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“Riverwood” Angus Cattle Farm

24 April 2019

Submission to IPART NSW on the draft report for review of Central Coast Council’s water, sewer and stormwater drainage prices

To IPART’s Tribunal Members,

We have read IPART’s draft report on the above and wish to submit the following comments regarding your recommendations for stormwater drainage charges:

- We agree with IPART’s recommendation that the standard low-impact price for stormwater services should be applied to farmland and other rural properties (1.2, p.2; 1.8: 32, p.15; p.101).
- We agree that properties classified as ‘farmland’ within the council’s declared drainage area should be those classified as ‘farmland’ for general rating purposes (1.2, p.4).
- We agree that the standard low-impact price for stormwater on residential, farmland and other non-residential customers classified as low impact should be \$105.11 per year (1.2, p.4).
- We agree that the low impact rate of \$105.11 per year should be maintained across the three-year period from 2019-20, 2020-21 and 2021-22 (Table 1.3, p.5).
- We assert that the term ‘vacant land’ is inadequately defined. Table 1.3 does not make clear whether ‘vacant land’ applies only to residential or also to non-residential land that has no infrastructure built upon it. For example, is land ‘vacant’ if it has no buildings, e.g. houses, sheds, stockyards, but cattle graze on it? (Table 1.3, p.5). The definition given in 9.3 of “no capital improvements and no impervious surfaces” might apply to some ‘farmland’ depending on whether ‘fences’ are considered to be a capital improvement (9.3, p.101).
- We disagree with IPART’s support of Central Coast Council’s claim that stormwater drainage charges are justified because “the need for stormwater management is created by all residents” (Table 1.4, p.7, see also p.98). Rates and other council charges are levied on property owners, not on residents. The fact that this document refers to ‘residency’ as justification for charges shows just how ‘muddy’ these stormwater levies are: there are an

untold number of ‘residents’ on the Central Coast who are not liable for these charges because they don’t own property. What IPART and the Central Coast Council is actually saying is that property owners should pay for the services that non-property owning residents also enjoy – yet make it sound like this is justifiable by conflating the two entirely distinct categories of persons. If ‘residency’ is the justification for these charges then find a legal way to charge everyone for stormwater drainage services who lives on the Central Coast. If being a ‘property-owner’ is the legal justification for imposing these charges then don’t diminish how discriminatory this is by using the broader term ‘residents’.

- We agree that Central Coast Council needs to improve its consultation process with customers, especially those who would potentially be adversely affected by any proposed changes. We are also highly critical of the way in Central Coast Council’s current consultation process is almost entirely urban focused along the coastal fringe with virtually no effort made to consult with rural hinterland customers until after their proposal to IPART had already been submitted (1.6, p.12).
- We point out the lack of transparency and accountability in IPART’s own consultation process. Table 2.1 (p.23) indicates that between the public hearing held in November and the release of its Draft Report in April it engaged two consultants to review Council’s proposal. Their reports can be found on IPART’s website. In 9.4:32 (p.102) IPART reveals it sought further information from Central Coast Council regarding the extent of its stormwater services and it accepted the information given by Council to mean that Council provides stormwater drainage services in *all* rural areas west of the M1. We strongly dispute this claim. As many people stated in the earlier submission stage and at the public hearing the stormwater drainage system which consists of pipes draining stormwater into a stormwater drainage system is almost completely absent west of the commercial areas of Somersby parts of Tuggerah west of the M1. The culverts that are present in rural areas simply drain stormwater underneath roads into drains on the side of the road that then discharge onto rural properties. This then is part of road maintenance, not stormwater drainage and road maintenance is not a rateable charge. We would like to know why Central Coast Council’s response has not been put up for public view on IPART’s website. We suspect it is because it would not pass public scrutiny.
- We are also critical that Central Coast Council’s revised proposal for stormwater charges on farmland was also not published on IPART’s website. If the Central Coast Council has submitted a revised proposal to IPART then surely it should be available for scrutiny and comment as part of the stakeholder consultation process outlined by IPART in Table 2.1 (see above). This lack of transparency could easily be misunderstood as some form of improper collusion between IPART and Central Coast Council.
- We strongly support IPART’s recognition that Central Coast Council cannot currently charge for stormwater services in the area west of the M1 that the Minister has not declared to be a drainage area (9.4.3, p.103). We argue that Central Coast Council acted in bad faith by trying to have these charges endorsed by IPART in both the former Wyong and Gosford shires despite its full knowledge that Wyong Council had conceded

to do so was unlawful. We argue that Central Coast Council should rebate all stormwater drainage charges that it has improperly imposed on ratepayers in the former Gosford district since its formation.

- We agree that Central Coast Council should publish its process for eligibility for the low-impact rate on Council's website from 1 July 2019 (1.8:36, p.16).
- We strongly argue against the suggestion that an alternative to levying a separate charge for stormwater drainage charges is that these costs should be recovered through Council rates (9.4.2, p.103). Council rates are levied on the unimproved land value of each rated property as set by the Valuer General. IPART's proposal that stormwater drainage charges could somehow be added on to land rates appears highly inappropriate as it would compromise the integrity of the conventional rating system and provide a way in which the stormwater charges that might otherwise be unlawful or excessive would be disguised by their inclusion in the base rate charge. This alternate method of levying stormwater drainage charges lacks transparency, due process and good will.

Yours faithfully,

John and Marilyn Wood