

# Review of Water, Sewerage and Stormwater Drainage prices



Summary of Wyong Shire Council's Pricing Proposal to IPART

IPART, as Council's pricing regulator, is currently reviewing Wyong Shire Council's prices for water, sewerage and stormwater drainage services. This review will set new prices to come into effect from 1 July 2013. Council has proposed that the prices be set for a four year period (price path) from 2013/14 to 2016/17.

Council has completed a submission covering its forecast future costs and price proposals in response to IPART's Issues Paper - *Review of prices for water, sewerage and stormwater services for Gosford City and Wyong Shire Councils*.

Council's pricing submission document is now publicly available on IPART's website.

As part of the pricing review IPART will also be reviewing certain aspects of the way Wyong's developer charges are calculated. Council's response to the developer charge issues that IPART has raised are incorporated into the pricing submission document.

This Fact Sheet provides a brief overview of the pricing process, proposed prices and a typical customer impact summary.

Please note that all prices and monetary values in this Fact Sheet are expressed in real 2012/13 dollars and do not include any allowance for future inflation.

## Providing high quality services

Wyong Shire is the Central Coast regional growth area. As more people and businesses establish themselves in the area Council is committed to providing residents with access to reliable, efficient and high quality water, sewerage and stormwater drainage services.

The funds raised by water, sewerage and stormwater drainage charges allow Council to:

- maintain, operate and improve the community's water, sewerage and stormwater drainage systems
- harvest, treat and deliver safe drinking water to 62,800 properties through over 1,200 kilometres of water mains

- transport and treat sewage from 61,500 properties through over 1,200 kilometres of sewerage mains and 143 sewage pump stations to protect public health and the environment
- collect, transport and dispose of stormwater through 500 kilometres of pipes and channels in a safe and environmentally sound manner to reduce risk to life and damage to property

## Investing for the future

A number of major projects will be undertaken during the next four year price path to allow Council to maintain and improve water, sewerage and stormwater drainage services. These projects include:

### Water Projects

- Mardi Water Treatment Plant capital works plan which includes replacement and upgrade of existing assets to improve reliability and performance of the treatment processes (\$1.7M)
- Renewal of water mains to reduce the risk of water main failures (\$1.6M)
- Water Pump Station Renewal Program (\$1.9M)
- Delivery of Mardi to Warnervale Trunk Main (\$25M)
- Pre-construction activities associated with additional pre-treatment facilities to improve water quality (\$1.4M).

## Sewerage Projects

- Upgrades to Wyong South and Charmhaven Sewage Treatment Plants to cater for future growth and replace aging infrastructure (\$25M)
- Sewerage main renewal program to reduce the number of chokes and associated surcharges (\$3M)
- Sewage Pump Station Renewal Program, including civil, mechanical and electrical refurbishments to reduce risk to the environment and public health (\$10.5M).

## Stormwater drainage projects

- Improved trunk stormwater drainage in the Wyong CBD area (\$1.4 million) to reduce the risk of damage to property and road inundation
- Construction of the Warnervale Road culverts (\$1.77M) and the Minnesota Road culverts (\$2.44M) to reduce the public risk associated with road inundation.

## Council's proposed price changes

	2013/14 *	2014/15 *	2015/16 *	2016/17 *
Water Service Charge	CPI + 4.6%	CPI + 11.4%	CPI + 10.5%	CPI + 10.4%
Water Usage Charge	CPI + 10.9%	CPI + 6.4%	CPI + 4.0%	CPI + 3.8%
Sewerage Service Charge	CPI + 11.3%	CPI + 11.8%	CPI + 13.7%	CPI + 13.5%
Sewerage Usage Charge	CPI	CPI	CPI	CPI
Drainage Service Charge	CPI + 10.5%	CPI + 10.5%	CPI + 10.5%	CPI + 10.5%

\* Proposed price change from previous year's price

The prices proposed by Council are an outcome of rising cost pressures across the businesses in particular due to;

- increasing system refurbishment costs
- increasing electricity costs
- financial impacts of new capital projects eg Mardi to Mangrove Link
- establishment costs of Central Coast Water Corporation
- capital expenditure programmes

## Proposed price changes on an average residential bill

Average Annual Residential Bill - Combined Water, Sewerage and Stormwater Drainage Charges for households consuming 160 kilolitres per annum (2012/13\$)					
	2012/13	2013/14	2014/15	2015/16	2016/17
Water service charge	167.35	175.05	195.00	215.50	238.00
Water usage charge	339.20	376.00	400.00	416.00	432.00
Sewerage service charge	463.44	515.81	577.00	656.50	745.00
Stormwater service charge	89.77	99.20	109.61	121.12	133.84
Total Bill	1059.76	1166.06	1281.61	1409.12	1548.84
Proposed real change in average bill compared to previous year		10%	9.9%	9.9%	9.9%

While the maintenance and improvements to our water, sewerage and stormwater drainage infrastructure and delivery of these services necessitates Council seeking higher than CPI prices over the next pricing path, Council is conscious of the impact of these price rises on its customers. To minimise customer impacts Council has proposed that prices be smoothed each year across the four year period resulting in more even annual price changes.

# HAVE YOUR SAY

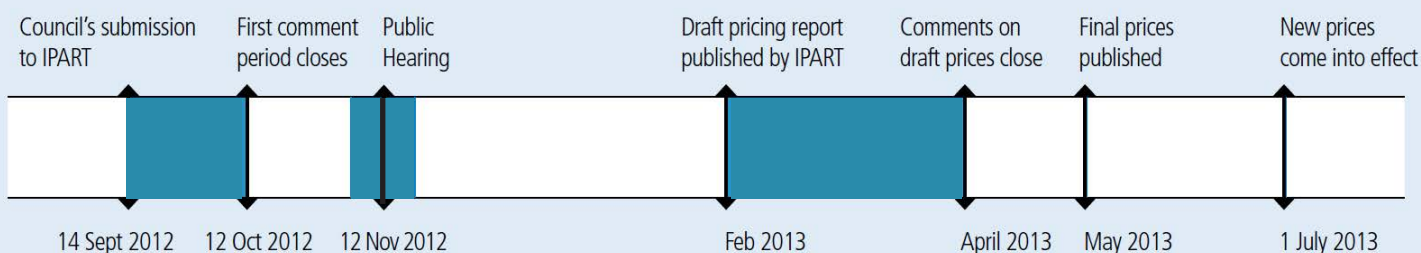
## Have your say in the pricing process

IPART and Council welcome your contributions to the price setting process. As the timeline below shows, the main opportunities for you to have your say are up to **October 12 2012** and during **March and April 2013**.

### You can:

- provide a submission in response to IPART's Issues Paper
- provide a submission in response to Council's Pricing Submission (by **12 October**)
- attend a public hearing (**12 November 2012**)
- provide a submission in response to IPART's Draft Pricing Report (**March/April 2013**)

For assistance in making a submission please see the "More Information" section below.



Key = Opportunities to have your say about Wyong Shire Council's future water, sewerage and drainage prices (prices to take effect 1 July 2013)

### More information

For more information about IPART's price setting role and how to lodge a submission go to



[www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

IPART can be contacted on



(02) 9290 8400



For information on Wyong Shire Council's current water, sewerage and stormwater drainage prices and how and where these charges are applied please visit [www.wyong.nsw.gov.au](http://www.wyong.nsw.gov.au)