



# David Mehan MP

STATE MEMBER FOR THE ENTRANCE

17 October 2018

Central Coast Council price review 2019  
Independent Pricing & Regulatory Tribunal  
PO Box K35  
HAYMARKET NSW 1240

Dear Sir/Madam,

**Review of prices for Central Coast Council's water,  
sewerage and related services from 1 July 2019**

The Independent Pricing and Regulatory Tribunal (IPART) is conducting a review of prices for Central Coast Council's water, sewerage and related services from 1 July 2019<sup>i</sup>. IPART has released an Issues Paper which provides relevant background information and identifies key issues to assist the Council and other interested parties in making submissions.

I make this submission on behalf of constituents of The Entrance state electorate.

The Entrance electorate is centrally located on the Central Coast and includes the suburbs of North Entrance, The Entrance, Long Jetty, Bateau Bay, Tumby Umbi, Killarney Vale, Berkeley Vale, Tuggerah, Fountaindale, Glenning Valley and Ourimbah which were in the former Wyong Shire Council and Lisarow, Niagara Park, Wyoming and Narara which were in the former Gosford City Council.

I will comment on two things:

1. The method used by IPART to determine the notional revenue requirement (NRR) of Council, i.e. IPART's assessment of the total efficient cost of providing its water and sewerage service.
2. Councils proposed pricing.

In relation to the NRR, I make the following points:

- a. All prices should be determined. This supports community acceptance and avoids special pleading. Accordingly, I do not support unregulated pricing agreements. I note Council has, in the past, negotiated prices for non-regulated services, such as recycled water. The negotiation process has

caused occasional disputes and a better outcome would be for all prices to be determined for a reasonable time frame to allow all parties to better plan.

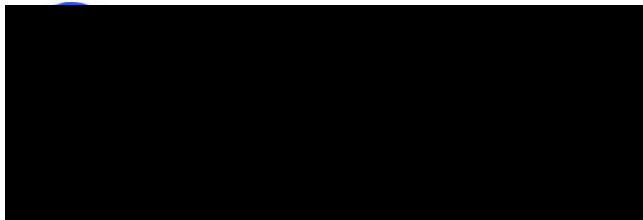
- b. The determination should be as simple as possible to allow it to be understood by the community. Understanding will also assist community support for the pricing scheme.
- c. **Most importantly:** The cost of service delivery should be based on efficient **not-for-profit** delivery. The IPART is well equipped to determine the efficient delivery cost of this service. An allowance for meeting tax obligations should not be included. This is not a market testing exercise. The Central Coast community supports ownership of its water and sewer service and expects these be delivered efficiently and on a not-for-profit basis. If this approach is rejected by IPART then clear comparison of the cost difference which results for addition of the tax allowance should be made.

In relation to Councils submission, found [here](#)<sup>ii</sup>, I make the following comments:

- d. My office receives a larger number of complaints from constituents which relate to de-regulated and market delivered services, such as electricity. My office receives relatively few complaints about Councils water and sewerage service so, in that regard, the community I represent seems content with the service provided.
- e. I have received a small number of complaints have been received regarding sewer odour around the Bateau Bay area. I note Council is aware of these and seeks to address them.
- f. I do note that in 2016 my office assisted the residents of retirement villages on the Coast who were dissatisfied that they were not eligible for a pensioner rebate saying who petitioned the NSW Parliament in these terms: "The undersigned petitioners therefore ask the Legislative Assembly to review and amend the Local Government Act 1993 no.30 to ensure that residents within retirement villages within the boundaries of Gosford City Council and Wyong Shire Council receive the same level of eligibility for a rebate enjoyed , by customers of Sydney Water and by those pensioner customers who do not live within retirement communities". A link to the petition and the government response is [here](#). Council responded by aligning the charges for former Gosford City retirement villages to those charged in Wyong Shire. This resulted in significant price reductions for villages in the former Gosford area. The IPART should consider whether retirement villages might be more fairly priced as residential users in the same way as residential flats and units.
- g. I also note a small number of representations from constituents of strata schemes dissatisfied with a lack of control over the cost of water at un-metered premises.

- h. In relation to Councils submission with respect to stormwater charges I note that northern part of the region is typically low lying and drainage is a community concern. It would seem fair and reasonable that all residents contribute to the costs of drainage.
- i. Council has a significant number of rateable properties which use on-site sewerage disposal devices. Council should be invited to assess the capital cost of connecting these to the sewer system and should be allowed to have these costs factored into the NRR.

Yours sincerely,



**David Mehan**  
Member for The Entrance

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<sup>i</sup> <https://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Metro-Pricing/Prices-for-Central-Coast-Council-from-1-July-2019>

<sup>ii</sup> <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/pricing-reviews-water-services-metro-water-prices-for-central-coast-council-from-1-july-2019/legislative-requirements-prices-for-central-coast-council-from-1-july-2019/central-coast-council%e2%80%99s-submission-%e2%80%93-summary-ipart%e2%80%99s-review-of-prices-for-central-coast-council.pdf>