mortgage calculations. While Council now offers a small number of solicitors access to order certificates over the internet, the same process is followed to produce and deliver a hardcopy to the solicitor.

Outline of Service:

- ❖ Receipt of monies and request for certificates
- ❖ Review outstanding accounts
- ❖ Produce and issue certificate

Fee Justification:

- | | |
|--|----------------------------|
| ❖ Receipt monies | 5 min @ \$26/hr\$22.30/hr |
| ❖ Review account and produce certificate | 30 min @ \$26/hr\$22.30/hr |
| ❖ Postage and stationary costs | \$1.00 |
| ❖ Business Overhead | 50% |

Calculated fee: **\$23.75**

Common fee: \$15.00 (Council Certificates include additional information to Water Authority only businesses)

Over the Counter Proposed fee: \$20.00

Electronic Copies Common fee: **Not Available**

Estimated income per annum: ***\$136,000***

Service: Special Water Meter Readings**Common Service:** Agreed common service No. 4**Monopoly Service:** Yes**Frequency:** 750 Per Annum**Current Fee:** \$45.00**Narrative:**

Special meter reading requests are received from vendors and purchases of properties, as well as tenants either entering or leaving a premises. A certificate is issued showing the consumption and water usage charge up to the date of reading. The special reading requires a staff member to attend the property outside of the normal reading routes.

Outline of Service:

- ❖ Receipt of monies and request for certificates
- ❖ Staff member attends property to read meter
- ❖ Meter reading entered into Councils mainframe
- ❖ Special certificate issued showing consumption and charge applicable

Fee Justification:

- | | |
|---|-----------------------|
| ❖ Receipt of money and processing of request | 10 min @ \$\$23.85/hr |
| ❖ Read meter | 40 min @ \$\$23.85/hr |
| ❖ Vehicle costs to read meter | 40 min @ \$4.60/hr |
| ❖ Update Council database and issue certificate | 15 min @ \$\$23.85/hr |
| ❖ Postage and stationary costs | \$1.00 |
| ❖ Business Overhead | 50% |

Calculated fee: **\$44.37****Proposed fee:** **\$45.00****Estimated income per annum:** **\$33,750**

Service: *Meter Testing*

Common Service: *Agreed common service No. 8*

Monopoly Service: Yes

Frequency: 30 per Annum

Current Fee: All meter sizes: \$86.00 plus courier charges

Narrative:

Where a consumer does not accept the amount of water registered to their property, they are given the opportunity to have their meter tested. The meter is removed from the property and sent to an independent agent for testing. Should the meter be found to be incorrectly recording in excess of the water passing through during testing, the full testing fee is refunded and any consumption accounts adjusted.

Outline of Service:

- ❖ Fee is paid by owner
- ❖ Meter removed and replaced
- ❖ Meter sent to test site (currently Brisbane City Council)
- ❖ Respond to applicant on receipt of test results
- ❖ Refunds processed if required

Fee Justification:

❖ Receipt monies and prepare documents	20 min @ \$27/hr
❖ Remove and replace meter	1 hr @ \$27/hr
❖ Vehicle costs	1 hr @ \$4.60/hr
❖ Prepare meter and documents for courier and tester	20 min @ \$27/hr
❖ Respond in writing to applicant, informing results	20 min @ \$27/hr
❖ Testing Fee 20mm or 25mm -contract rate	\$60
❖ Testing Fee Greater than 25mm - contract rate	\$230
❖ Courier Fee-contract rate	\$15 for 20mm
❖ Business Overhead	50%
❖ Stationary, Postage or facsimile costs	\$1.00

Calculated fee:	20mm	<i>\$148.90 plus actual courier fees</i>
	25mm	<i>\$148.90 plus actual courier fees</i>
	32mm	<i>\$318.90 plus actual courier fees</i>
	40mm	<i>\$318.90 plus actual courier fees</i>
	50mm	<i>\$318.90 plus actual courier fees</i>
	65mm	<i>\$318.90 plus actual courier fees</i>
	80mm	<i>\$318.90 plus actual courier fees</i>

Proposed fee	20mm	<i>\$150.00 plus actual courier fees</i>
	25mm	<i>\$150.00 plus actual courier fees</i>
	32mm	<i>\$320.00 plus actual courier fees</i>
	40mm	<i>\$320.00 plus actual courier fees</i>

50mm	\$320.00 plus actual courier fees
65mm	\$320.00 plus actual courier fees
80mm	\$320.00 plus actual courier fees

Estimated income per annum: \$5,000

Service: Bill Search Fee**Common Service:** Agreed common service No. 5**Monopoly Service:** Yes**Frequency:** 10 per Annum**Current Fee:** \$\$8.80 (including GST) for General Fund Enquiries**Narrative:**

There is currently a nominal fee of \$5.50 for written copies of prior account notices. The fee is set to discourage excessive level of application. There is very little demand for copies of water notices, however this may change with the introduction of user pays pricing.

Outline of Service:

- ❖ Fee is paid and receipted
- ❖ Account details and histories are retrieved from system, compiled and sent to customer

Fee Justification:

- | | |
|---|------------------|
| ❖ Receipt monies and issue account notice | 20 min @ \$27/hr |
| ❖ Business Overhead | 50% |
| ❖ Stationary, Postage or facsimile costs | \$1.00 |

Calculated fee: **\$14.50****Proposed fee:** **\$15.95 (including GST \$1.45)****Estimated income per annum:** **\$145.00**

Service: Building Over or Adjacent to Sewer Advice (Building Over Sewer Main Letter)

Common Service: **Agreed common service No. 6**

Monopoly Service: Yes

Frequency: 25 Per Annum

Current Fee: Nil

Narrative:

Council issue on request a letter regarding a building's compliance or pipe protection provided to Council's standards where the building is near or over a Council water or sewer main.

Outline of Service:

- ❖ Establish property and asset effected
- ❖ Search WAE records to determine whether pipe protection provided to Council standard.
- ❖ Search development records related to the property if required.
- ❖ Provide letter to advise outcome of investigation
- ❖ Provide technical advice to owner / developer

Fee Justification:

- | | |
|---|---------------------|
| ❖ Establish property and asset effected | 5 min @ \$32.30/hr |
| ❖ Search records and evaluate situation | 30 min @ \$32.30/hr |
| ❖ Write reply detailing conditions | 15 min @ \$32.30/hr |
| ❖ Postage or facsimile costs | \$1.00 |
| ❖ Business Overhead | 50% |

Calculated fee: \$41.37

Proposed fee: **Nil (due to asset protection)**

Estimate income per annum: Nil

Service: *Sales of Building Over Sewer and Water Guidelines*

Common Service: **No**

Monopoly Service: **Yes**

Frequency: 30 Per Annum

Current Fee: \$10.10 (including GST)

Narrative:

Property owners/developers must take special precautions when proposing to build a structure near or over Council sewer or water mains. The guideline booklet "Building Over or Near Council Sewer and Water Mains" outlines the various special precautions.

Outline of Service:

- ❖ Technical review of guidelines to ensure current standards are applied.
- ❖ Word processing and CAD amendments..

Fee Justification:

- | | |
|---|--------------------|
| ❖ Review and update guideline as required | 20 hrs @\$35/hr |
| ❖ Collate, copy and bind specification | 6 hrs @ \$28.50/hr |
| ❖ Materials | \$15 |
| ❖ Business overheads | 50% |

Calculated fee: ***\$44 per volume ie. Total annual cost 30 copies***

Proposed fee: ***\$10.10 including GST(due to asset protection)***

Estimate income per annum: ***\$300***

Service: Section 307 Certificate**Common Service:** No**Monopoly Service:** Yes**Frequency:** 308 Per Annum**Current Fee:** Dual Occupancies, \$76.00

Commercial Buildings, Factories, Torrens Subdivision of Dual Occupancy etc	\$113.00
Boundary Realign with Conditions	\$185.00
Subdivisions	\$550.00
Development without Requirement Fee	\$45.00

Narrative:

Developers are to obtain a Section 26 Certificate which states that the development complies with the Water Management Act 2000.

Outline of Service:

- ❖ Establish location of development in relation to existing water and sewer mains
- ❖ Determine whether requirements are to be set
- ❖ Review development impact on water and sewerage systems
- ❖ Determine requirements for development
- ❖ Provide requirements letter to applicant
- ❖ Monitor compliance with the requirements
- ❖ Liaise with developer
- ❖ Provide technical support
- ❖ Receipt money

Additional services for subdivisions and other developments including mains extensions:

- ❖ Review and approve developer plans
- ❖ Additional technical support
- ❖ Review and approve Work-as-Executed records

Fee Justification: Dual occupancies

❖ Clerical – filing, typing, receipting	1 hr @ \$27/hr
❖ Technical evaluation	0.75 hr @ \$36/hr
❖ Postage or facsimile costs	\$1.00
❖ Business Overhead	50%

Calculated fee: \$82.00

Proposed fee: **\$80.00**

Fee justification: Commercial buildings, factories and torrens subdivision of dual occupancies

❖ Clerical – filing, typing, receipting	1hr @ \$27/hr
❖ Technical evaluation	1.5hr @ \$36/hr
❖ Postage or facsimile costs	\$1.00
❖ Business overhead	50%

Calculated fee: **\$123.5**

Proposed fee: **\$120**

Fee justification: Boundary re-alignments without mains extensions

❖ Clerical – filing, typing, receipting	1 hr @ \$27/hr
❖ Technical evaluation & support	2.5 hrs @ \$36/hr
❖ Linen release	0.5 hr @ \$32/hr
❖ Postage or facsimile costs	\$1.00
❖ Business Overhead	50%

Calculated fee: **\$200.50**

Proposed fee: **\$200.00**

Fee justification: Subdivisions, developments involving main extensions:

❖ Clerical – filing, typing, receipting	2 hrs @ \$27/hr
❖ Technical evaluation and support including plan and WAE record approval	8 hrs @ \$36/hr
❖ Adjustments to Authorities records	2 hrs @ \$27/hr
❖ Postage or facsimile costs	\$1.00
❖ Business Overhead	50%

Calculated fee: **\$595**

Proposed fee: **\$590**

Fee justification: Developments Without Requirements

❖ Clerical – filing, typing	30 mins @ \$27/hr
❖ Technical evaluation	30 mins @ \$36/hr
❖ Postage or facsimile costs	\$1.00
❖ Business overhead	50%

Calculated fee: **\$48.25**

Proposed fee: **\$45.00**

Estimated Income per Annum

<i>Dual Occupancies</i>	<i>80 @ \$80</i>	<i>=</i>	<i>\$ 6,400</i>
<i>Commercial buildings, factories & torrens</i>			
<i>subdivision of dual occupancies</i>	<i>40 @ \$120</i>	<i>=</i>	<i>\$4,800</i>
<i>Boundary realignments without mains extension</i>			
	<i>20 @ \$200</i>	<i>=</i>	<i>\$4,000</i>
<i>Subdivisions & developments involving mains</i>			
<i>extensions</i>	<i>52 @ \$590</i>	<i>=</i>	<i>\$30,680</i>
<i>Developments without requirements</i>	<i>58 @ \$45</i>	<i>=</i>	<i><u>\$2,610</u></i>
			<i>\$48,490</i>

Service: *Inspection of Concrete Encasement and Additional Junction Cut-ins*

Common Service: No

Monopoly Service: Yes

Frequency: 60 Per Annum

<i>Current Fee:</i>	Inspection of concrete encasement	\$131
	Additional inspection	\$45
	Inspection of concrete encasement greater than 10m	\$131 plus \$10 per metre

Narrative:

Private developers maybe required to concrete encase sewer mains and provide additional sewer junctions. Council inspect the works to determine that works are in accordance with Council standards.

Outline of Service:

- ❖ Provide technical advice on Council standards and procedures
- ❖ Inspect site for compliance with Council standards
- ❖ Measure and record amendments
- ❖ Incorporate amendments in Council's Work-as-Executed records for concrete encasement and additional junction cut-ins (inspections up to 10m determined)

Fee Justification: Two site inspections required as a minimum requirement

- ❖ Two site inspections 2 hrs @ \$28/hr
- ❖ Transport costs 2 hrs @ 4.60/hr
- ❖ Adjustments to Authorities records 1 hr @ \$28/hr
- ❖ Business Overhead 50%

Calculated fee: **\$135.20**

Proposed fee: **\$135**

Fee Justification: Inspections of encasements greater than 10m.

- | | |
|---|-------------------|
| ❖ service as per inspections up to 10m | \$135 |
| ❖ additional inspections at an average of \$135 divided by 10 ie. | \$13.50 per metre |

Calculated fee: **\$135 plus \$13.50 per metre over 10m**

Proposed fee: \$135 plus \$10 per metre over 10 metres of encasement

Fee Justification: Additional Inspection due to non-compliance

- ❖ Site inspection 1 hrs @ \$28/hr

- ❖ Transport costs 1 hrs @ 4.60/hr
- ❖ Business Overhead 50%

Calculated fee: ***\$46.60***

Proposed fee: ***\$45***

Estimated income per annum

- ❖ ***Concrete encasement/junction cut-ins*** ***30 @ \$135 = \$4,050***
- ❖ ***Additional inspections*** ***10 @ \$45 = \$ 450***
- ❖ ***Concrete encasements greater than 10m*** ***2 @ \$285 = \$ 570***

***Service: Sale of Specification for Construction of Water and Sewerage Works
by Private Contractors***

Common Service: No

Monopoly Service: Yes

Frequency: 15 per Annum

Current Fee: \$60.00 per volume (total of two volumes)

Narrative:

Contractors carrying out private works are required to purchase Council's "Specifications for Construction of Water and Sewerage Works by Private Contractors". Volume one contains specifications for construction standards. Volume two contains standard schedules to the specification.

Outline of Service:

- ❖ Technical review of specification to ensure current standards are applied.
- ❖ Word processing and CAD amendments to specification.
- ❖ Maintain distribution list.

Fee Justification:

- | | |
|---|-----------------|
| ❖ Review and update specification as required | 30hrs @ \$35/hr |
| ❖ Collate, copy and bind specification | 8 hrs @ \$28/hr |
| ❖ Maintain distribution records | 1 hr @ \$35/hr |
| ❖ Materials | \$100 |
| ❖ Business overheads | 50% |

❖ <i>Calculated fee:</i>	<i>\$68 per volume ie.</i>	<i><u>Total annual cost</u></i>
		<i>15 copies x 2 volumes</i>

❖ <i>Proposed fee:</i>	<i>\$65 per volume (excluding GST)</i>
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<i>Estimated income per annum:</i>	<i>\$1,950</i>
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Service: Major and Minor Works Inspection

Common Service: Agreed common service No. 19

Monopoly Service: Yes

Frequency: Development Driven

Current Fee: Private Works Inspection Water	\$4.50/metre
Private Works Inspection Sewer	\$6.00/metre
Re-inspection fee	\$100.00

Narrative:

Council inspect water and sewer works carried out by private developers for compliance with Council's standards. Should the works not comply with Council standards, a re-inspection is required. A common service for major works inspections has been identified for inspections of mains longer than 25 metres and/or greater than 2 metres in depth. Council does not differentiate in price for major or minor works inspections.

Outline of Service:

- ❖ Review private developers plans
- ❖ Carry out routine inspections during construction
- ❖ Carry out acceptance test
- ❖ Carry out final inspection
- ❖ Provide technical assistance
- ❖ Chlorinate main

Fee Justification: Sewer Main Inspections

- | | |
|--------------------------------------|----------------------|
| ❖ Routine inspection of main / meter | 5 min/m @ \$35/hr |
| ❖ Acceptance Test | 2.75 min/m @ \$35/hr |
| ❖ Final Inspection | 1.25 min/m @ \$35/hr |
| ❖ Vehicle rate | 9 min/m @ \$4.60/hr |
| ❖ Business Overhead | 50% |

Calculated fee: **\$8.57 per metre**

Proposed fee: **\$7.00 per metre with minimum of \$135 (being fee for supervision of a junction cut-in)**

Fee Justification: Water Main Inspections

- | | |
|--------------------------------------|------------------------|
| ❖ Routine inspection of main / meter | 4 min/m @ \$35/hr |
| ❖ Acceptance Test | 2.5 min/m @ \$35/hr |
| ❖ Final Inspection | 1.25 min/m @ \$35/hr |
| ❖ Chlorination of main | 1 min/m @ \$35/hr |
| ❖ Vehicle rate | 8.75 min/m @ \$4.60/hr |
| ❖ Business Overhead | 50% |

Calculated fee: **\$8.32 per metre**

Proposed fee: **\$5.50 per metre with minimum of \$135 (being fee for supervision of junction cut-in)**

Estimated income per annum:

Water mains	2500m @ \$5.50 = \$13,750
Sewer mains	400m @ \$7.00 = <u>\$28,000</u>
	Total = \$41,750

Fee Justification: Re-Inspection Fee

❖ Re-inspection per visit	1.75 hrs @ \$35/hr
❖ Vehicle rate	1.75 hrs @ \$4.60/hr
❖ Business Overhead	50%

Calculated fee: **\$99.92**

Proposed fee: **\$ 100**

Estimated income per annum: **10 @ \$100 = \$1,000**

Service: Private Developers Plan Resubmission**Common Service:** No**Monopoly Service:** Yes**Frequency:** 10 Per Annum**Current Fee:** \$100 minimum**Narrative:**

Council review and approve developers request for changes to previously approved water or sewer plans.

Outline of Service:

- ❖ Review proposed changes for compliance
- ❖ Provide technical support
- ❖ Re-issue approval letter if required

Fee Justification:

- | | |
|---------------------------|------------------|
| ❖ Provide technical input | 30 min @ \$35/hr |
| ❖ Clerical | 30 min @ \$35/hr |
| ❖ Postage | \$1 |
| ❖ Business Overhead | 50% |

Time to review varies on the extent and size of works amended. A minimum of \$50 for the first hour and then \$30 for each hour thereafter.

Calculated fee: **\$53.5 (minimum for first hour)****Proposed fee:** **\$50 for first hour and \$30 for each hour thereafter.****Estimated income per annum:** **\$500**

Service: *Approval of Developers Sewer Pump Station Rising Main Design*

Common Service: No

Monopoly Service: Yes

Frequency: 2 per Annum

Current Fee: \$200

Narrative:

Council reviews and approves private developers proposals for provision of sewer; pump stations/rising mains for assessment of:

- i) suitability for integration within the existing sewerage system.
- ii) proposed works conform to both industry and Council standards.

Outline of Service:

- ❖ Confer with owners representative on design standards/site specific issues
- ❖ Review technical data, design criteria and design plans. Identify required amendments.
- ❖ Review, condition, approve final design plans

Fee Justification:

- | | |
|---|-------------------|
| ❖ Preliminary discussion re design standards/site specific requirements | 2 hrs @ \$36/hr |
| ❖ Review final design plans, preparation of letter of conditions | 1.5 hrs @ \$36/hr |
| ❖ Clerical – filing, typing etc. | 30 min @ \$28/hr |
| ❖ Business Overhead | 50% |

Calculated fee: \$210

Proposed fee: **\$210**

Estimated income per annum: **\$420**

Service: ***Approval of Private Internal Residential Sewer Pump Station
Rising Main Design***

Common Service: No

Monopoly Service: Yes

Frequency: 2 per Annum

Current Fee: **\$75**

Narrative:

Council reviews property owners proposals for provision of minor internal sewer; pump stations/rising mains for assessment of:

- iii) suitability for integration within the existing sewerage system.
- iv) proposed works conform to both industry and Council standards.

Outline of Service:

- ❖ Confer with owners representative on design standards/site specific issues
- ❖ Review technical data, design criteria and design plans. Identify required amendments.
- ❖ Review, condition, approve final design plans

Fee Justification:

- | | |
|---|------------------|
| ❖ Preliminary discussion re design standards/site specific requirements | 45 min @ \$36/hr |
| ❖ Review final design plans, preparation of letter of conditions | 30 min @ \$36/hr |
| ❖ Clerical – filing, typing etc. | 20 min @ \$28/hr |
| ❖ Business Overhead | 50% |

Calculated fee: **\$81.50**

Proposed fee: **\$80**

Estimated income per annum: **\$160**

Service: *Approval of Extension of Sewer/Water Mains to Properties Outside Service Areas*

Common Service: No

Monopoly Service: Yes

Frequency: 5 Per Annum

Current Fee: \$100

Narrative:

In addition to subdivisions and site redevelopments, water/sewer main extensions can result from requests by property owners for connection of unserved properties. Generally, these properties were created when water and sewer facilities were not available in the area but as a consequence of ongoing developments, water and/or sewer facilities have been progressively constructed to the point where it is financially viable to connect. The process is the same as that for subdivisions and redevelopments, being the requirement to pay a developer charge and construct works, generally being for one property only with one residence connecting to either the water or sewer system.

Outline of Service:

- ❖ Request for conditions of connection received by letter or fax.
- ❖ Applicants proposal assessed and system capabilities reviewed
- ❖ Prepare and issue letters of conditions
- ❖ Review/condition/approve design plans (if required)

Fee Justification:

- | | |
|--|------------------|
| ❖ Review applicants request and investigate systems capabilities | 45 min @ \$25/hr |
| ❖ Prepare and issue letter of conditions | 30 min @ \$25/hr |
| ❖ Review design plans and issue construction requirements | 45 min @ \$36/hr |
| ❖ Clerical – filing | 30 min @ \$28/hr |
| ❖ Business Overhead | 50% |

Calculated fee: \$108.37

Proposed fee: **\$100**

Estimated income per annum: **\$500**

Service: *Sale of Sewer Plan Books*

Common Service: No

Monopoly Service: Yes

Frequency: 1 Per Annum for sale of sewer plan books
5 Per Annum for provision of monthly updates

Current Fee:	A3 Sheets in cardboard folder	\$360
	A3 Sheets in plastic pockets (3 folders)	\$465
	Annual charge for monthly updating service	\$247

Narrative:

Council produce and sell a reduced hardcopy set of sewer reticulation plans.

Outline of Service:

- ❖ Photocopy plans
- ❖ Send updated plans on a monthly basis to subscribers

Fee Justification: Cardboard folders

- ❖ Plan preparation 8 hrs @ \$27/hr
- ❖ Materials \$60
- ❖ Business Overhead 50%

Calculated fee: \$384

Proposed fee: **\$380**

Fee Justification: Hard cover folders with plastic pockets

- ❖ Plan preparation 10 hrs @ \$27/hr
- ❖ Materials \$90
- ❖ Business Overhead 50%

Calculated fee: **\$495**

Proposed fee: **\$495 (excluding GST)**

Fee Justification: Annual charge for monthly updates

❖ Plan preparation	12 x .5 hrs @ \$27/hr
❖ Materials	\$10
❖ Postage	\$12 x \$1.00
❖ Business Overhead	50%

Calculated fee: ***\$265***

Proposed fee: ***\$265***

Estimated income per annum:❖ ***Sale of sewer plan books with cardboard folders***

Nil @ \$380 = Nil

❖ ***Sale of sewer plan books with hard cover folders and plastic pockets***

1 @ \$495 = \$ 495

❖ ***Sale of monthly updates***

5 @ \$265 = \$1,325

\$1,820

Service: Statement of Available Pressure Flow**Common Service:** *Agreed common service No. 20***Monopoly Service:** Yes**Frequency:** 40 per Annum**Current Fee:** \$96**Narrative:**

Council provides information regarding the available water pressure in the Council's water mains at a given location for fire flow demands required for design purposes by a developer. This is carried out utilising Council's Plans, the GIS and Hydraulic model.

Outline of Service:

- ❖ Establish information required
- ❖ Locate exact location of the property
- ❖ Establish the water main which will service the property
- ❖ Determine the reduced level (RL) of the property
- ❖ Enter data into the hydraulic model, run and record the information
- ❖ Type up and record information
- ❖ Dispatch and file information

Fee Justification:

- | | |
|---|-------------------|
| ❖ Take query, locate and use data collected to provide the information required | 1.75 hr @ \$35/hr |
| ❖ Type up information, send and file information | 0.25 hr @ \$28/hr |
| ❖ Paper and photocopying cost | \$1.00 |
| ❖ Business Overhead | 50% |
| ❖ Postage or facsimile costs | \$1.00 |

Calculated fee: **\$100.87****Proposed fee:** **\$100****Estimated income per annum:** **\$4,000**

Service: Backflow Prevention Application and Registration

Common Service: *Agreed common service No. 17*

Monopoly Service: Yes

Frequency: 100 Per Annum

Current Fee: \$55.00 (including GST)

Narrative:

Register of Backflow Prevention devices is required under AS3500.

Outline of Service:

- ❖ Receive application for registration of Backflow Prevention Device
- ❖ Inspector to inspect, review and audit device
- ❖ Database of registered devices is kept and updated annually

Fee Justification:

- | | |
|--|------------------|
| ❖ Receipt monies and process application | 10 min @ \$27/hr |
| ❖ Inspection and testing of device | 1 hr @ \$35/hr |
| ❖ Vehicle costs | 1 hr @ \$4.60/hr |
| ❖ Process information into database | 10 min @ \$27/hr |
| ❖ Business Overhead | 50% |

Calculated fee: **\$72.90**

Proposed fee: **\$55.00 including GST**

Estimated income per annum: **\$5,000**

Service: Backflow Prevention Registration Renewal**Common Service: Agreed common service No.18****Monopoly Service:** Yes**Frequency:** 1000 Per Annum**Current Fee:** \$22.00**Narrative:**

Annual audit of all Backflow Prevention devices are required under AS 3500
 Inspectors receive results of tests performed by accredited plumbers. A review and audit of the results is undertaken. Random audits of the tests received from licenced plumbers are undertaken by Council plumbing inspectors. Complying systems are then re-registered, with the information entered into Council's database.

Outline of Service:

- ❖ Inspectors to review and audit test results
- ❖ Information entered into Council's register

Fee Justification:

- | | |
|--------------------------------------|------------------|
| ❖ Review and audit of test results | 15 min @ \$35/hr |
| ❖ Test results entered into database | 15 min @ \$27/hr |
| ❖ Letter of compliance issued | 15 min @ \$27/hr |
| ❖ Postage and Stationary | \$1.00 |
| ❖ Business Overhead | 50% |

Calculated fee: **\$33.38****Proposed fee:** **\$22.00 including GST****Estimated income per annum:** **\$20,000**

Service: Trade Waste Approvals**Common Service:** No**Monopoly Service:** Yes**Frequency:** 330 Per Annum**Current Fee:** Nil**Narrative:**

As a result of applications for Commercial or industrial Development Approvals, the applicant is required to obtain approval for discharge into Council's sewers. Council inspect the property and issue approval where compliant. The approval is current for 3 years, in which time the properties are inspected twice annually for compliance.

Outline of Service:

- ❖ Inspectors receive and review application
- ❖ Site inspection is required
- ❖ Approval notice is prepared
- ❖ Information entered into Council's register
- ❖ Two site inspection per annum

Fee Justification:

- | | |
|--|------------------|
| ❖ Review application, inspect site, prepare and issue approval | 1 hr @ \$35/hr |
| ❖ 2 inspections per year for three years (30 min each inspect) | 3 hr @ \$35/hr |
| ❖ Vehicle costs (for all inspections) | 4 hr @ \$4.60/hr |
| ❖ Business Overhead | 50% |

Calculated fee: **\$237.60****Proposed fee:** **Nil (due to asset protection)****Estimated income per annum:** **Nil**

Service: *Property Sewerage Diagram*

Common Service: *Agreed common service No. 2*

Monopoly Service: Yes

Frequency: 4,000 Per Annum

Current Fee: \$15.00

Home owners and plumbers obtaining a diagram for renovations or plumbing type activities receive the diagram only at a cost of \$2.00. Solicitors and conveyancing businesses receive a certificate of compliance and are charged the full \$30, or \$60 if it is required urgently (same day).

Narrative:

Council requires that all new sewer services to properties are inspected and that plumbers return a diagrammatic representation of the house service connections and internal plumbing.

These diagrams are then redrawn with alterations, prior to being imaged into Council's computer network. Diagrams are requested for conveyancing, alterations and plumbing works.

Currently theses services are not available electronically.

Outline of Service:

- ❖ Payment processed
- ❖ Check details of property in database
- ❖ Search for diagram on computer
- ❖ Print diagram
- ❖ If for conveyancing, or via fax, type and issue letter

Fee Justification:

- | | |
|--|------------------|
| ❖ Maintain records | 30 min @ \$27/hr |
| ❖ Receive request, search and retrieve diagram | 10 min @ \$27/hr |
| ❖ Type letter | 10 min @ \$27/hr |
| ❖ Stationary, facsimile and postage charges | \$1.00 |
| ❖ Business Overhead | 50% |

Non Certified Copy Calculated fee: ***\$28.00***

Certified Copy Calculated Fee: ***\$34.75***

Electronic Copy: ***Not Available***

Non Certified Copy Proposed fee: ***\$15.00***

Certified Copy Proposed fee: ***\$15.00***

Estimated income per annum: ***\$60,000***

Service: *Location of Water and Sewer Mains*

Common Service: No

Monopoly Service: No

Frequency: 25 Per Annum

Current Fee: Actual cost with a minimum of \$84.00

Narrative:

Private developers/contractors request the on-site indication of the alignment, and often depth, of water and sewer mains and services.

Outline of Service:

- ❖ Inspect available plans/long sections of main
- ❖ Attend site to physically identify alignment of main by measurement or use of pipe locating equipment
- ❖ Determine depth of main, if required, by accessing existing fittings on mains or by excavation/probing

Fee Justification:

- | | |
|---|-------------------|
| ❖ Site inspection –
Crew leader, crew member and vehicle | 1.5 hrs @ \$80.10 |
| ❖ Business Overhead | 50% |

Calculated fee: **\$180.23**

Proposed fee: **Actual cost with a minimum of \$165**

Estimated income per annum: **\$4,125**

Service: *Annual Metered Standpipe Hire***Common Service:** *Agreed common service No. 15***Monopoly Service:** Yes (metered standpipes can be used across both Gosford City and Wyong Shire)**Frequency:** 25 Per Annum**Current Fee:** Same as Annual Service Meter Charge for the size of the Standpipe
Narrative:

Private water carters and contractors hire metered standpipes to allow them to draw large quantities of water quickly from Council's water hydrants.

Outline of Service:

- ❖ Arrange purchase of metered standpipes from manufacturer.
- ❖ Provide hire agreement documentation to applicant.
- ❖ Receive hire fee and issue standpipe.
- ❖ Read metered water usage quarterly.
- ❖ Issue account for water usage and receive payment.
- ❖ Determine and monitor designated hydrants for use by water carters.
- ❖ Liaise with other contractors, eg. directional drilling contractors, on the appropriate hydrant for them to draw water.

Fee Justification:

Registration Charge

- ❖ The registration fee will be considered as an availability charge. Therefore the current availability charge according to the approved IPART Determination, apply for the meter size used.

Calculated fee: *N/A***Proposed fee:** *All Standpipes with a Connection less than 50mm to be charged at the 20mm service charge**All Standpipes with a Connection equal to or greater than 50mm to be charged at the 50mm service charge***Estimated income per annum:** *\$20,000*

Service: *Standpipe Hire – Security Bond*

Common Service: *Agreed common service No. 14*

Monopoly Service: Yes (metered standpipes can be used across both Gosford City and Wyong Shire)

Frequency: 25 Per Annum

Current Fee: Deposit (1 off refundable) \$596

Narrative:

Private water carters and contractors hire metered standpipes to allow them to draw large quantities of water quickly from Council's water hydrants.

Outline of Service:

- ❖ Arrange purchase of metered standpipes from manufacturer.
- ❖ Provide hire agreement documentation to applicant.
- ❖ Receive hire fee and issue standpipe.
- ❖ Read metered water usage quarterly.
- ❖ Issue account for water usage and receive payment.
- ❖ Determine and monitor designated hydrants for use by water carters.
- ❖ Liaise with other contractors, eg. directional drilling contractors, on the appropriate hydrant for them to draw water.

Calculated fee: *N/A*

Proposed fee: *Deposit: \$596.00*

Estimated income per annum: *Nil – Held as Deposit only*

Service: Metered Standpipe Usage

Common Service: *Agreed common service No. 16*

Monopoly Service: Yes (metered standpipes can be used across both Gosford City and Wyong Shire)

Frequency: 25 Per Annum

Current Fee: Water usage charge \$0.70/kL

Narrative:

Private water carters and contractors hire metered standpipes to allow them to draw large quantities of water quickly from Council's water hydrants.

Outline of Service:

- ❖ Arrange purchase of metered standpipes from manufacturer.
- ❖ Provide hire agreement documentation to applicant.
- ❖ Receive hire fee and issue standpipe.
- ❖ Read metered water usage quarterly.
- ❖ Issue account for water usage and receive payment.
- ❖ Determine and monitor designated hydrants for use by water carters.
- ❖ Liaise with other contractors, eg. directional drilling contractors, on the appropriate hydrant for them to draw water.

Fee Justification:

Water Usage

- ❖ The usage charge according to the approved IPART Determination.

Calculated fee: **N/A**

Proposed fee: **Water usage: \$0.75/kL in 2003/04**
\$0.80/kL in 2004/05

Estimated income per annum: **\$20,000**

Service: Water Service Connection (Including Application Fees for Connection or Disconnection)

Common Service: *Agreed common service No. 9, 10, 11 & 12*

Monopoly Service: Yes

Frequency:	Single dwelling residential	1,000 Per Annum
	Multi-dwelling residential/commercial	100 Per Annum

Current Fee:	Single dwelling residential	\$298
	Multi-dwelling/commercial	Quoted actual cost

Narrative:

Connect water services to new or redeveloped premises and upsize/downsize services to existing premises on application.

Outline of Service:

- ❖ Receive application and review the completeness of detail provided.
- ❖ Site inspection.
- ❖ Preparation of a quotation, where required.
- ❖ Liaison with applicant regarding site conditions or details on application including timing of connection.
- ❖ Send quotation to applicant.
- ❖ Receive payment.
- ❖ Install connection.
- ❖ Record details of connection for rating purposes.

Fee Justification:

- ❖ Connection fee for single dwelling residential previously established based on average connection cost for this type of service.
- ❖ Connection fee for multiple or larger service based on firm quotation of estimated actual cost.
- ❖ Business Overhead 50%

Calculated fee:

Single dwelling residential - Expenditures recorded in Council's financial costing system indicate an average connection cost of \$383 including a \$38 administration charge for 20mm services.

Multiple and larger connections should continue to be charged the estimated actual cost

Proposed Application fee for connection or disconnection of:

<i>20-25mm meter:</i>	<i>\$38.00</i>
<i>32-65mm meter:</i>	<i>\$38.00</i>
<i>80mm or greater meter:</i>	<i>\$38.00</i>
<i>Multiple and large services – estimated actual cost</i>	

Proposed Connection Fee for a 20mm Meter: \$300.00 (including application fee)

***Proposed Connection Fee for Greater than 20mm: Quoted Cost of works plus
application fee of \$38.00***

Estimated income per annum: \$500,000

Service Sewer Connection fees

Monopoly Service: Yes

Frequency: 800 per annum

Current Fee:	New Sewer	\$150
	Plus each additional WC	\$54
	Alterations	\$100
	Plus for each additional WC	\$54
	Units/Villas (1 WC each flat or unit)	\$115
	Caravan Connection Fee	\$65
	Sewer Re-Inspection Fee	\$77

Narrative:

Developments requiring connection to, or alteration to existing connection to Council's sewer requires inspections to provide protection to Council's sewerage system.

Outline of Service:

Inspections are carried out of the following:

- ❖ Internal Drainage Line
- ❖ External Drainage Line
- ❖ Final Inspection

The changes where alternations are carried out may not involve the connection to Council's sewer. Villas, units and caravans may not require the same number of inspections for internal nor external line inspection and final connection.

Fee Justification:

New Sewer (1 WC)

❖ Minimum 3 inspections at 1 hour per inspection	3 hrs @ \$35/hr
❖ Clerical/Administration	0.3 hrs @ \$27/hr
❖ Business Overhead	50%

Additional WC

❖ 1 additional inspection for line and connection to internal system	1 hr @ \$35/hr
❖ Clerical/Administration	0.2 hrs @ \$27/hr
❖ Business Overhead	50%

Calculated Fee (1 WC): **\$169.65**

Proposed Fee (1 WC) **\$170**

Calculated Fee (Additional WC): **\$60.60**

Proposed Fee: **\$60**

Fee Justification: Alterations

❖ Minimum 2 inspections (internal and external)	2 hr @ \$35/hr
❖ Clerical/Administration	0.2 hrs @ \$27/hr
❖ Business Overhead	50%

Calculated fee: **\$113.10**

Proposed fee: **\$110**

Additional WC – as above

Fee Justification: Units, Villas

❖ 2 inspections per unit/villa (internal and external line inspections)	2 hr @ \$35/hr
❖ 1 inspection for final inspection to Council's sewer	0.25 hr @ \$35/hr
❖ Clerical/ Administration	0.3 hr @ \$27/hr
❖ Business Overhead	50%

Calculated Fee (per villa or unit): **\$130.28**

Proposed Fee **\$130**

Additional WC – as above

Fee Justification: Caravan Connection Fee:

❖ 1 inspection for external line	1 hr @ \$35/hr
❖ Portion of final inspection for connection	0.25 hr @ \$35/hr
❖ Clerical/Administration	0.25 hr @ \$27/hr
❖ Business Overhead	50%

Calculated Fee **\$75.75**

Proposed Fee **\$75**

Fee Justification: Sewer Re Inspection Fee

❖ Inspection	1hr @ \$35/hr
❖ Inspection Report completion	0.5 hr @ \$35/hr
❖ Clerical/Administration	0.2 @ \$27/hr
❖ Business Overhead	50%

Calculated Fee: **\$86.85**

Proposed Fee: **\$87**

Total estimated income per annum: **\$100,000**

Service: Water Reconnection Fee**Common Service:** Agreed common service No. 7**Monopoly Service:** Yes**Frequency:** 2 Per Annum**Current Fee:** \$ 30.00**Narrative:**

Where a customers water supply is restricted or disconnected due to non payment, Council will reconnect the service either inside or outside of normal business hours. Disconnection does not happen without dunning letters and contact being made with the property owner to try and establish a repayment option.

Outline of Service:

- ❖ Phone contact made where possible to inform customer of possible disconnection
- ❖ Staff member attends property to disconnect meter
- ❖ Details entered into Council mainframe
- ❖ Meter Reconnected upon payment of outstanding debt or agreement to repayment schedule.

Fee Justification:

- | | |
|--|-----------------|
| ❖ Re-connect meter (Business Hours) | 1hr @ \$28/hr |
| ❖ Vehicle costs | 1hr @ \$4.60/hr |
| ❖ Update Council database and receipt monies | 15 min @ 28/hr |
| ❖ Re-connect meter (Outside BH's, minimum 4 hours) | 4 hrs @ \$28/hr |
| ❖ Business Overhead | 50% |

During Business Hours Calculated fee: **\$58.80****Outside Business Hours Calculated fee:** **\$185.40****Proposed fee:** **\$30.00****Estimated income per annum:** **\$60.00**

Service: *Approval for Adjustment of Sewer/Water Mains*

Common Service: **Agreed common service No. 13**

Monopoly Service: Yes

Frequency: 10 Per Annum

Current Fee: Nil

Narrative:

Water/sewer main relocations can result from requests by developers to accommodate new buildings, other infrastructure etc.

Outline of Service:

- ❖ Request for conditions of adjustment received by letter or fax.
- ❖ Applicants proposal assessed
- ❖ Prepare and issue letters of conditions
- ❖ Review/condition/approve design plans (if required)

Fee Justification:

Review applicants request

1 hr @ \$36/hr

- ❖ Prepare and issue letter of conditions
- ❖ Review design plans and issue construction requirements and adjust Authority records
- ❖ Business Overhead

45 min @ \$36/hr

3 hrs @ \$36/hr
50%

Calculated fee:

\$256.50

Proposed fee:

\$250

Estimated income per annum:

\$2,500