

WYONG SHIRE COUNCIL

SUBMISSION TO THE

INDEPENDENT PRICING AND REGULATORY TRIBUNAL

PROPOSED PRICE PATH FROM JULY 1 2005

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1 INTRODUCTION

Council operates its water business under the provision of the Water Management Act 2000. Services provided by this business relate to the provision, operation and maintenance of water supply, sewerage and drainage infrastructure. The Shire has a population of over 140,000 and has been experiencing sustained growth, particularly over the past decade, which is expected to continue at between 2.1% and 2.2% pa over the period of this determination.

The water supply business includes the full range of operation, maintenance and capital works activities associated with the water supply catchment, water harvesting, treatment and distribution to customers. Major headworks components such as dams, weirs, treatment plants and bulk water distribution reservoirs are shared with Gosford City Council and administered by a joint Board. Water supply infrastructure associated with the distribution of water to customers is the responsibility of each individual Council.

Council provides water to a permanent population of approximately 140,000 via over 57,000 metered connections. Over 14,500ML of water is supplied annually, during periods of unrestricted water usage, with peak demands ranging from 35ML/day in winter to 100ML/day in summer. Since February 2002 the Shire has been subject to water restrictions resulting in reductions in demand of upto 16%.

Council's sewerage business includes operation and maintenance of the sewage system together with the provision of capital works and effluent and sludge disposal. A sewerage connection is provided to over 55,000 properties. Sewerage is treated at one of six treatment plants located throughout the Shire with surplus effluent being discharged to the ocean via two outfalls. Sewage is treated to a secondary or advanced secondary standard. All sludge is composted for re-use. Less than .1% of effluent is currently reused. Plans have been implemented to increase this to .8% by 2005.

Council's objective for the Water Supply and Sewerage businesses is to "provide cost effective services that meet customer service standards, conform with health and environmental requirements and are provided in a timely manner consistent with development needs". To assist in achieving this objective Council has developed a best practice Strategic Business Plan for its water and sewerage business. The Plan has been prepared in accordance with the requirements of the Department of Energy, Utilities and Sustainability best practice Guidelines.

Drainage capital works and related operating costs are funded from the water supply and sewerage functions. In older areas of the Shire, inadequate drainage systems have led to significant local flooding problems. Council has had an ongoing program to upgrade these older systems which will continue for at least the next twenty years. Much of the existing drainage infrastructure requires refurbishment which is carried out under this programme. The objective for the drainage function is to minimise damage to properties caused by flooding.

Council is faced with increasing costs arising from a combination of factors. The most significant of these are:

- * implementation of contingency measures associated with the current drought.
- * implementation of measures, associated with the long term water supply security.
- * addressing the implications of water sharing plans on water harvesting.
- * providing and servicing information systems to meet regulatory reporting requirements.

2 CURRENT AND FUTURE OPERATING ENVIRONMENT

2.1 Current Environment

The major influence impacting the current operating environment is a water supply drought that is the worst in recorded history. The drought has had impacts in the following areas:

- * planning for future long term water security
- * drought contingency plan implementation
- * water sales as a result of water restrictions

Other influences include:

- * State Government proposal to merge Gosford and Wyong Councils' water functions.
- * development of a Water Strategic Business Plan to meet regulatory requirements.
- * continued growth

2.1.1 Long Term Water Supply Security

Council is currently experiencing its worst drought on record with water supply storages being at their lowest level since 1987.

The drought has impacted water supplies since 1992, from which time they have fallen from 70% to their current level of about 24%.

By February 2002 the storages had fallen to 41%. This represented about 8 years of usable storage based on the rate at which the storages had drawn down over the previous 10 years. While system modelling, based on historical rainfall and streamflow data, indicated that a return to normal rainfall patterns, and the storages subsequently recovering, was imminent, the Board of the Gosford and Wyong Councils' Water Authority considered it prudent to review the long term water supply strategy for the Central Coast which was then over 20 years old. This involved the letting of a major consultancy to the Department of Commerce to review various options including:

- * reducing usage through demand management
- * effluent re-use to substitute for potable water use
- * further extractions from run of river flows
- * use of groundwater
- * desalination

The reports resulting from this consultancy are currently on public exhibition and form the basis of "WaterPlan 2050".

Decisions in relation to longer term works associated with Waterplan 2050 will be made by mid 2005 and will include significant future capital expenditure to ensure the long term security of water supply for the Central Coast.

Works required in the short term to improve system security and speed recovery from the drought include:

- * Augmentation of the Lower Wyong River Pumping System
- * Construction of the Mardi High Lift Pump Station
- * Augmentation of the Mooney Mooney Transfer System
- * Raising of Mardi Dam

2.1.2 Water Supply Contingency Planning

Contrary to expectations the drought not only continued significantly past 2002 but worsened.

The Board of the Gosford and Wyong Councils' Water Authority implemented Level 1 Water Restrictions in February 2002 and Level 2 / 2A Water Restrictions on 17 May 2004 and 1 August 2004 respectively.

Together with the water restrictions, the Councils have implemented a range of contingency measures targeted at managing the Central Coasts water reserves through the drought. These included:

- * community education to encourage water conservation
- * retrofit of Council facilities with water efficient appliance and devices
- * provision of rainwater tanks to Council properties and schools
- * a programme to refit residential homes with water efficient devices
- * a programme of industrial audits targeted at implementing appropriate water management strategies.
- * a programme to retrofit rainwater tanks to existing residential properties
- * amendments to operational procedures to reduce water losses during mains and reservoir cleaning
- * a system leakage reduction programme
- * effluent re-use via tankers for landscape watering and construction works
- * effluent re-use systems at Bateau Bay and Toukley Sewage Treatment Plants to service the Tuggerah Lakes Golf Club, Toukley Golf Club and adjacent areas.
- * effluent re-use system upgrades at Wyong South, Mannering Park, Charmhaven and Gwandalan Sewage Treatment Plants for use within the treatment plants and external use via tankers.
- * investigations to further external effluent re-use to the community adjacent to these treatment plants.
- * Investigation into effluent re-use for industrial water at Vales Point and Munmorah Power Stations
- * Investigation into the feasibility of a dual water (potable and non-potable) for the new release areas in the north of the Shire.
- * investigation and development of bore water sites for both non-potable and potable uses
- * purchase of water from the Hunter Water Corporation
- * pre-construction activities associated with construction of a desalination plant
- * operational contingency planning associated with accessing low level supplies in Mangrove Creek Dam, Mardi Dam and Lower Mooney Dam.

2.1.3 Reduced Water Sales Resulting from Restrictions

The introduction of water restrictions in February 2002 has resulted in water sales being significantly less than those provided for in the IPART determination effective from July 1 2003. A comparison of sales is as follows:

Year	Determination Prediction	Actual / Estimate	Difference	'Lost' Revenue
2003/2004	15,000 ML	13,467 ML	(1,533) ML	(\$1,119,000)
2004/2005	15,000 ML	11,763 ML	(3,237) ML	(\$2,444,000)

2.1.4 Proposed Merger of Gosford and Wyong Councils' Water Functions

The minister for the Department of Energy, Utilities and Sustainability (DEUS) in a meeting in early 2004 requested Gosford and Wyong Councils to investigate options for merging their water functions

The cost of these investigations had totalled over \$150,000 to date.

2.1.5 Water Strategic Business Plan

Best Management Guidelines, as published by DEUS, provide for the development of a Water Strategic Business Plan that addresses:

- * Pricing and Developer Charges
- * Demand Management
- * Drought Management
- * Performance Reporting
- * Integrated Water Cycle Management
- * Customer Services
- * Asset Management

IPART through its determination and consultants reports has also encouraged the preparation of such plans.

Council has progressed significantly in developing these plans at a cost, to date, of approximately \$180,000. The estimated total cost of developing final documents is \$400,000 excluding Waterplan 2050 documents associated with Integrated Water Cycle Management.

2.1.6 Continued Growth

The Shire has experienced continued population growth of approximately 2.2% over the determination period. This growth has continued to place an upward pressure on capital works and operating expenditures.

2.2 Future Operating Environment

The major influence associated with the future operating environment, in the short to medium term, will be impacts of the drought. These will include ongoing:

- reduced water sales as a result of restrictions
- cost of contingency plan implementation

Other influences include:

- management cost of the new IT system
- costs associated with meeting regulatory requirements stemming from the Strategic Business Plan, particularly Asset Management
- impacts of Water Sharing Plans
- ongoing Growth

In the longer term the major influences will be the outcomes of Waterplan 2050 and the possible impacts of contingency plans if the drought continues. This could include the construction and ongoing operation of a desalination plant. Regardless of which option is pursued the costs associated with a desalination plant would be comparable to those for other options.

2.2.1 Reduced Water Sales

Council's estimated future water sales are detailed at Section 5.2 and at Appendix A.

Estimates indicate that water sales will be down approximately 20%, on average, over the period 2005/2006 to 2008/2009 compared to estimated sales had water restrictions not been in place.

2.2.2 Contingency Plan Implementation

Many of the contingency plans detailed in Section 2.1.2 will result in ongoing costs for as long as the drought continues eg. community education, purchase of water from the Hunter Water Corporation, tankering of effluent for re-use.

A number of the contingency plans relate to demand management initiatives that have been bought forward and expedited as a result of the drought eg. effluent reuse to Toukley Golf Course. Operation and maintenance costs associated with these plants will continue beyond the end of the drought.

2.2.3 Strategic Business Plan / Asset Management

A review of water and sewerage staff resources has indicated that four new positions will be required, at an annual cost of approximately \$380,000, to meet regulatory requirements associated with the development and maintenance of the Water Strategic Business Plan and enhancement of associated asset management systems.

2.2.4 Water Sharing Plans

The final impact of water sharing plans is still unknown however the nett result will be to force Council to access higher cost water. This will place upward pressure on capital and operating expenditures. The possible impact of water sharing plans on future expenditures is addressed in the options review for Waterplan 2050. This is further discussed in Section 5.4

2.2.5 Growth

Population growth is predicted to continue at between 2.0% pa and 2.2% pa between 2005/2006 and 2009/2010. This will continue to place upward pressure on capital and operating expenditures.

3 PRICING

3.1 Price Path Period

Council, under normal circumstances, would recommend a price path period of at least four years. This would provide some level of certainty to customers and reduce workloads and costs associated with the review process. However, given the current operating environment and level of uncertainty due to the drought and its financial impacts for implementing short term contingency measures and longer term system security requirements, Council is of the view that a long price path period is undesirable. Council's future financial requirements will be heavily influenced by whether the drought continues or breaks. Therefore future price paths will need the flexibility to respond accordingly.

A number of options to address the short, medium and long-term demand/supply imbalance issue are currently being investigated by Gosford-Wyong Councils' Water Authority. Each option has major implications for operating and capital expenditures over the next five years.

While having different operating and capital requirements each of the options being considered has very similar revenue requirements and hence similar “order of magnitude” pricing impacts. Based on the current stage of the investigations as well as the nature of the options being considered there is a degree of forecast risk associated with the estimates of operating and capital expenditure for each option.

A decision on which option will be implemented is yet to be made. This pricing submission is based on the option that, given current projections, results in the long-term least cost path while achieving service quality and performance targets.

Council considers that there is merit in investigating alternate pricing structures, including integrated water management pricing and ‘inclining block tariffs’ as a potential demand management tool. Other issues requiring investigation are stormwater pricing and recycled water pricing. It is clear that significant customer impacts result and considerable analysis is required to fully assess the implications of these pricing options. Time and resources are not available to conduct these investigations prior to this determination.

For the above reasons Council recommends that the price path period be limited to a maximum of two years.

3.2 Pricing Methodology

Council utilises a long-term (30 year) financial planning model to calculate revenue requirements and pricing required to achieve the lowest level of sustainable and stable water and sewerage bills. The approach to pricing is consistent with the approach utilised by the Department of Energy, Utilities and Sustainability’s (DEUS) NSW Financial Planning Model (FINMOD).

The model projects the long term net cash flows from operations, capital and financing activities and facilitates the modelling of a number of charge / loan raising combinations that will result in a minimum cash and investment balance over the medium to long term.

Council recognises that the Tribunal utilises the “three building block” approach to assess revenue needs. Council however, considers its’ approach, and that of DEUS, superior in calculating prices necessary to ensure continued financial viability while at the same time yielding the lowest level of stable water and sewerage charges. This is particularly the case in the current operating environment and in view of the significant increase in cash requirements identified over the next four years.

Councils’ approach also overcomes its concerns with the Tribunals use, and estimates, of the regulatory asset base and weighted average cost of capital used to calculate return of, and on capital.

3.3 Pricing Proposal

As indicated in section 3.1 Council is seeking prices for the two year period July 1 2005 to June 30 2007. In modelling its pricing proposal Council considers that increasing prices over the proposed two year period to the level required to ensure medium to long term financial viability would require excessive annual increases. To address this, Councils’ proposal is based on introducing the required increase in prices over a four year period. The last two years increases would be subject to a further price review at the end of this determination period. Council, as a result, is not seeking to increase prices to the calculated level required during the recommended two year price path.

Council’s current and proposed prices are detailed in Section 9 and 10 of this submission.

Table 3.1 summarises Council's pricing proposal. Each year prices are proposed to increase by the amount indicated.

Table 3.1

	Proposed Price Path		Forecast	
	2005/2006	2006/2007	2007/2008	2008/2009
Water Usage Charge	CPI +18%	CPI +18%	CPI +18%	CPI +18%
Water Service Charges(access)	CPI	CPI	CPI	CPI
Sewer Service Charges (access)	CPI + 1%	CPI + 1%	CPI + 1%	CPI + 1%
Sewer Usage Charge	CPI + 1%	CPI + 1%	CPI + 1%	CPI + 1%
Trade Waste Charges	CPI + 1%	CPI + 1%	CPI + 1%	CPI + 1%

Miscellaneous charges, in general, are proposed to increase each year by CPI.

It is proposed to remove the 15% "discount" factor currently applied to Developer Service Plan (DSP) Charges (refer section 8.1) and continue indexation of DSP charges as identified in the various plans.

In accordance with previous determinations the CPI is to be the percentage movement in the Sydney Consumer Price Index. For the purposes of this submission CPI has been forecast to be 2.5% over the period of the proposed price path.

It should be noted that the pricing proposal increases have been kept to a minimum as a result of significant increases in proposed loan raisings combined with reductions in cash and investments balances held. Ignoring the impacts of reduced water consumption, the proposal will result in a 9.3% increase in real terms in the typical residential water and sewerage bill over the two year period. When the reduced water consumption is taken into account the typical residential water and sewerage bill will increase by 8.0% in real terms over the two year period.

The increases in excess of CPI contained in this proposal are required to address the impacts of :

- i) A lower consumption trend line than that predicted by the Tribunal in its previous determination. The Tribunals' previous determination consumption forecast significantly overstated consumption in the short to medium term as well as the underlying long term trend. The overstated consumption forecast, based on the Tribunals methodology, resulted in lower determined prices than would have been the case had the Tribunal utilised Councils' consumption forecasts .
- ii) Significant increases in operating and capital expenditures resulting from strategies to address the water supply / demand imbalance due to the current drought. Details of forecast expenditure increases and the drivers for these increases are set out in section 5.3 and 5.4 of the submission.
- iii) 'Lost revenue' and stormwater operating expenditures not recognised in the previous determination. For details refer section 5.5 of the submission.

In its previous pricing submission to the Tribunal Council highlighted that, based on projections at that time, price increases in excess of CPI would be required in subsequent pricing determinations.

Council considers the above pricing proposal will result in a minimum satisfactory level of revenue during the period of the determination, albeit resulting in a significant increase in debt levels combined with a reduction in cash and investment balances. Projections beyond the current proposed determination period indicate that forecast major capital expenditure to

be undertaken during the period 2007/2008 to 2008/2009 and resultant increases in operating expenditures, combined with the increasing pressures of debt servicing costs, will necessitate further price increases in excess of CPI in subsequent determinations.

As indicated in table 3.1 Council's modelling indicates that water usage charges will need to be increased by CPI +18% each year for the four years 2005/2006 to 2008/2009 to ensure ongoing financial viability. Given the current drought, forecast levels of restrictions and the community's increasing understanding of the issues faced in delivering sustainable water services it may be prudent, and more palatable to the consumer, to apply higher increases in the first two years and lower increases in the subsequent two years. Council would support an alternate staging of water usage price increases such as CPI +20% for each of 2005/2006 and 2006/2007 followed by increases, at the next determination, of CPI+16% for each of 2007/2008 and 2008/2009.

3.4 Pricing Structures

As acknowledged by the Tribunal the investigation into alternative price structures to reduce demand for water is "not a straight forward or easy process". Council is of the view that there is currently inadequate and limited information to satisfactorily assess the effectiveness of alternative pricing structures to reduce demand and send an appropriate message about the need to conserve water. There is also considerable uncertainty about the likely customer responses to alternative pricing structures.

Council has not been able to satisfactorily investigate alternative price structures at this point due to the impacts on resources of a number of major projects including the:

- i) development and implementation of a new information technology system;
- ii) investigation into and report on alternative structures for the Gosford and Wyong water businesses as required by the Minister for Energy and Utilities;
- iii) development of a strategic business plan for the water business that satisfies DEUS best practice guidelines and IPART requirements;
- iv) identification, development and implementation of contingency measures associated with the current drought as well as strategies to ensure the long term water supply security.

Council intends investigating alternate pricing structures, including integrated water management pricing and 'inclining block tariffs' as a potential demand management tool. As part of this process Council will also be investigating the issue of stormwater pricing as well as recycled water pricing. It is clear that significant customer impacts are likely to result and considerable analysis is required to identify and address any undesirable impacts of alternative approaches to pricing.

Council is of the view that inclining block tariffs incorporating 'two tier' water consumption pricing has the potential to be an effective component of an overall demand management strategy. During the period of the proposed price path, however, water restrictions will clearly be the major driver of reduced consumption. Given the level of restrictions forecast to be in place over the next two to three years 'two tier' pricing is likely to have limited impact on consumption during this period.

For the above reasons Council is not proposing to introduce any changes to its current price structures during the period of the proposed price path.

3.5 Customer Impacts

The following tables detail the impact of the pricing proposal on the total residential water and sewerage bills for various user groups. The bills are in constant 2004/05 \$ to enable analysis of movements in bills, in real terms, of the pricing proposal.

It should be noted that the comparisons detailed below do not recognise the impact of forecast reduced consumption levels on individual total bills over the proposed period of the determination.

Table 3.2

Residential Property Using 150KI Per Annum - 2004/05 Constant \$					
	2004/05 current	2005/06 proposed	% change on prev. yr	2006/07 proposed	% change on prev. yr
Water Usage	113.25	133.17	+17.6%	156.62	+17.6%
Water Access	82.82	82.82	0%	82.82	0%
Sewer Access	359.25	362.75	+1.0%	366.29	+1.0%
Total Bill	555.32	578.74	+4.2%	605.73	+4.7%
Residential Property Using 180KI Per Annum - 2004/05 Constant \$					
	2004/05 current	2005/06 proposed	% change on prev. yr	2006/07 proposed	% change on prev. yr
Water Usage	135.90	159.80	+17.6%	187.95	+17.6%
Water Access	82.82	82.82	0%	82.82	0%
Sewer Access	359.25	362.75	+1.0%	366.29	+1.0%
Total Bill	577.97	605.37	+4.7%	637.06	+5.2%
Residential Property Using 210KI Per Annum - 2004/05 Constant \$					
	2004/05 current	2005/06 proposed	% change on prev. yr	2006/07 proposed	% change on prev. yr
Water Usage	158.55	186.44	+17.6%	219.27	+17.6%
Water Access	82.82	82.82	0%	82.82	0%
Sewer Access	359.25	362.75	+1.0%	366.29	+1.0%
Total Bill	600.62	632.01	+5.2%	668.38	+5.7%

Note : Average residential consumption for 2003/2004 was 183KI. The historic underlying long term average residential consumption with no restrictions in place is 210KI pa. Average residential consumption is forecast to be in the order of 150KI pa over the next 4 years.

Table 3.3

Impact of Proposed Residential Water and Sewer Charges by Water Usage Level 2004/05 Constant \$						
Water Usage (KL per year)	% of Res Cust	2004/05 Current	2005/06 Proposed	%Increase or (decrease) on 2004/05	2006/07 Proposed	%Increase/ (decrease) on 2004/05
Vacant	2.6	352.26	354.88	+0.7%	357.53	+1.5%
>0 to 100	22.6	479.82	489.96	+2.1%	501.31	+4.5%
100-150	17.5	536.45	556.55	+3.7%	579.62	+8.0%
150-200	16.9	574.20	600.94	+4.7%	631.83	+10.0%
200-250	14.0	611.95	645.33	+5.5%	684.04	+11.8%
250-300	10.0	649.70	689.72	+6.2%	736.24	+13.3%
300-400	11.0	706.32	756.30	+7.1%	814.55	+15.3%
400-500	3.5	781.82	845.08	+8.1%	918.97	+17.5%
500-1000	1.8	1008.32	1111.42	+10.2%	1232.21	+21.2%
>1000	0.1	1574.57	1777.28	+12.9%	2015.31	+28.0%

The comparative tables do not reflect the actual movement in residential bills as they do not recognise reductions in consumption from year to year resulting from demand management initiatives and the impact of water restrictions. A more valid comparison of movements in residential water and sewer bills is, as illustrated by the typical residential customer, is detailed in table 3.4 below.

Table 3.4

Typical Residential Customer – Total Water & Sewer Bill						
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Water Consumption Kl	210	193	183	155	147	148
Total Bill 2004/05\$	613.68	590.56	583.80	559.10	576.08	603.64
% Change yr on yr		-3.8%	-1.1%	-4.2%	+3.0%	+4.8%
Cumulative % change since 2001/02		-3.8%	-4.9%	-8.9%	-6.1%	-1.6%

CUSTOMER SERVICE STANDARDS

4.1 Current Service Standards

The current level of service standards, as detailed in Council's Management Plan and Water and Sewerage Strategic Business Plan, have been determined based on the following:

- * Compliance with guidelines and standards regulated by the National Health and Medical Research Council (NHMRC), NSW Health Department and the Environmental Protection Authority.
- * The NSW Department of Energy, Utilities and Sustainability Best-Practice Guidelines for Water Businesses

Benchmarking with standards applied by other Authorities as reported by the Department of Land and Water Conservation, the Department of Local Government, the Water Services Association of Australia and in reports published by the various authorities.

- * Community feedback received through:
 - customer surveys
 - precinct committees
 - community liaison groups
 - representations to elected members
 - customer complaints

Council proposes to establish a customer service agreement that will outline the key levels of service that customers can expect to receive. It is Council's understanding that the Government plans to establish a water ombudsman. This will provide customers with an additional avenue to address issues and grievances that they may have.

Attached at Appendix A is a summary of current service standards.

4.2 Customer Response and Willingness to Pay

Council's most recent broad based customer survey, conducted in September 2002 indicates that only 2% of residents are dissatisfied with the sewerage service while 16% of residents are dissatisfied with the water supply service. This survey was conducted at a time when Council had introduced water restrictions for the first time in twenty years. About half (48%) of those dissatisfied with the water supply service listed water restrictions as the reason. A further 25% of dissatisfied customers listed dirty water or poor water pressure which are linked to problems associated with the Shire's high growth rate. Council has in place programmes to address these problems.

Of interest, the aforementioned customer survey obtained the following responses to questions relating to restrictions:

- * Ignoring cost, 73% of residents surveyed wanted a water supply system that never required restrictions.
- * Regardless of cost, 53% of residents surveyed still wanted a water supply system that never required restrictions.
- * A majority of residents surveyed (52%) considered it reasonable to apply restrictions one year in every five while the next highest preference grouping (15%) considered that restrictions should never be applied.

The issue of water restrictions is linked to the security of the water supply system. A comprehensive review of options for the Central Coast ("Water plan 2050") is currently being undertaken in partnership with Gosford Council, and includes considerable public consultation. Options include the full range of Watercycle management practices including both supply and demand options. Decisions in relation to Water Plan 2050 are scheduled to be made in mid 2005.

Customer feedback from community consultation associated with Waterplan 2050 indicates that water is a cheap commodity and customers would be willing to pay higher charges to ensure less restrictive supply. These views will input into the decision making process associated with Waterplan 2050.

5 REVENUE REQUIREMENTS

5.1 Business Challenges and Risks

Council has identified the following uncertainties/risks in the operating environment over the period of the price path period and beyond.

- * Wyong Shire has experienced significant population growth well in excess of state averages. This strong growth has been forecast to continue over the period of this determination at a rate of 2.2% per annum tapering off to 2.0% per annum by 2010. Variations in projected growth rates represents risk in the short and medium term to revenue streams projections.

Continued strong growth rates represent a risk in terms of environmental impacts and the possible resultant responses (regulated and non-regulated) to these impacts.

- * Weather patterns are a major source of business risk in terms of the impact on water consumption, and hence revenue, as well as the impact on water reserves.

- * Water restrictions were introduced on 24 February 2002 and introduce considerable uncertainty in terms of:
 - Period of restrictions.
 - Level of restrictions required.
 - Impact on consumption and hence revenue.

As a result of the continuing drought, Level 2 and 2A restrictions were implemented on 17 May, and 1 August 2004 respectively, with more stringent water restrictions necessary if water storage levels continue to fall.

Financial projections included in this submission have been based on the following reductions in consumption as a result of restrictions:

- 2005/2006 24%
- 2006/2007 24%
- 2007/2008 20%
- 2008/2009 16%
- 2009 2010 8%

- * Given Councils increased exposure to debt during the price path period and beyond, the risk of interest rate increases is a significant financial risk to the business.
- * The Gosford/Wyong Joint Water Supply Authority is currently reviewing options, in its Water Plan 2050, to ensure water supply security for the future. As there are a number of possible options to be considered the likely level of capital expenditure is uncertain at this stage. However it is expected that the total investment will be in the order of \$100M.

5.2 Consumption

Attached at Appendix E is Council's forecast of high, medium and low water consumption estimates for the period 2005/2006 to 2009/2010.

These projections take into account:

- * previous consumption trends
- * future growth
- * impact of current and future restriction regimes and other demand management initiatives.
- * unaccounted for water

The medium projections, which form the basis for this submission, provide for the following estimated metered water consumption. This excludes unaccounted for water which represents approximately 5.0% of total consumption.

Year	Metered Consumption (ML)
2005/2006	11,420
2006/2007	11,664
2007/2008	12,536
2008/2009	13,434
2009/2010	15,014

The above projections take into account future restriction regimes which, to a large extent, are dependent upon future rainfall. While this inherently has a considerable level of uncertainty the above estimates are considered reasonable for the following reasons:

- * Councils water supply system does not respond rapidly to rainfall events. It will take several years of average or above average rainfall before the storages recover to a point that restrictions can be relaxed or removed.
- * The only event that would lead to restrictions being lifted early would be sustained wet weather. Associated with such an occurrence would be reduced water consumption due to reductions in outside watering requirements.

Based on the above it can reasonably be expected that metered water consumption will be significantly less than pre-restriction levels for at least the next 3-5 years

Attached at Appendix F is Council's Demand Curve detailing reductions in usage currently being achieved.

5.3 Operating Expenditures

5.3.1 Operating Expenditure Requirements

Along with capital expenditure, forecast increases in operating expenditures are a major driver of proposed price increases in excess of CPI. The most significant increase in operating expenditures will be recorded in the water business reflecting increased operating cost resulting from strategies implemented to address the supply/ demand imbalance.

The following table details forecast operating expenditures in constant 2004/05\$ from 2004/05 through to 2009/10.

Table 5.1

Operating Expenditure 2004/05 Constant \$'000							
	2003/04 Est.	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Water	5252	8713	7455	7474	8767	9911	9259
% inc yr on yr		+65.9	-14.4	+0.3	+17.3	+13.0	-6.6%
Sewer	8830	9066	9285	9486	9688	9888	10090
% inc yr on yr		+2.7	+2.4	+2.2	+2.1	+2.1	+2.0
Drainage	770	790	809	826	843	861	878
% inc yr on yr		+2.6	+2.4	+2.1	+2.1	+2.1	+2.0
Corporate (1)	15592	15777	15932	16032	16134	16150	16348
% inc yr on yr		+1.2	+1.0	+0.6	+0.6	+0.1	+1.2
Total	30444	34346	33481	33818	35432	36810	36478
% inc yr on yr		+12.8	-2.5	+1.0	+4.8	+3.9	-0.9
% Property Growth		+2.0	+1.9	+1.9	+1.9	+1.8	+1.8

(1) Including Water and Sewer Contribution to Drainage.

Details of individual drivers of operating cost increases are detailed in Section 5.3.2 below.

5.3.2 Operating Expenditure Drivers

5.3.2.1 Growth

The last decade has seen Wyong's population grow at over 2% per annum. This trend is expected to continue with growth of between 2.0 and 2.2% out to 2010. Detailed growth projections are contained in the consumption report at Annex A.

Growth directly impacts operating costs, more water has to be produced and distributed and sewage collected and treated, and indirectly impacts maintenance costs as more assets are created and need to be maintained. While new assets required less maintenance than older assets, eventually an increasing asset base will incur maintenance costs relative to its size. Failure to recognise this progressively over time will result in under funding of maintenance requirements and impact asset life.

5.3.2.2 Salary and Wage Rates

Salary and wage rate increases are made up of Award increases plus a component for performance based and other increases. Historically award increases have been in the order of 1% to 1.5% in excess of CPI. Performance based increases and increases resulting from labour market pressures, have added a further 0.5% to 1% to salary and wage rates. Actual award increases have been determined and are hence known for the period 2004/05 to 2006/07. Forecast increases included in Councils pricing model are as follows:

Table 5.2

Salary and Wage Rate Forecast % Increase							
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Award inc	3.25	4.00	3.50	3.00	3.00	3.00	3.00
Perform.	0.75	0.50	0.50	0.50	0.50	0.40	0.40
Etc							
Total	4.00	4.50	4.00	3.50	3.50	3.40	3.40

5.3.2.3 Aging Assets

Council's water and sewerage assets are relatively new having been substantially constructed during the 1970's and 1980's. However some of the assets, eg asbestos cement water mains, are entering the last third of their design life while many electrical and mechanical assets have already been replaced or refurbished. Council is progressively expanding its asset management activities to incorporate increasing levels of condition assessment as the asset base ages. Significant resources have been committed to the development and maintenance of these systems.

5.3.2.4 Mandatory Standards

Changing mandatory standards have the potential to significantly impact operating costs, particularly in the longer term. The implementation of water sharing plans, arising from the Water Management Act 2000 will force Council to source higher cost water while the EPA Odour Management Draft Policy will require Council to increase expenditure on odour reduction systems. Similarly the OH&S Act 2000 has cost implications on Council's work practices and those of contractors employed by Council.

5.3.2.5 Efficiency Gains - Efficiency Measures

Council, in May 1998, adopted a policy providing for Workplace Reform and Continuous Improvement in the medium term.

The policy provides a process whereby each area of Council's operations is exposed to comparative testing to establish its relative efficiency within the market place. Combined with this comparative testing is a process of continuous improvement to provide existing staff with the greatest opportunity to be competitive. Where existing functions prove to be uncompetitive other options of service delivery including competitive tendering and contracting out will be explored.

Water and Sewerage operation and maintenance functions have been divided into four geographical areas and are internally benchmarked against each other with process improvement teams progressively reviewing work processes. Work processes have also been benchmarked with those used by other Authorities in New South Wales and Queensland where desktop studies have indicated that these authorities could have processes worth assessing.

Similar improvement processes have been applied to other Council sections providing administrative support to the water and sewerage functions.

This policy is intended to provide a 1½% pa improvement in labour productivity over the medium term.

5.3.2.6 Impacts of Capital Expenditure

A number of capital works associated with water supply security and drought contingency measures are planned for construction over the next 2-4 years. These including works to access higher cost water such as groundwater, high flow events and possibly desalinated water. They also provide for increasing potable water substitution with reclaimed sewage effluent. All of these works will result in significantly higher operating costs per unit of yield.

5.3.2.7 Demand Management

Sustained attention to demand management since the 1970's has achieved water usage statistics within the Shire which are comparable with industry best practice. Council has achieved this result mainly through pro-active community education in conjunction with appropriate regulation in relation to building requirements and pricing.

However, the current drought has required Council to significantly expand its demand management initiatives. Areas that will impact future operating costs include:

- * expanded community communication / education
- * programme to refit residential homes with water efficient devices
- * amendment to operational procedures to reduce water losses during mains and reservoir cleaning
- * system leakage reduction programme
- * effluent re-use systems at Bateau Bay and Toukley Sewage Treatment Plants
- * effluent re-use system upgrades at Wyong South, Mannering Park, Charmhaven and Gwandalan Sewage Treatment Plants.
- * possible effluent re-use to the Vales Point and Munmorah Power Station
- * possible dual water system for the new release areas in the north of the Shire.
- * substitution of potable water with bore water for watering parks and ovals.
- * retrofit of rainwater tanks to existing residential properties.

5.3.2.8 Alternate Supply Options

The severity of the current drought has forced Council to pursue alternate sources of potable water supply as demand management, including restrictions, will not stop the storages from declining should the drought continue.

These alternate sources include purchase of water from the Hunter Water Corporation (HWC), desalination of sea or lake water or treatment of groundwater for potable use.

Water from the HWC has been purchased since July 2004 and will continue for the foreseeable future, subject to the HWC having water available. Increasing the rate of transfers is currently being investigated.

The option of a desalination plant is currently under investigation and, if the drought continues, may be constructed by September 2007.

Sources of groundwater are being investigated, and could be progressively bought on line from January 2005.

The marginal cost of treating existing water supplies is 5.4 cents/kl. The comparable marginal cost for the above alternate water sources is (in 2004/2005 \$):

* HWC water	93 cents / kL
* Desalinated water	80 cents / kL
* Groundwater	50 cents / kL

It should be noted that if IPART increases the HWC costs per kL in excess of CPI in this price review, Wyong Councils operating costs will increase in excess of what has been included in its forecasts and used as the basis for this pricing submission. Council requests that the Tribunal take this into account in its pricing determinations for the Hunter Water Corporation, Wyong Council and Gosford Council.

5.3.2.9 Corporate Support

As can be seen from table 5.1 corporate support costs are increasing by an average 0.8% per annum in real terms over the next six years. This compares favourably to the average property growth over the same period of 1.9%.

The most significant impacts on corporate support cost are as follows:

- i) A proposed increase in residential meter readings from two to three per annum, in order to comply with DEUS Best Practice Management of Water Supply and Sewerage Guidelines, will increase corporate support cost by \$200,000 pa. This additional cost is made up of the costs associated with the additional meter reading plus processing, stationary and mailing cost resulting from the additional billing.
- ii) An increase in engineering staffing levels by four, resulting in an increase of \$380,000. This additional cost is made up of salaries, employee oncosts, vehicle and miscellaneous operating costs for each additional employee. The additional staff have been employed to address the regulatory requirements associated with the development and maintenance of the Water Strategic Business Plan and enhancement of associated asset management systems.
- iii) Salary and Wages increases in excess of CPI resulting in an increase of approximately \$80,000 per annum. Refer to section 5.3.2.2 for details.

- iv) Property growth is estimated to add approximately \$40,000 per annum through increased meter reading, billing, mailing, correspondence and customer service activities for additional properties.

5.4 Capital Expenditure Drivers

The major drivers of Council's future capital works programme are:

- * Ageing Infrastructure
- * Growth
- * Standards
- * Drought Contingency Works
- * Major Headworks (Long Term Water Security Headworks)

Ageing Infrastructure

Council's water supply and sewerage assets are relatively new having been substantially constructed during the 1970's and 1980's. Current expenditure on refurbishment is relatively low at about \$4.9M however, will need to progressively increase to about \$8.25M (\$2004) per annum, based on the current asset base, by about 2020. Forecasts up to 2009/2010 provide for refurbishment expenditure increasing to about \$6.1M (\$2004) per annum.

Growth

Sustained levels of growth over the next decade will require staged augmentation of water supply and sewerage infrastructure. Typically this is reflected in relatively constant sewerage collection infrastructure expenditure of about \$3.58M pa and tailworks expenditure of between \$1M and \$2M per annum. Water supply expenditure on distribution works is similarly expected to be reasonably constant at about \$2.63M per annum however, major water supply headworks augmentation may require substantial financing between 2005 and 2010 as discussed below.

Standards

The potential impact of changing standards associated with the water Management Act 2000, the EPA Odour Management Draft Policy, the OH&S Act 2000 has been estimated at incurring on-going capital expenditure of \$960,000 pa and \$1.19M pa for water supply and sewerage services respectively.

Drought Contingency Works

The current drought, being the worst in recorded history, has forced the Council to implement, and plan for additional, contingency works to manage the dwindling water reserves.

Approximately \$5M of works, consisting of effluent re-use schemes, connection to the Hunter Water Corporation system, development of groundwater sources and works to extract low level reserves from dams are scheduled for completion in 2004/2005 however some work may carry over into 2005/2006.

Should the drought continue beyond the winter of 2005 the Councils will need to commit to obtaining a major additional supply of at least 8000 ML/a from the HWC, desalination, groundwater or a combination of these options. Planning is currently progressing on all options. Should this work be required the likely level of expenditure will be in the order of \$50M (\$25M for each Council) with construction occurring from 2005/2006 to 2007/2008.

Major Headworks

A major review of long term water security options for the Central Coast, undertaken by the NSW Department of Commerce, has identified the various demand and supply options available to the Councils to meet future water supply requirements. This review, titled Waterplan 2050, is currently on public exhibition and key decisions in relation to future works will be made in 2005.

Independent of these key decisions, the review identified various medium term works that are required to optimise the system capacity and will be required to speed recovery from the current drought. These works include the Mardi High Lift Pump Station, Augmentation of the Lower Wyong River Transfer System, Augmentation of the Mooney Transfer System and the Raising of Mardi Dam. Together with the refurbishment / upgrade of the Mardi Dam Outlet Structures these works represent about \$30M (\$15M for each Council) between 2005/2006 and 2007/2008.

Key decisions, associated with long term water security, may be impacted by any significant drought contingency works should they be required. This may particularly be the case should a desalination be construction. Evenso, current planning indicates that the impact of this drought will be far reaching and works such as a desalination plant or major connection to the HWC may only influence the timing of future capital works and, in fact, may be required to help the system recover from the drought. It is probable that between 2008/2009 and 2019/2020 expenditure of up to \$100M (\$50M for each Council) will be required to provide a secure water supply for the Central Coast.

5.5 Other Revenue Requirement / Pricing Issues

Issues arising from the previous determination as well as a proposal to discontinue fire water service charges have implications for Councils pricing proposal in terms of the need to recover "lost" revenue or costs not recognised.

5.5.1 Exempt Properties

At the 2003 determination, the Tribunal did not set water service charges for exempt properties due to the provisions of the Water Management Act 2000 precluding the charging of these properties with water service charges. This resulted in 'lost' revenue of \$250,000. Given that Councils revenue requirement did not reduce the 'lost' revenue needs to be recovered from the balance of the customer base. This issue has contributed to the need to increase the water usage charge by more than CPI.

5.5.2 Sewer Service Charges – Vacant Land

At the 2003 determination, the Tribunal concluded that the sewerage charge for holders of vacant land at the same level as a normal residential customer was not appropriate. The Tribunal set the charge at 75 percent of the residential sewerage charge. This resulted in 'lost' revenue of \$125,000 which was not recovered from the balance of the customer base. Hence this issue is considered to be a contributor to proposed increases in sewer service charges in excess of CPI.

5.5.3 Fire Services Charges

Council proposes to discontinue the Water Fire Service Charge for separate fire services. This will result in 'lost revenue' in the order of \$132,000. Again, Councils revenue requirement has not reduced, resulting in this revenue needing to be recovered from the remaining customer base. As a result, this proposal will further contribute to the need to increase water usage charges in excess of CPI.

Note: Where a property has a combined fire and commercial service the property will be charged a Water Service Charge – Metered Service commensurate with the meter size.

5.5.4 Stormwater Operating Expenditure

Stormwater assets are held as an asset of the Wyong Council Water Authority. Prior to 2002/2003 however, stormwater operating expenditures were recorded as expenditures of the General Fund of Council. In a report on the audit of the Water Authority's Annual Statements for the financial year ended June 30 2002 the NSW Audit Office advised that operating costs associated stormwater assets are to be recorded as expenditures of the Fund which holds the assets. This advice was received subsequent to Council submitting its' 2003 pricing submission to the Tribunal. Council provided the Tribunal with a copy of this advice on February 21 2003.

Stormwater expenditures, other than those funded by developer contributions, grants and other external sources, are funded 50% from water and 50% from sewer revenues.

Compliance with the NSW Audit Office advice has resulted in an increase in the Water Authority's operating expenditure and hence the revenue requirement for both water and sewer. This increased revenue requirement was not acknowledged by the Tribunal in its 2003 determination.

Stormwater operating expenditures, net of external sources of operating revenues, total \$998,000 in 2004/05 dollars. Therefore both water and sewerage revenue requirements have each increased by \$498,000. This issue has contributed to the need to increase both water and sewer charges by more than CPI.

5.6 Dividends

Council is now permitted to pay an annual dividend from its water supply or sewerage businesses in accordance with section 409 (5) of the Local Government Act 1993. Further, as required by the DEUS Best Practice Management Guidelines, Council must pay a dividend for the amount calculated as the annual tax-equivalent payment commencing 2003/2004.

In calculating its revenue requirement Council has included a dividend payment for tax equivalents of \$83,000 per annum (2004/05\$) for each of the water supply and sewerage businesses. This additional cash outflow has contributed to the need increase charges in excess of CPI.

As Council had previously not been permitted to pay dividends from its water supply or sewerage businesses it had not included any amount for dividends in calculating its revenue requirement and hence recommended charges in previous submissions to the Tribunal.

Council at this stage has not considered the issue of dividend payments in the nature of a return on investment from the water supply and sewerage businesses to the general fund of Council. As such no amount for dividend payments, other than tax equivalents, has been included in the calculation of revenue requirement in this pricing submission.

Given the current level of uncertainty, water restrictions, forecast increases in operating and capital expenditures and projected financial results, it is considered inappropriate to pay any dividend in excess of tax-equivalents in the short to medium term. At some time in the future Council may resolve to make such dividend payments. This would result in an

increase in Councils revenue requirement and hence increased water and sewerage service charges.

A payment of the maximum dividend payment, as set out in the DEUS Best Practice Management Guidelines, would result in an increase in dividend payments in the order of \$1,700,000 per annum for each of the water supply and sewerage businesses. To fund this dividend payment the typical total residential water and sewer bill would need to increase by a further 9.4% in real terms over and above that included in this submission, over the next four years. This would add an additional \$56 (in 2004/2005\$) to the typical residential bill.

6 FINANCIAL IMPLICATIONS

The key financial outcomes resulting from the pricing proposal contained in this submission are detailed in Table 6.1.

Table 6.1 Key Financial Indicators

	Nominal \$'000					
	03/04	04/05	05/06	06/07	07/08	08/09
Water						
Net Profit / (Loss)	(203)	(5454)	(4296)	(3833)	(3825)	(1872)
Return on Net Assets	-0.1%	-3.0%	-2.4%	-2.2%	-2.3%	-1.1%
Cash & Investments	14530	6085	7025	6983	7279	7914
Loans Outstanding	18784	26851	47659	72709	87768	93514
Loans Raised	3000	11000	24300	29100	19700	10600
Debt/Equity	10.1%	14.9%	27.0%	42.2%	52.1%	56.25
Debt Service Ratio	24.7%	32.0%	38.8%	45.0%	45.9%	40.9%
Sewer						
Net Profit / (Loss)	1171	908	1146	1292	1448	1746
Return on Net Assets	0.5%	0.4%	0.5%	0.6%	0.6%	0.8%
Cash & Investments	13730	9496	8533	7002	7004	7223
Loans Outstanding	16655	13973	15578	18966	21097	23327
Loans Raised	3000	0	4500	5800	4500	4600
Debt/Equity	7.4%	6.2%	6.9%	8.3%	9.25	10.1%
Debt Service Ratio	17.1%	17.8%	17.6%	15.3%	15.1%	15.0%
Stormwater						
Net Profit / (Loss)	8079	7159	8074	8150	8239	8378
Return on Net Assets	7.0%	5.8%	6.2%	5.9%	5.6%	5.4%
Cash & Investments	7246	9295	8295	7270	7270	7270
Consolidated						
Net Profit / (Loss)	8127	3528	5000	5698	6001	8396
Return on Net Assets	1.5%	0.7%	0.9%	1.0%	1.1%	1.5%
Cash & Investments	37555	23875	22828	21255	21554	22407
Loans Outstanding	35439	40824	63237	91676	108865	116841
Loans Raised	6000	11000	28800	34900	24200	15200
Debt/Equity	6.6%	7.6%	11.7%	16.7%	19.7%	20.8%
Debt Service Ratio	20.3%	23.4%	26.2%	28.2%	29.6%	28.1%

Councils Water and Sewerage businesses have historically recorded very modest profits and returns on assets. The next five years will see further reductions in profits and returns on assets. This is primarily being driven by forecast losses in the water supply business. It is forecast that the water supply business will not record a profit until 2009/2010, albeit again at modest levels, due to reduced water consumption, increase operating costs and an increasing interest expense.

Councils modelling indicates that, given the prices proposed in this submission coupled with increased borrowings, it will be able to sustain these losses over this period. Anything less than the proposed prices will place considerable financial pressure on the business and on its ongoing financial viability.

As indicated earlier, the proposed price increases contained in the submission have been kept to a minimum through significant increases in borrowings and a reduction in cash and investments. By the end of 2008/2009 loans outstanding will more than triple and investments will have halved in real terms. This will result in the debt to equity ratio increasing from 6.6% to 20.1% during this period. Continued reliance on debt funding will see the ratio increase to 27% in subsequent years. Increased exposure to debt will add financial pressures, particularly to the water supply business where the debt to equity ratio will increase from 10.1% in 2003/2004 to 56.2% in 2008/2009 and the debt service ratio from 24.7% to 40.9%.

7 MISCELLANEOUS CHARGES

Miscellaneous charges are based on cost recovery with current charges generally reflecting this principle. In some instances charges are not levied where the relative administrative costs are considered to be excessive, for example, the annual administration fee for backflow prevention devices. Where it is considered that Council has a shared responsibility in relation to the work requested, for example, an alteration from a dual to single water service less than full cost is charged.

Appendix D details current and proposed miscellaneous charges which generally provides for maintaining current charges, in real terms.

8 OTHER ISSUES

8.1 Developer Charges

Council's current, and previous, pricing determinations cap the charge Wyong Council may levy at 85% of the charge calculated in accordance with the IPART methodology. This has continued the significant cross-subsidisation, of developers, by existing residents. This is currently in the order of \$750,000 pa.

Council proposes that this cross-subsidisation be eliminated by the removal of the 85% cap in the 2004/05 pricing determination.

8.2 Recycled Water Pricing Principles

Council concurs with the Tribunals view that the use of recycled water needs to be encouraged and promoted.

The principle of spreading some of the cost of recycled water schemes across the broader (local) customer base is considered appropriate for community based projects. However, when such schemes are provided for State Utilities, such as power stations, the cost should be spread across the State customer base via a user pays pricing structure.

Community Based Projects

Due to the unique nature of each recycled water scheme any set of pricing principles would need to be broad to allow the water agencies the flexibility required to encourage development of re-use options. As a start point, such regulations could be to require the

water agencies to develop a plan of management, including pricing structure, for each re-use scheme with the plan being registered with IPART in a similar method to Development Servicing Plans. A working party between the agencies and IPART secretariat could be established to progressively develop the pricing principles that would apply in the longer term.

State Utility Projects

These projects should be pursued on the basis of an agreement between the Water Business and the State Utility in accordance with the principle of user pays. This would require IPART to recognise that additional costs associated with such agreements must be passed through to the Utility's customers.

8.3 Trade Waste Charges

As indicated in Section 2.1.6, Council is currently reviewing policies and procedures to conform with "Best Management Guidelines" as developed by DEUS. These will be documented in a Water Strategic Business Plan.

Council's Liquid Trade Waste Policy forms part of this review. The latest draft DEUS guidelines were released in September 2004. This has not allowed sufficient time for Council to review its documentation and charges for this determination.

It is proposed that current charges will increase by CPI + 1% pending a major review prior to the next pricing determination.

9 CURRENT CHARGES

The current charges for 2004/2005 are as follows:

9.1 Water Service Charges

Water Service Charge – Metered Services

Table 9.1

Water Service Charge – Metered Services	
Nominal Pipe/Meter Size	Total \$
20 mm	82.82
25 mm	129.42
40 mm	331.29
50 mm	517.65
80 mm	1325.18
100 mm	2070.59
150 mm	4658.82
200 mm	8282.35

Charges for meters in excess of 200 mm are calculated on the proportional increase in the area of the connection when compared to a 20 mm connection.

Water Usage Charge

All water consumed is charged at the rate of 75.5 cents per kilolitre.

Water Service Charges – Strata Title Properties (Residential) with Master Meter Only

Where water usage to a residential strata titled property is measured through a master meter only, each individual unit is levied a service charge of \$82.82. Water Usage is apportioned to the various lots in the Strata Plan in accordance with the schedule of unit entitlement and charged to the unit owners at the rate of 75.5 cents per kilolitre.

Water Service Charges - Community Title Properties and Non-Residential Strata Properties

Where a master meter is attached to service the property, the service charge is based on an availability charge commensurate with the size of the meter and this charge is apportioned to the various lots in the community title/strata plan in accordance with the schedule of unit entitlement. Usage consumed through the master meter is apportioned and charged to the individual unit owners in accordance with the unit entitlement at the rate of 75.5 cents per kilolitre.

Water Fire Service

The availability charges for all properties (other than residential properties and Community Halls with a 20 mm fire service), with fire services are:

Table 9.2

Fire Service Charges	
Meter Size	Meter Charge \$
20 mm	41.41
25 mm	64.71
40 mm	165.65
50 mm	258.82
80 mm	662.59
100 mm	1035.29
150 mm	2329.41
200 mm	4141.18

Unmetered fire services in excess of 200 mm are charged at 50% of the comparable meter charge detailed in Table 1.

Properties which have a combined fire and commercial service are charged as if there was only one service and this charge is the higher of the individual services.

Water Service Charges Vacant Land and Unmetered Services

A water availability charge of \$82.82 is levied on vacant land to which water is supplied or to which it is reasonably practical for water to be supplied and all properties to which an unmetered water service is supplied.

9.2 SEWERAGE SERVICE CHARGES

Single Residential Properties Including Residential Strata Properties

Council has a current charging structure based on a service charge for each single residential property to which a sewerage service is supplied. The current charge is \$359.25 for each single residential property.

Non-Residential Charges

In the determination of Council's 1995/96 charges, the Independent Pricing and Regulatory Tribunal approved the introduction of a pay for use system of charging for sewerage based upon access size and a usage charge.

Table 9.3

Non-Residential Properties - Access Charge	
Meter Size (mm)	\$
20	129.42
25	202.21
40	517.67
50	808.86
80	2070.67
100	3235.42
150	7279.70
200	12941.68
> 200	(Nominal size) ² x 125/400

The above Sewerage Access Charge – Non-Residential properties are multiplied by the discharge factor of water being discharged into Council's sewerage system.

The price for sewerage usage charges for properties other than those classified as Category A under Council's Trade Waste Policy is 64.1 cents per kilolitre.

The usage charge is based on the estimated volume of metered water usage discharged into the Council's sewerage system. Metered water usage is multiplied by a discharge factor, based on the type of premises, to estimate the volume of water discharged.

The minimum amount payable for a non-residential customer is \$359.25.

Non-Residential customers are those that do not meet the classification as a single residential customer. These include non strata titled residential units and Retirement Village properties.

Sewerage Service Charges – Vacant Land

The charge for vacant land to which a sewerage service is supplied or to which it is reasonably practical for sewerage services to be supplied is \$269.44.

Sewerage Service Fees – Exempt Properties

Properties exempt from services charges under Schedule 4 of the Water Management Act 2000 No 92 are charged a fee in accordance with Section 310(2) Of the Act. The fee is \$50.68 per annum for each water closet and \$17.95 per annum for each cistern servicing a urinal where installed.

Effluent Removal and Disposal Charges

Type of Service	Current Cost of Service \$
Fortnightly effluent removal and disposal service	827.00 per annum
Additional effluent removal and disposal service	32.00 per annum
Commercial effluent removal and disposal service	10.50 per kilolitre
Sludge removal and disposal services <ul style="list-style-type: none"> • Septic tanks with capacity up to 2750 litres • Septic tanks exceeding 2750 litres or AWTS with one tank • AWTS with more than one tank • Sludge disposal only(collection organised by customer) 	232.00 per service 301.00 per service 449.00 per service 25.00 per kilolitre

Chemical Closet Charges

Type of Service	Current Cost of Service \$
Annual Fortnightly service	1191.94
Each requested weekly special service	23.22

9.3 TRADE WASTE CHARGES

An extract from the current trade waste policy outlining the properties categorised and current charges are as follows:

Premises Classified as Category A under Council's Trade Waste Policy

Sewer Service Access Charge	In accordance with Normal Premises.
Usage charge	In accordance with Trade Waste Policy
Licence/Inspection Fee	In accordance with Trade Waste Policy

Premises Classified as Category B under Council's Trade Waste Policy

Sewer Service Access Charge	In accordance with Normal Premises.
Usage charge	64.1 cents/kilolitre
Licence/Inspection Fee	In accordance with Trade Waste Policy

Trade Waste discharges shall be grouped into two categories.

Category A

Premises that discharge high strength or high volume wastes with the potential to have a significant adverse impact on the sewerage system if agreement standards are not maintained.

Premises listed under Category "A" shall be visited twice annually with samples being collected and tested according to agreement conditions. If quality of trade waste or volume is outside agreement conditions, the owner or occupier of the premises will be formally requested to comply with agreement conditions. Failure to comply with agreement conditions may result in the trader being refused permission to discharge waste to the

sewerage system. A re-inspection fee shall apply to all inspections, other than twice annual sampling, required to achieve agreement conditions.

Category B

Premises that discharge wastes with the potential to have an adverse impact on the sewerage system if agreement standards are not maintained. Typically premises include:

- 1 Any club, hotel, motel, caravan park or hostel which has a kitchen.
- 2 Restaurants and cafes.
- 3 Butcher shops.
- 4 Garages and Workshops.
- 5 Concrete batching plants and any light industry requiring pre-treatment of sewer wastes.

Premises listed under Category "B" shall be registered and inspected annually by Council staff to assess compliance with agreement conditions. If the Trader is in breach of agreement conditions a formal request to comply will be issued. Failure to comply may result in the trader being refused permission to discharge waste to the sewerage system or re-classification to a category A discharger and imposition of the associated pay for use charging system. A re-inspection fee shall apply to all inspections, other than the annual sampling, required to achieve agreement conditions.

Current Trade Waste Charges

Parameter	Charge \$	Unit of Measurement/ Comments
Category A		
Volume	0.38	per kilolitre
BOD	0.64	per kilogram
SS	0.52	per kilogram
Oil and Grease	1.29	per kilogram
Annual Licence Fee	294.00	Includes Inspection Fee
Re-inspection Fee	41.00	
Category B		
Annual Licence Fee	41.00	Inspection of Oil arresters with water consumption less than 2,000 kl/year. (Inspection of premises plus collection of sample).
Excess BOD	0.64	per kilogram
Excess SS	0.52	per kilogram
Excess Oil and Grease	1.29	per kilogram

Part Year Charges

For those properties that become chargeable or non-chargeable for the water and sewer service charges during the year a proportional charge calculated on a weekly basis applies.

10 PROPOSED CHARGES

Proposed changes to prices contained in this section are expressed in terms of a percentage change on the preceding years charge using the Tribunals preferred approach of $CPI \pm X$, unless otherwise indicated, where :

Δ CPI (1) is the percentage change in the Consumer Price Index (CPI) for the four quarters ending March 2005 when compared to the four quarters ending March 2004 as defined by the Tribunal.

Δ CPI (2) is the percentage change in the Consumer Price Index (CPI) for the four quarters ending March 2006 when compared to the four quarters ending March 2005 as defined by the Tribunal.

10.1 Proposed Water Service Charges

Water Service Charge – Metered Services

Table 10.1

Water Service Charge – Metered Services		
Nominal Pipe/Meter Size	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
20 mm	Δ CPI (1)	Δ CPI (2)
25 mm	Δ CPI (1)	Δ CPI (2)
40 mm	Δ CPI (1)	Δ CPI (2)
50 mm	Δ CPI (1)	Δ CPI (2)
80 mm	Δ CPI (1)	Δ CPI (2)
100 mm	Δ CPI (1)	Δ CPI (2)
150 mm	Δ CPI (1)	Δ CPI (2)
200 mm	Δ CPI (1)	Δ CPI (2)

Charges for meters in excess of 200 mm are calculated on the proportional increase in the area of the connection when compared to a 20 mm connection.

Water Usage Charge

Table 10.2 Water Usage Charge		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Proposed increase on per Kilolitre charge	Δ CPI (1) +18%	Δ CPI (2) + 18%

Water Service Charges – Strata Title Properties (Residential) with Master Meter Only

Where water usage to a residential strata titled property is measured through a master meter only, each individual strata title unit is levied a service charge equal to the Water Service Charge – Metered Services for a 20mm water meter. Water Usage is apportioned to the various lots in the Strata Plan in accordance with the schedule of unit entitlement and charged to the unit owners at the Water Usage Charge per kilolitre.

Water Service Charges - Community Title Properties and Non-Residential Strata Properties

Where a master meter is attached to service the property, the service charge is based on an availability charge commensurate with the size of the meter and this charge is apportioned to the various lots in the community title/strata plan in accordance with the schedule of unit entitlement. Usage consumed through the master meter is apportioned and charged to the

individual unit owners in accordance with the unit entitlement at Water Usage Charge per kilolitre.

Water Fire Service

It is proposed there be no charge for a separate Water Fire Service.

Where a property has a combined fire and commercial service the property will be charged a Water Service Charge – Metered Service commensurate with the meter size.

Water Service Charges Vacant Land and Unmetered Services

A water service charge is levied on vacant land to which water is supplied or to which it is reasonably practical for water to be supplied and all properties to which an unmetered water service is supplied.

Table 10.3

Water Charges Vacant Land and Unmetered Services		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Water Service Charge	$\Delta\text{CPI (1)}$	$\Delta\text{CPI (2)}$

10.2 Proposed Sewerage Service Charges

Single Residential Properties Including Residential Strata Properties

Council has a current charging structure based on a service charge for each single residential property to which a sewerage service is supplied.

Table 10.4

Sewerage Service Charge - Single Residential Properties Including Residential Strata Properties		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Sewerage Service Charge	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$

Non-Residential Sewerage Service Charges

In the determination of Council's 1995/96 charges, the Independent Pricing and Regulatory Tribunal approved the introduction of a pay for use system of charging for sewerage based upon access size and a usage charge.

Non-Residential customers are those that do not meet the classification as a single residential customer. These include non strata titled residential units and Retirement Village properties.

Non-Residential Access Charge

Table 10.5

Non-Residential Access Charge		
Nominal Pipe/Meter Size	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
20 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$
25 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$
40 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$
50 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$
80 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$
100 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$
150 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$
200 mm	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$

Charges for meters in excess of 200 mm are calculated on the proportional increase in the area of the connection when compared to a 20 mm connection.

The above Non-Residential Access Charges are multiplied by the estimated discharge factor of water being discharged into Council's sewerage system.

Non-Residential Sewerage Usage Charge

For sewerage usage charges for properties other than those classified as Category A under Council's Trade Waste Policy.

Table 10.6

Non-Residential Sewerage Usage Charge		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Per kilolitre of water discharged	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$

The usage charge is based on the estimated volume of metered water usage discharged into the Council's sewerage system. Metered water usage is multiplied by a discharge factor, based on the type of premises, to estimate the volume of water discharged.

Non-Residential Minimum Sewerage Service Charge

Table 10.7

Non-Residential Minimum Sewerage Service Charge		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Minimum Sewerage Service Charge	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) + 1\%}$

Sewerage Service Charges – Vacant Land

The charge for vacant land to which a sewerage service is supplied or to which it is reasonably practical for sewerage services to be supplied.

Table 10.8

Sewerage Service Charges – Vacant Land		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Sewerage Service Charge	$\Delta\text{CPI}^{(1)} + 1\%$	$\Delta\text{CPI}^{(2)} + 1\%$

Sewerage Service Fees – Exempt Properties

Properties exempt from services charges under Schedule 4 of the Water Management Act 2000 No 92 are charged a fee in accordance with Section 310(2) Of the Act.

Table 10.9

Sewerage Service Fees – Exempt Properties		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Per water closet	$\Delta\text{CPI}^{(1)} + 1\%$	$\Delta\text{CPI}^{(2)} + 1\%$
Per cistern servicing a urinal	$\Delta\text{CPI}^{(1)} + 1\%$	$\Delta\text{CPI}^{(2)} + 1\%$

Effluent Removal and Disposal Charges

Table 10.10

Effluent Removal and Disposal Charges		
Type of Service	2005/2006 Proposed Price \$	2006/2007 Proposed Price \$
Fortnightly effluent removal and disposal service	866.00 per annum	886.00 per annum
Additional effluent removal and disposal service	33.00 per annum	34.00 per annum
Commercial effluent removal and disposal service	10.90 per kilolitre	11.20 per kilolitre
Sludge removal and disposal services <ul style="list-style-type: none"> • Septic tanks with capacity up to 2750 litres • Septic tanks exceeding 2750 litres or AWTS with one tank • AWTS with more than one tank • Sludge disposal only(collection organised by customer) 	240.00 per service 311.00 per service 465.00 per service 26.00 per kilolitre	249.00 per service 322.00 per service 481.00 per service 27.00 per kilolitre

Chemical Closet Charges

Table 10.11

Chemical Closet Charges		
Type of Service	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Annual Fortnightly service	$\Delta\text{CPI (1)} + 1\%$	$\Delta\text{CPI (2)} + 1\%$
Each requested weekly special service	$\Delta\text{CPI (1)} + 1\%$	$\Delta\text{CPI (2)} + 1\%$

10.3 PROPOSED TRADE WASTE CHARGES

An extract from the current trade waste policy outlining the properties categorised and proposed increase in charges are as follows:

Premises Classified as Category A under Council's Trade Waste Policy

Sewer Service Access Charge	In accordance with Normal Premises.
Usage charge	In accordance with Trade Waste Policy
Licence/ Inspection Fees	In accordance with Trade Waste Policy

Premises Classified as Category B under Council's Trade Waste Policy

Sewer Service Access Charge	In accordance with Normal Premises.
Usage charge	Refer Table 10.12
Licence/ Inspection Fees	In accordance with Trade Waste Policy

Trade Waste discharges shall be grouped into two categories.

Category A

Premises that discharge high strength or high volume wastes with the potential to have a significant adverse impact on the sewerage system if agreement standards are not maintained.

Premises listed under Category "A" shall be visited twice annually with samples being collected and tested according to agreement conditions. If quality of trade waste or volume is outside agreement conditions, the owner or occupier of the premises will be formally requested to comply with agreement conditions. Failure to comply with agreement conditions may result in the trader being refused permission to discharge waste to the sewerage system. A re-inspection fee shall apply to all inspections, other than twice annual sampling, required to achieve agreement conditions.

Category B

Premises that discharge wastes with the potential to have an adverse impact on the sewerage system if agreement standards are not maintained. Typically premises include:

- 1 Any club, hotel, motel, caravan park or hostel which has a kitchen.
- 2 Restaurants and cafes.
- 3 Butcher shops.
- 4 Garages and Workshops.
- 5 Concrete batching plants and any light industry requiring pre-treatment of sewer wastes.

Premises listed under Category "B" shall be registered and inspected annually by Council staff to assess compliance with agreement conditions. If the Trader is in breach of agreement conditions a formal request to comply will be issued. Failure to comply may result in the trader being refused permission to discharge waste to the sewerage system or re-classification to a category A discharger and imposition of the associated pay for use charging system. A re-inspection fee shall apply to all inspections, other than the annual sampling, required to achieve agreement conditions.

Proposed Trade Waste Charges

Table 10.11

Trade Waste Charges		
Basis Of Charge	2005/2006 Proposed % increase on 2004/2005 Charge	2006/2007 Proposed % increase on 2005/2006 Charge
Category A		
Volume per kL	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Biological Oxygen Demand per kg	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Suspended Solids per kg	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Oil and Grease per kg	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Annual Licence Fee	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Re-inspection Fee	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Category B		
Excess Biological Oxygen Demand /kg	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Excess Suspended Solids per kg	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Excess Oil and Grease per kg	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$
Annual Licence Fee	$\Delta\text{CPI (1) + 1\%}$	$\Delta\text{CPI (2) +1\%}$

Part Year Charges

For those properties that become chargeable or non-chargeable for the water and sewer service charges during the year a proportional charge calculated on a weekly basis applies.

WATER SUPPLY SERVICE STANDARDS

COUNCIL'S RESPONSE		
KEY STRATEGIES	PERFORMANCE MEASURE	
	KEY TARGET FOR 2004/2005	LONGER TERM TARGET
1 Operate the water supply system to achieve:		
a Key regulatory requirements.	* 100% compliance with National Health and Medical Research Council (NHMRC) monitoring guidelines.	
	* 100% compliance with NHMRC health guidelines.	
b A high level of operating performance.	* Continuing implementation of best practice methods to achieve productivity improvements within the regulatory environment.	* Operation and maintenance costs per property are within the top quartile of commensurate utilities with similar regulatory regimes, responsibilities for service delivery and level of service provided.
c Key customer service performance requirements.	* Pressure at the point of meter connection is maintained at or above 15m for at least 98% of properties on an annual basis.	
	* The proportion of properties affected by an interruption (planned or unplanned) to supply longer than 5 hours is less than 5% on an annual basis.	
	* The proportion of properties with water quality complaints is less than 5 per 1,000 customers on an annual basis.	
	* Standard response times are achieved for systems malfunctions customer contact – 98% of the time.	
	* 2003/04 annual customer survey shows that no more than 15% of customers are dissatisfied with the service delivered.	
2 Implement long term strategies for a sustainable water supply taking into account broader economic and environmental considerations.	* Implement a programme to evaluate the environmental effects of water supply activities.	* Implement a water supply strategy that is environmentally sustainable and economically affordable.

WATER SUPPLY SERVICE STANDARDS

COUNCIL'S RESPONSE		
KEY STRATEGIES	PERFORMANCE MEASURE	
	KEY TARGET FOR 2004/2005	LONGER TERM TARGET
3 Reduce the demand for water by implementing a proactive community education programme targeting the reduction of water wastage and utilisation of water efficient system and devices.	* Extend community education programmes through: <ul style="list-style-type: none"> - Schools - Waterweek - Community days - residential retrofits of water efficient devices - audits of major consumers 	* Average residential water usage is within the bottom quartile of commensurate water utilities.
4 Extend the use of alternative water supply sources by encouraging, and where cost effective, financially supporting the use of rainwater tanks.	* Continue systems to monitor and selectively extend alternative water usage programmes for rain water tanks and reclaimed water re-use.	* Alternative water source usage is within the top quartile of commensurate water utilities.

SEWERAGE SERVICE STANDARDS

COUNCIL'S RESPONSE		
KEY STRATEGIES	PERFORMANCE MEASURE	
	KEY TARGET FOR 2004/2005	LONGER TERM TARGET
<p>1 Operate the sewerage system to achieve:</p> <p>a Key regulatory requirements.</p>	<p>* Effluent discharged to the ocean meets Environment Protection Authority licence conditions 100% of the time.</p> <p>* No adjacent bathing beach fails to meet health requirements due to discharge of sewage effluent.</p>	
<p>b A high level of operating performance.</p>	<p>* Continuing implementation of best practice methods to achieved productivity improvements within the regulatory environment.</p>	<p>* Operation and maintenance costs per property are within the top quartile of commensurate utilities with similar regulatory regimes, responsibilities for service delivery and level of service provided.</p>
<p>c Key customer service performance requirements.</p>	<p>* On an annual basis less than 1% of properties have a sewage overflow caused by a problem in the Council owned/operated sewer.</p>	
	<p>* 2003/2004 annual customer survey, that no more than 15% of customers are dissatisfied with the service delivered.</p>	
	<p>* On an annual basis less than 1% of properties experience odours from the Council owned/operated sewerage system.</p>	

Capital Expenditure as at July 1 2004

APPENDIX B

CURRENT \$	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
REFURBISHMENT											
WATER	2,390	2,573	2,763	2,961	3,157	3,383	3,595	3,828	4,069	4,321	4570
SEWER	2,510	2,686	2,889	3,091	3,300	3,507	3,734	3,970	4,216	4,471	4724
MAJOR HEADWORKS											
WATER (50% of cost)	7,937	5,405	6,341	3,487	1,656	1,697	6,958	15,453	8,224	937	5120
WATER – Desalination (50% of cost)	750	7,688	12,345	5,384	0	0	0	0	0	0	0
SEWER	400	1,538	3,940	1,158	1,187	2,319	1,160	1,189	1,218	1,249	1280
INFRASTRUCTURE											
WATER	2,630	2,696	2,763	2,832	2,903	2,976	3,050	3,126	3,204	3,285	3367
SEWER	3,580	3,670	3,761	3,855	3,952	4,050	4,152	4,255	4,362	4,471	4583
FREE ASSETS											
WATER	1,790	1,835	1,881	1,928	1,976	2,025	2,076	2,128	2,181	2,235	2291
SEWER	1,790	1,835	1,881	1,928	1,976	2,025	2,076	2,128	2,181	2,235	2291
STANDARDS											
WATER	960	984	1,009	1,034	1,060	1,086	1,113	1,141	1,170	1,199	1229
SEWER	1,190	1,220	1,250	1,281	1,314	1,346	1,380	1,415	1,450	1,486	1523
DRAINAGE											
FREE ASSETS	1,790	1,835	1,881	1,928	1,976	2,025	2,076	2,128	2,181	2,235	2291
RENEWAL	240	246	252	258	265	272	278	285	292	300	307
ENVIRONMENTAL	840	861	883	905	927	950	974	998	1,023	1,049	1075
GROWTH	4,300	4,408	4,518	4,631	4,746	4,865	4,987	5,111	5,239	5,370	5504
GROWTH 94	3,489	3,519	2,499	2,553	2,609	2,666	2,724	2,784	2,845	2,909	2972
CORPORATE											
IT WATER	0	0	0	0	0	0	0	0	0	874	896
IT SEWER	0	0	0	0	0	0	0	0	0	562	576
TOTAL	36,586	42,999	50,856	39,214	33,004	35,192	40,333	49,939	43,855	39,188	44,599
FREE ASSETS	5,370	5,505	5,643	5,784	5,928	6,075	6,228	6,384	6,543	6,705	6,873
TOTAL EXCL. FREE ASSETS	31,216	37,494	45,213	33,430	27,076	29,117	34,105	43,555	37,312	32,483	37,726

DRAINAGE CAPITAL WORKS PROGRAM

TABLE A
ROAD REHABILITATION/DRAINAGE – 2004/2005

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION 2004/2005		\$4,731,000
PANORAMA PARADE STAGE 3	CHARMHAVEN	
LINDSAY STREET – SECTIONS	SHELLY BCH	
DOG TRAP ROAD -N/E OF SEAL FRM FREE'WAY	OURIMBAH	
STREET TREES	VARIOUS	
CHEWYND AVENUE	BERKELEY VALE	
HUE HUE ROAD (VARIOUS SECTIONS)	JILLIBY	
LONG JETTY TRAFFIC MANAGEMENT	T/ENT LONG JETTY	
BROOKE AVENUE- T.C.DEVICES	KILLARNEY VALE	
CRESTHAVEN AVENUE / ROTHERHAM ST – ROUNDABOUT	BATEAU BAY	
ALISON ROAD - PAST CATHOLIC SCHOOL	WYONG	
SWADLING STREET – continues	LONG JETTY	
BATEAU BAY EAST – Traffic Management Plan Works	BATEAU BAY	
BANGALORE STREET - SEAL GRAVEL ROAD	OURIMBAH	
EASTERN ROAD (TUMBI ROAD)+SHERRY Stg1	TUMBI UMBI	
THE RIDGEWAY - sect. 50/50 Gosford	TUMBI UMBI	
KAYE AVENUE – continued	GOROKAN	
KANANGRA DVE (Gwandalan Public School) including ORANA AVE	GWANDALAN	
THE ENTRANCE RD - CAMPBELL TO ASHTON AVE	THE ENTRANCE	
SHIRLEY ST/COACHWOOD DVE - Traffic calming devices	OURIMBAH	
BERKELEY ROAD - PEDESTRIAN REFUGE NEAR HIGH SCHOOL	BERKELEY VALE	
WALKWAY CLOSURES	VARIOUS	
BOUNDARY ROADS WITH GOSFORD – Dog Trap Road	OURIMBAH	
SCHOOL CROSSING - TUGGERAWONG RD SCHOOL	TUGGERAWONG	
RUTTLEYS ROAD/VALES ROAD INTERSECTION LEFT TURN ONLY	MANNERING PARK	
BRUSH ROAD - WEST BEND	OURIMBAH	
DICKSON ROAD - CURVE 3	JILLIBY	
STANLEY STREET (commence)	KANWAL	
KANANGRA DRIVE	GWANDALAN	
ROADS TO RECOVERY		\$863,000
EASTERN ROAD - SPLIT SECTION W/B	BATEAU BAY	
TUMBI ROAD /EASTERN ROAD RAB – WSC SHARE	TUMBI	
MINOR RDS. REHAB. PROGRAM		\$400,000
STANLEY STREET (northern end) landcom funds	KANWAL	
KULLAROO ROAD	SUMMERLAND PT.	
MERMAID DRIVE	BATEAU BAY	
ARIZONA ROAD (industrial area)	WARNERVALE	
GLADYS AVE	BERKELEY VALE	
ACE CRESENT	TUGGERAH	

DRAINAGE CAPITAL WORKS PROGRAM

**TABLE A(cont)
ROAD REHABILITATION/DRAINAGE – 2004/2005**

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD CONSTRUCTION - SECTION 94		
LINK ROAD CONSTRUCTION - STAGE 1 - NORTHERN END	WARNERVALE	\$800,000
SUMMERLAND POINT ROAD	SUMMERLAND PT	\$273,000
GOORAMA AVENUE OVERBRIDGE	SAN REMO	\$850,000
WARNERVALE ROAD OVER CULVERT	HAMLIN TERRACE	\$379,000
WARNERVALE ROAD BUS SHELTERS	WARNERVALE	\$35,000
MINNESOTA/WARNERVALE ROAD ROUNDABOUT	HAMLIN TERRACE	\$418,000
CRAIGIE AVENUE/ PACIFIC HIGHWAY INTERSECTION	KANWAL	\$229,000
THE ENTRANCE STREETScape IMPROVEMENTS	THE ENTRANCE	\$198,000
LAKE ROAD/CHURCH ROAD/MOORAMBA ROAD CONSTRUCTION	TUGGERAH	\$1,000,000
THE ENTRANCE /LONG JETTY TRAFFIC MANAGEMENT SCHEME	THE ENTRANCE	\$1,219,000
DRAINAGE CONSTRUCTION - SECTION 94		
WARNERVALE ROAD CULVERT	HAMLIN TERRACE	\$330,000
WARNERVALE ROAD WATER QUALITY FACILITY B1	WARNERVALE	\$568,000
TUGGERAH LAND ACQUISITION FOR DETENTION BASIN	TUGGERAH	\$12,000
F3 DENTION BASIN	MARDI	\$325,000
TUGGERAH STGE 3 WETLAND NO1 CONSTRUCTION	TUGGERAH	\$330,000
CULVERTS AT PACIFIC HWY	TUGGERAH	\$350,000
OPEN CHANNEL (RAILWAY- MERIDIAN CHANNEL)	TUGGERAH	\$215,000
DRAINAGE		\$3,020,000
OAKLAND AVENUE/ASHTON AVENUE STAGE 3	THE ENTRANCE	
STANLEY STREET	KANWAL	
SAN REMO AREA	SAN REMO	
BUDGEWOI AREA	BUDGEWOI	
ENVIRONMENTAL - WETLANDS incl. Lake Mac		
LINDSAY STREET WITH ROADWORKS	SHELLY BCH	
WATSON AVENUE	TUMBI	
EASTERN ROAD WITH ROADWORKS	BATEAU BAY	
PANORAMA AVENUE STAGE 4 WITH ROADWORKS	CHARMHAVEN	
TOOWOON BAY/ARCHBOLD ROAD STAGE 1	TOOWOON BAY	
BIAS AVENUE - replace existing line beside the hostel	BATEAU BAY	
WOONGARAH WETLANDS - ADD TO SECTION 94 FUNDS FOR WSC SHARE	WOONGARAH	
GOSFORD AVENUE - PIPE CHANNEL	THE ENTRANCE	
BATEAU BAY PUBLIC SCHOOL - BROOKE AVE	BATEAU BAY	
NETWORK REHAB.	VARIOUS	
ARIZONA RD-CULVERTS UPGRADE	CHARMHAVEN	
RESERVE DRIVE	BATEAU BAY	
101 BUDGEWOI ROAD BUDGEWOI Cat 1 flooding	BUDGEWOI	
MISCELLANEOUS MINOR CAT 1 PROJECTS	VARIOUS LOCATIONS	

DRAINAGE CAPITAL WORKS PROGRAM

**TABLE A
ROAD REHABILITATION/DRAINAGE – 2004/2005**

PROJECT	SUBURB	BUDGET ALLOCATION	
RESEALING PROGRAM		RTA REG	WSC
		\$307,000	\$2,100,000
LOCAL & BLOCK GRANT			
REGIONAL 3x3 COMPONENT			
RTA - OTHER FUNDING		\$324,000	
BLOCK GRANT (maintenance. proportion)			
TRAFFIC FACILITIES			
HEAVY PATCHING		\$450,000	
RTA IMPROVEMENT PROGRAM	Various	est.\$1,700,000	
REGIONAL ROADS REHABILITATION		RTA	WSC \$
		\$230,000	\$230,000
MIMOSA ROAD - ELIZ. BAY DRIVE TO OURRINGO	BUDGEWOI		
CHITTAWAY RD - CH 0.385 TO CH 0.67	OURIMBAH		
RTA BLACK SPOT/IMPROVEMENT PROJECTS			
BERKELEY ROAD/ENTERPRISE DRIVE	FOUNTAINDALE	\$300,000	
M.R. 336/TUGGERAH PARADE	LONG JETTY	\$450,000	
EASTERN ROAD/BAY VILLAGE ROAD	BATEAU BAY	\$200,000	
CARES Facility - RTA Funding			
WSC Maintenance Funds (50/50 with Gosford)		\$15,000	
DEPT OF HOUSING/LANDCOM FUNDING		\$0	
BRIDGE REFURBISHMENT		\$300,000	
PALMDALE BRIDGE No2	PALMDALE		
MANDALONG ROAD No1	MANDALONG		
CONSTRUCTION OF CARPARKS		\$198,000	
SHELLY BEACH - C.VAN PARK FUNDED	SHELLY BCH		
KING ST CARPARK	OURIMBAH		
BI-LO CARPARK CONTRIBUTIONS REQUIRED	KILL. VALE		
BUDGEWOI CIRCL CARPARK - \$50,000 DEVELOPER FUNDED	BUDGEWOI		
FOOTPAVING		REVENUE	CONT.
		\$330,000	\$90,000
KERB & GUTTER INFILL		REVENUE	CONT.
		\$85,000	\$0

DRAINAGE CAPITAL WORKS PROGRAM

**TABLE A(cont)
ROAD REHABILITATION/DRAINAGE – 2004/2005**

PROJECT	SUBURB	BUDGET ALLOCATION
PEDESTRIAN PROTECTION		\$50,000
ROUNDBOUT ADJUSTMENTS		\$100,000
ROAD SAFETY OFFICER		\$15,000

DRAINAGE CAPITAL WORKS PROGRAM

**TABLE B
ROAD REHABILITATION/DRAINAGE – 2005/2006**

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION 2005/2006		\$5,084,000
LAKEDGE AVENUE – SECTIONS	BERKELEY VALE	
CADONIA ROAD – TUGG. TO SCHOOL	TUGGERAWONG	
KANANGRA DRIVE - 3 SECTIONS	GWANDALAN	
STREET TREES	VARIOUS	
HUTTON ROAD	NTH ENTRANCE	
LONG JETTY TRAFFIC MANAGEMENT	T/ENT LONG JETTY	
HUE HUE ROAD (VARIOUS SECTIONS)	JILLIBY	
BUSH STREET – STAGE 1	NORAH HEAD	
ELOORA ROAD STAGE 1B	LONG JETTY	
BATEAU BAY EAST – Traffic Management Plan Works	BATEAU BAY	
LINDSAY STREET – SECTIONS	SHELLY BCH	
SWADLING STREET – continues	LONG JETTY	
THE RIDGEWAY	TUMBI UMBI	
RUTTLEYS ROAD/VALES ROAD INTERSECTION TYPE C	MANNERING PARK	
THE CORSO	GOROKAN	
STANLEY STREET	KANWAL	
WATKINS STREET / ELSIEMERE - 1b	LONG JETTY	
BOUNDARY ROADS WITH GOSFORD - Dog Trap Road	OURIMBAH	
ROADS TO RECOVERY		\$863,000
TUMBI ROAD /EASTERN ROAD - WSC SHARE	TUMBI	
MINOR RDS. REHAB. PROGRAM		\$400,000
COPNOR AVENUE - CHECK DEVELOPMENTS	THE ENTRANCE	
DUNCAN STREET	THE ENTRANCE	
DONALD AVENUE/TUGGERAWONG RD	KANWAL	
St. JAMES AVENUE	BERKELEY VALE	
WALL ROAD	GOROKAN	
GOSFORD AVENUE	LONG JETTY	
ROAD CONSTRUCTION - SECTION 94		
LINK ROAD CONSTRUCTION - STAGE 1 & 2	WARNERVALE	\$2,400,000
LOUISIANA ROAD/WARNERVALE ROAD SIGNALS	WARNERVALE	\$121,000
TOUKLEY TOWN CENTRE CARPARK	TOUKLEY	\$200,000
THE ENTRANCE STREETScape IMPROVEMENTS	THE ENTRANCE	\$198,000
LAKE ROAD/CHURCH ROAD/MOORAMBA ROAD CONSTRUCTION	TUGGERAH	\$1,000,000
JOHNSON ROAD/PACIFIC HWY INTERSECTION	TUGGERAH	\$253,000
THE ENTRANCE /LONG JETTY TRAFFIC MANAGEMENT SCHEME	THE ENTRANCE	\$1,135,000
DRAINAGE CONSTRUCTION - SECTION 94		
WARNERVALE ROAD WATER QUALITY FACILITY A1/B6	WARNERVALE	\$909,000
TUGGERAH STGE3 WETLAND NO2 CONSTRUCTION	TUGGERAH	\$200,000
TUGGERAH STGE 3 WETLAND NO 3 CONSTRUCTION	TUGGERAH	\$215,000

DRAINAGE CAPITAL WORKS PROGRAM

TABLE B (cont)
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION
DRAINAGE CONSTRUCTION - SECTION 94		
WARNERVALE ROAD WATER QUALITY FACILITY A1/B6	WARNERVALE	\$909,000
TUGGERAH STGE3 WETLAND NO2 CONSTRUCTION	TUGGERAH	\$200,000
TUGGERAH STGE 3 WETLAND NO 3 CONSTRUCTION	TUGGERAH	\$215,000
DRAINAGE		\$3,020,000
GILBERT ST NOS 5&6 STAGE1	LONG JETTY	
SAN REMO AREA	SAN REMO	
BUDGEWOI AREA	BUDGEWOI	
OAKLAND AVE/ASHTON AVE STGE 4	THE ENTRANCE	
TOOWOON BAY/ARCHBOLD RD STAGE 2	TOOWOON BAY	
HUTTON RD WITH ROADWORKS	NTH ENTRANCE	
ENVIRONMENTAL - WETLANDS incl. Lake Mac		
REPAIR GREENACRE DRAIN	LK. MUNMORAH	
LAKEDGE AVENUE WITH ROADWORKS	BERKELEY VALE	
CADONIA RD-TUGG. TO SCHOOL - WITH ROADWORKS	TUGGERAWONG	
NETWORK REHAB.		
STANLEY ST - No 10/16 - see Kate Lusted's report	GOROKAN	
LINDSAY STREET WITH ROADWORKS	SHELLY BCH	
SWADLING STREET WITH ROADWORKS	LONG JETTY	
THE CORSO WITH ROADWORKS	GOROKAN	
ELOORA ROAD STAGE 1B WITH ROADWORKS	LONG JETTY	
WATKINS STREET WITH ROADWORKS	LONG JETTY	
PANORAMA AVENUE STAGE 5 FOR NEXT YEARS ROADWORKS	CHARMHAVEN	
MISCELLANEOUS MINOR CAT 1 PROJECTS		
RESEALING PROGRAM		RTA WSC
LOCAL & BLOCK GRANT		\$307,000 \$2,000,000
REGIONAL 3X3 COMPONENT		
RTA - OTHER FUNDING		\$324,000
BLOCK GRANT (maintenance. proportion)		
TRAFFIC FACILITIES		
HEAVY PATCHING		\$450,000
RTA IMPROVEMENT PROGRAM	Various	est.\$1,700,000
REGIONAL ROADS REHABILITATION		RTA WSC
ENTERPRISE DRIVE - WEST OF TURPENTINE BRIDGE	OURIMBAH	\$150,000 \$150,000
CHITTAWAY ROAD - CH 0 T0 CH 0.385	OURIMBAH	

DRAINAGE CAPITAL WORKS PROGRAM

TABLE B (cont)
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION	
RTA BLACK SPOT/IMPROVEMENT PROJECTS			
SH10/YATES RD	OURIMBAH	\$400,000	
CARES Facility - RTA Funding			
WSC Maint. Funds (50/50 with Gos ford.)		\$15,000	
WSC ? share of construction cost (funding dependent)		\$136,000	
DEPT OF HOUSING/LANDCOM FUNDING		\$0	
BRIDGE REFURBISHMENT		\$300,000	
TERALBA ROAD BRIDGE	OURIMBAH		
YORKYS BRIDGE	CEDAR BRUSH CK		
CONSTRUCTION OF CARPARKS		\$78,000	
SANDY BEACH	SUMMERLAND PT.		
FOOTPAVING		REVENUE	CONT
		\$330,000	\$90,000
KERB & GUTTER INFILL		REVENUE	CONT.
		\$85,000	\$0
PEDESTRIAN PROTECTION		\$50,000	
ROUNABOUT ADJUSTMENTS		\$100,000	
ROAD SAFETY OFFICER		\$15,000	

DRAINAGE CAPITAL WORKS PROGRAM

**TABLE C
ROAD REHABILITATION/DRAINAGE – 2006/2007**

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION 2006/2007		\$4,591,000
KANANGRA DRIVE - VARIOUS SECTIONS	GWANDALAN	
LAKEDGE AVENUE – SECTIONS	BERKELEY VALE	
DICKSON ROAD - 2 sections	JILLIBY	
FAIRPORT AVENUE/ DENING ST +FOOTPATH IN FAIRPORT	THE ENTRANCE	
STREET TREES	VARIOUS	
CHITTAWAY ROAD in front of shops	CHITTAWAY BAY	
SUNRISE AVENUE	BUDGEWOI	
BRUSH ROAD	OURIMBAH	
HUE HUE ROAD (VARIOUS SECTIONS)	JILLIBY	
KATHLEEN WHITE CRESENT	KILLARNEY VALE	
MALVINA PARADE - STAGE 1	LAKE HAVEN	
ELOORA ROAD STAGE 2	LONG JETTY	
PANORAMA PARADE STAGE 5	CHARMHAVEN	
ROADS TO RECOVERY		\$863,000
EASTERN ROAD (TUMBI ROAD)+SHERRY STREET Stage 2	TUMBI UMBI	
MINOR RDS. REHAB. PROGRAM		\$1,000,000
OLEANDER STREET - ROWENA TO LILLIAN	NORAVILLE	
MALANA AVENUE	BATEAU BAY	
PAPALA AVENUE-bend to Malana Ave	BATEAU BAY	
ALEXANDRA STREET	BUDGEWOI	
DANIEL CLOSE	KILLARNEY VALE	
BENALLA CLOSE	KILLARNEY VALE	
KINDARUN CLOSE	KILLARNEY VALE	
MELALEUCA STREET	KILLARNEY VALE	
LAKeway DRIVE	LAKE MUNMORAH	
GINGANUP ROAD	SUMMERLAND PT.	
MARINA STREET	BUDGEWOI	
ATHOL STREET	TOUKLEY	
ELDEN STREET	TOUKLEY	
FIRST AVENUE	TOUKLEY	
BLenheim AVENUE	BERKELEY VALE	
WINDSOR ROAD	BERKELEY VALE	
BUCKINGHAM ROAD	BERKELEY VALE	
CASURINA CLOSE	LAKEHAVEN	
SEC. ROAD CONST - SECTION 94		
SCENIC DVE/DAVID ST INTERSECTION	DOYALSON	\$370,000
LINK ROAD CONSTRUCTION - STAGE 3	WARNERVALE	\$3,378,000
SIGNALS ON ROAD TO THE DISTRICT CENTRE	WARNERVALE	\$1,212,000
THE ENTRANCE STREETSCAPE IMPROVEMENTS	THE ENTRANCE	\$198,000
THE ENTRANCE /LONG JETTY TRAFFIC MANAGEMENT SCHEME	THE ENTRANCE	\$2,510,000

DRAINAGE CAPITAL WORKS PROGRAM

TABLE C (cont)
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION
DRAINAGE CONST. - SECTION 94		
DRAINAGE		\$3,020,000
LAKEDGE AVENUE WITH ROADWORKS	BERKELEY VALE	
MALVINA PARADE WITH ROADWORKS	LAKEHAVEN	
SAN REMO AREA	SAN REMO	
BUDGEWOI AREA	BUDGEWOI	
ENVIRONMENTAL- WETLANDS incl. Lake Mac NETWORK REHAB.		
ELOORA ROAD STAGE 2 WITH ROADWORKS	LONG JETTY	
GEOFFREY ROAD WITH ROADWORKS	CHITTAWAY	
DONALD AVENUE No 37	KANWAL	
CASTLEREAGH CRESCENT wetlands drainage	BATEAU BAY	
WOLSELEY AVENUE 48 – PIPE	TACOMA	
LAUREN AVENUE	LAKE MUNMORAH	
GILBERT STREET NOS 5&6 STAGE 2	LONG JETTY	
KATHLEEN WHITE CRESENT	KILLARNEY VALE	
OWEN AVE WITH ROADWORKS - FAILED LINE	WYONG	
EASTERN ROAD WITH ROADWORKS	BATEAU BAY	
MISCELLANEOUS MINOR CAT 1 PROJECTS		
RESEALING PROGRAM		RTA WSC \$307,000 \$2,000,000
LOCAL & BLOCK GRANT		
REGIONAL 3X3 COMPONENT		
RTA - OTHER FUNDING		\$324,000
BLOCK GRANT (maintenance proportion)		
TRAFFIC FACILITIES		
HEAVY PATCHING		\$450,000
RTA IMPROVEMENT PROGRAM	Various	est. \$1,700,000
REGIONAL RDS REHABILITATION		TO BE FINALISED
RTA BLACK SPOT/IMPROVEMENT PROJECTS		TO BE FINALISED
CARES Facility - RTA Funding		
WSC Maintenance Funds (50/50 with Gosford)		\$15,000
DEPT OF HOUSING/LANDCOM FUNDING		\$0

DRAINAGE CAPITAL WORKS PROGRAM

TABLE C (cont)
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION	
BRIDGE REFURBISHMENT		\$300,000	
BRIDGE ST	OURIMBAH		
EDWARDS CREEK BRIDGE	DOORALONG		
CONSTRUCTION OF CARPARKS		\$78,000	
BERKELEY VALE FOOTBALL OVAL	BERKELEY VALE		
BAKER PARK WYONG - Adjacent to pump station	WYONG		
FOOTPAVING		REVENUE	CONT.
		\$330,000	\$90,000
KERB & GUTTER INFILL		REVENUE	CONT.
		\$85,000	\$0
PEDESTRIAN PROTECTION		\$120,000	
GOOBARABAH AVENUE – SIGNALISED PEDESRTRIAN CROSSING			
ROUNDAABOUT ADJUSTMENTS		\$100,000	
ROAD SAFETY OFFICER		\$15,000	

DRAINAGE CAPITAL WORKS PROGRAM

**TABLE D
ROAD REHABILITATION/DRAINAGE – 2007/2008**

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION 2007/2008		\$4,591,000
MALVINA PARADE - STAGE 2	LAKE HAVEN	
PETERS & BAKERS LANE	WYONG	
THE CORSO - Spring Valley to Suncrest-K&G + Intersect.	GOROKAN	
BRUSH ROAD	OURIMBAH	
RIVER RD-STAGE 1	WYONG	
LAKEVIEW STREET	GOROKAN	
McLACHLAN AVE-MR335 TO LINDSAY - check sewer main with w&s	LONG JETTY	
HUTTON ROAD	NTH ENTRANCE	
ELOORA ROAD - STAGE 3	LONG JETTY	
LAKEDGE AVENUE – SECTIONS	BERKELEY VALE	
KANANGRA DRIVE - VARIOUS SECTIONS	GWANDALAN	
THE RIDGEWAY	TUMBI UMBI	
OURIMBAH CREEK ROAD	OURIMBAH	
BUSH STREET - STAGE 2	NORAH HEAD	
OWEN AVENUE	WYONG	
ROADS TO RECOVERY		\$863,000
GOORAMA AVENUE (k&g)	SAN REMO	
TUGGERAWONG ROAD - NEAR SCHOOL	TUGGERAWONG	
MINOR RDS. REHAB. PROGRAM		\$1,000,000
VIEWPOINT STREET	TOUKLEY	
KITCHENER ROAD	LONG JETTY	
CAMS BLVDE	SUMMERLAND PT	
PAUL PLACE	GOROKAN	
LAKESHORE AVENUE	CHAIN VALLEY BAY	
PEROUSE AVENUE	SAN REMO	
NATUNA AVENUE (east end)	BUDGEWOI	
EDWARD STREET	BUDGEWOI	
RESTLEA AVENUE	CHARMHAVEN	
Mc GIRR AVENUE	THE ENTRANCE	
CAMBRIDGE CLOSE	OURIMBAH	
GASCOIGNE ROAD	GOROKAN	
KULLAROO ROAD	SUMMERLAND PT	
ESTHER CLOSE	GOROKAN	
YARALLA ROAD	TOUKLEY	
LEONARD AVENUE	TOUKLEY	
HEADOR STREET	TOUKLEY	
NAELCM AVENUE	KILLARNEY VALE	
ANCHOR AVENUE	TOUKLEY	
HAMMOND ROAD	TOUKLEY	
MURRAWAL ROAD	WYONGAH	

DRAINAGE CAPITAL WORKS PROGRAM

TABLE D (cont)
ROAD REHABILITATION/DRAINAGE – 2007/2008

PROJECT	SUBURB	BUDGET ALLOCATION
ARIZONA ROAD	CHARMHAVEN	
OCEAN AVE	NORAVILLE	
WALL ROAD	GOROKAN	
SHERRY ST	BATEAU BAY	
JENSEN ROAD	WADALBA	
SEC. ROAD CONST - SECTION 94		TO BE FINALISED
DRAINAGE CONST. - SECTION 94		TO BE FINALISED
DRAINAGE		\$3,020,000
GAVENLOCK ROAD stage 1	TUGGERAH	
Mc LACHLAN AVE	LONG JETTY	
KILLARNEY VALE SHOPS- P. PRESTON (R)	KILLAREY VALE	
ROSEMOUNT STREET	LAKE MUNMORAH	
ELOORA ROAD STAGE 3 WITH ROADWORKS	LONG JETTY	
BUFF POINT AVE - NO 174	BUFF POINT	
PHYLLIS AVE - Completion of works identified by P Preston	KANWAL	
MALVINA PDE WITH ROADWORKS	LAKEHAVEN	
TUGGERAWONG RD WITH ROADWORKS	TUGGERAWONG	
THE CORSO WITH ROADWORKS	GOROKAN	
HUTTON ROAD	NORTH ENTRANCE	
LAKEDGE AVENUE WITH ROADWORKS	BERKELEY VALE	
MISCELLANEOUS MINOR CAT 1 PROJECTS		
RESEALING PROGRAM		RTA WSC
LOCAL & BLOCK GRANT		\$307,000 \$2,000,000
REGIONAL 3X3 COMPONENT		
RTA - OTHER FUNDING		\$324,000
BLOCK GRANT (maintenance. proportion)		
TRAFFIC FACILITIES		
HEAVY PATCHING		\$450,000
MAINTENANCE		
RESEALS		
RTA IMPROVEMENT PROGRAM	Various	est.\$1,700,000

DRAINAGE CAPITAL WORKS PROGRAM

TABLE D (cont)
ROAD REHABILITATION/DRAINAGE – 2007/2008

PROJECT	SUBURB	BUDGET ALLOCATION	
REGIONAL RDS REHABILITATION		TO BE FINALISED	
RTA BLACK SPOT/IMPROVEMENT PROJECTS		TO BE FINALISED	
CARES Facility - RTA Funding			
WSC Maintenance Funds (50/50 with Gosford.)		\$15,000	
DEPT OF HOUSING/LANDCOM FUNDING		\$0	
BRIDGE REFURBISHMENT		\$300,000	
EDWARDS CREEK BRIDGE	DOORALONG		
CONSTRUCTION OF CARPARKS		\$78,000	
CHARMHAVEN SHOPS	CHARMHAVEN		
FOOTPAVING		REVENUE	CONT.
		\$330,000	\$90,000
KERB & GUTTER INFILL		REVENUE	CONT.
		\$85,000	\$0
PEDESTRIAN PROTECTION		\$50,000	
ROUNDBOUT ADJUSTMENTS		\$100,000	
ROAD SAFETY OFFICER		\$15,000	

**Miscellaneous Charges
Common Services**

Service No.	Description	Current Charge (2004/05)	Proposed Charge (2005/06)	Proposed Charge (2006/07)
1	Conveyancing Certificate <i>Statement of Outstanding Charges</i>			
	a) Over the Counter.....	15.00	15.00	16.00
	b) Electronic.....	N/A	N/A	N/A
2	Property Sewerage Diagram – up to and including A4 Size (where available) <i>Diagram showing the location of the house service line, building and sewer for the property.</i>			
	a) Certified	15.00	15.00	16.00
	b) Uncertified	15.00	15.00	16.00
3	Service Location Diagram <i>Location of sewer and /or water in relation to a property's boundaries</i>			
	a) Over the Counter	15.00	15.00	16.00
	b) Electronic	N/A	N/A	N/A
4	Special Meter Reading Statement	45.00	46.00	47.00
5	Billing Record Search Statement – Up to and including 5 years	15.00	15.00	16.00
6	Building Over or Adjacent to Sewer Advice <i>Statement of Approval Status for existing Building Over or Adjacent to a Sewer</i>	N/A	N/A	N/A
7	Water Reconnection			
	a) During business hours	30.00	31.00	31.00
	b) Outside business hours	125.00	128.00	131.00
8	Workshop Test of Water Meter <i>Removal and full mechanical test of the meter by an accredited organisation at the customer's request to determine the accuracy of the water meter. This involves dismantling and inspection of meter components.</i>			
	20mm	150.00	154.00	157.00
	25mm	150.00	154.00	157.00
	32mm	150.00	154.00	157.00
	40mm	150.00	154.00	157.00
	50mm	150.00	154.00	157.00
	60mm	150.00	154.00	157.00
	80mm	150.00	154.00	157.00

**Miscellaneous Charges
Common Services**

Service No.	Description	Current Charge (2004/05)	Proposed Charge (2005/06)	Proposed Charge (2006/07)
9	Application for Disconnection – All sizes Physical Disconnection	25.00 99.00	26.00 101.00	26.00 104.00
10	Application for Water Service Connection (up to and including 25mm) <i>This covers the administration fee only. There will be a separate charge payable to the utility if they also perform the physical connection.</i>	25.00	26.00	26.00
11	Application for Water Service Connection (32-65mm) <i>This covers the administration fee only. There will be a separate charge payable to the utility if they also perform the physical connection.</i>	25.00	26.00	26.00
12	Application for Water Service Connection (80mm or greater) <i>This covers the administration fee only. There will be a separate charge payable to the utility if they also perform the physical connection.</i>	25.00	26.00	26.00
13	Application to Assess a Water Main Adjustment <i>(Moving a fitting and/or adjusting a section of water main up to and including 25 metres in length). This covers preliminary advice as to the feasibility of the project and will result in either</i> 1 A rejection of the project in which case the fee covers the associated investigation costs. OR 2 Conditional approval in which case the fee covers the administration costs associated with the investigation and record amendment.	N/A	N/A	N/A
14	Standpipe Hire Security Bond (25mm) Security Bond (63mm)	309.00 595.00	317.00 610.00	325.00 625.00
15	Standpipe Hire Annual Fee Quarterly Fee Monthly Fee (or part thereof)	As per water service charge based on meter size. (pro-rata for part of year)	As per water service charge based on meter size. (pro-rata for part of year)	As per water service charge based on meter size. (pro-rata for part of year)
16	Standpipe Water Usage Fee All Usage	As per standard water usage charges per kilolitre.	As per standard water usage charges per kilolitre.	As per standard water usage charges per kilolitre.

**Miscellaneous Charges
Common Services**

Service No.	Description	Current Charge (2004/05)	Proposed Charge (2005/06)	Proposed Charge (2006/07)
17	Backflow Prevention Device Application and Registration Fee <i>This fee is for the initial registration of the backflow device</i>	52.00	53.00	55.00
18	Backflow Prevention Application Device Annual Administration Fee <i>This fee is for the maintenance of records including logging of inspection reports.</i>	Nil	Nil	Nil
19	Major Works Inspections Fee <i>This fee is for the inspection, for the purpose of approval, of water and sewer mains, constructed by others, that are longer than 25 metres and/or greater than 2 metres in depth</i> Water Mains (\$ per metre) Gravity Sewer Mains (\$ per metre) Rising Sewer Mains (\$ per metre)	4.50 6.00 4.50	4.60 6.15 4.60	4.70 6.15 4.70
20	Statement of Available Pressure and Flow <i>This fee covers all levels whether modelling is required or not.</i>	110.00	112.00	115.00

**Miscellaneous Charges
Water Supply and Sewerage Services**

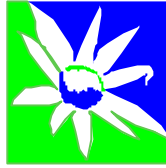
Service No.	Description	Current Charge (2004/05)	Proposed Charge (2005/06)	Proposed Charge (2006/07)
21	<p>Underground Plant Locations Provision of uncertified plan showing location of underground mains.</p> <p>Council assists in on-site physical locations</p> <p>Council undertakes on-site physical locations</p>	<p>N/A</p> <p>\$60 per hour for first hour or part thereof then \$15 per 15 minutes or part thereof +10% GST</p> <p>\$100 per hour for first hour or part thereof then \$25 per 15 minutes or part thereof +10% GST</p>	<p>N/A</p> <p>\$61.50 per hour for first hour or part thereof then \$15 per 15 minutes or part thereof +10% GST</p> <p>\$102.50 per hour for first hour or part thereof then \$25.50 per 15 minutes or part thereof +10% GST</p>	<p>N/A</p> <p>\$63.00 per hour for first hour or part thereof then \$16 per 15 minutes or part thereof +10% GST</p> <p>\$105.00 per hour for first hour or part thereof then \$26.00 per 15 minutes or part thereof +10% GST</p>
22	<p>Plumbing and Drainage Inspection <i>Maximum of 2 inspections</i> Residential Single Dwelling, Villas & Units Alterations, Caravans & Mobile Homes Commercial & Industrial</p> <p>Additional Inspections.....</p>	<p>121.00 /unit 61.00 /permit 121.00 (plus \$35.00 /WC) 45.00/inspect</p>	<p>124.00 /unit 62.50 /permit 124.00 (plus \$36.00 /WC) 46.00/inspect</p>	<p>127.00 /unit 64.00 /permit 127.00 (plus \$37.00 /WC) 47.00/inspect</p>
23	<p>Billings Record Search – Further Back than 5 years</p>	<p>\$15 for the first 15 minutes or part thereof then \$10 per 15 minutes or part thereof</p>	<p>\$15 for the first 15 minutes or part thereof then \$10 per 15 minutes or part thereof</p>	<p>\$16 for the first 15 minutes or part thereof then \$11 per 15 minutes or part thereof</p>

**Miscellaneous Charges
Water Supply Services**

Service No.	Description	Current Charge (2004/2005)	Proposed Charge (2005/2006)	
24	Relocate Existing Stop Valve or Hydrant <i>Price exclusive of plant hire charges, material costs and traffic control where applicable</i>	\$100 per hour for first hour or part thereof then \$25 per 15 minutes or part thereof	\$102.50 per hour for first hour or part thereof then \$25.50 per 15 minutes or part thereof	
25	Provision of Water Services <i>Application for water service connection fee is also applicable</i> Meter Only (20mm) Short service – 20mm Long service – 20mm Short service – 25mm Long service – 25mm Short service – 40mm..... Long service – 40mm Short service – 50mm..... Long service – 50mm Larger services * <i>* Provision of live main connection only. Price exclusive of plant hire charges, material costs and traffic control where applicable.</i>	86.00 521.00 521.00 633.00 633.00 1189.00 1541.00 1696.00 2091.00 \$100 per hour for first hour or part thereof then \$25 per 15 minutes or part thereof.	88.00 534.00 534.00 648.00 648.00 1218.00 1619.00 1738.00 2143.00 \$102.50 per hour for first hour or part thereof then \$25.50 per 15 minutes or part thereof.	90.00 547.00 547.00 665.00 665.00 1249.00 1619.00 1782.00 2197.00 \$105.00 per hour for first hour or part thereof then \$26.00 per 15 minutes or part thereof.
26	Water Sample Analysis <i>For testing of standard water quality parameters (Private supplies)</i>	61.00	62.50	64.00
27	Raise / Lower / Adjust Existing Services (No more than 2 metres from existing location) 20mm service only – no materials Larger services or requiring materials	101.00 by quote	103.00 by quote	106.00 by quote
28	Relocate Existing Services Short – 20mm Long – 20mm Larger Services (> 20mm)	254.00 395.00 by quote	260.00 405.00 by quote	267.00 415.00 by quote
29	Alteration from Dual Service to Single Service 20mm service only	304.00	311.00	319.00

**Miscellaneous Charges
Sewerage Services**

Service No.	Description	Current Charge (2004/05)	Proposed Charge (2005/06)	Proposed Charge (2006/07)
30	Sewerage Drainage Arrestor Approval Annual Inspection	82.00 25.00	84.00 25.50	86.00 26.00
31	Sewerage Junction Cut-in (150mm) <i>No excavation, no concrete encasement removal, no sideline, junction within property. Excavation provided by customer.</i>	247.50	253.00	260.00
32	Sewerage Junction Cut-in (150mm) with sideline less than 3m <i>No excavation, no concrete encasement removal, no sideline, junction within property. Excavation provided by customer.</i>	258.50	265.00	271.00
33	Sewerage Junction Cut-in (225mm) <i>No excavation, no concrete encasement removal, no sideline, junction within property. Excavation provided by customer.</i>	577.50	592.00	607.00
34	Sewerage Junction Cut-in (225mm) with sideline less than 3m <i>No excavation, no concrete encasement removal, no sideline, junction within property. Excavation provided by customer.</i>	610.50	625.00	641.00
35	Sewerage Junction Cut-in Greater than 225mm or where excavation or removal of concrete encasement required by Council	\$100 per hour for first hour or part thereof then \$25 per 15 minutes or part thereof +10% GST	\$102.50 per hour for first hour or part thereof then \$25.50 per 15 minutes or part thereof +10% GST	\$104.00 per hour for first hour or part thereof then \$26.00 per 15 minutes or part thereof +10% GST
36	Sewer Main Encasement with Concrete Encasement inspection fee when construction is not by Council Construction by Council	83.60 by quote +10% GST	85.50 by quote +10% GST	88.00 by quote +10% GST
37	Sewer Advance Scheme – Administration Charge	198.00	203.00	208.00
38	Raise and Lower Sewer Manholes Raise manhole greater than 300mm <i>Price listed is the manhole adjustment inspection fee. Charges for actual physical adjustment is by quote.</i>	83.60	85.50	88.00



Review of Water Consumption Forecasts for NSW Metropolitan Water Agencies

**Submission by Wyong Council
August 2004**

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SECTION 2 Summary of Current Consumption Issues

APPENDICES

APPENDIX 1 Graph of Consumption Scenarios
for Period 2005/2006 to 2009/2010

SECTION 1

INTRODUCTION TO REVIEW

This Review has been prepared in response to the IPART requirement that each Water Supply Authority prepare forecasts of projected water sales for the period 1 July 2005 to 30 June 2010.

The required consumption forecasts (high / medium / low) are presented in graphical form in Appendix 1 of this Review.

INTRODUCTION TO WYONG SHIRE

Council's water supply business includes operation, maintenance and capital works activities associated with the water supply catchment, water harvesting, treatment and distribution to customers.

Major headworks components of the business such as dams, weirs, treatment plants and bulk water distribution reservoirs are shared with Gosford City Council and administered and oversighted by the Gosford Wyong Councils' Water Authority (GWCWA) Board.

Other supply infrastructure associated with the distribution of water to customers is the responsibility of each individual Council.

Council provides water to a permanent population in excess of 140,000 via approximately 58,000 connections.

Treated water supplied is in excess of 14,000 megalitres per annum when restrictions are not in place. Water restrictions were implemented in February 2002 and will most probably be in place for several more years. Demands range from 35 megalitres per day in winter to 100 megalitres per day in summer.

As the Shire has had significant reserves of available land for residential and non-residential purposes sustained growth of about 2.2% pa has occurred over the past decade. This growth is expected to continue at 2.0 - 2.2% over the period of this determination.

SECTION 2

SUMMARY OF CURRENT CONSUMPTION ISSUES

In reviewing consumption and forecasting future consumption patterns / trends for Wyong several factors are highlighted;

- 1 Historic Metered Consumption
- 2 Future Metered Consumption (based solely on population growth)
- 3 Impact of Current and Future Restrictions and other demand management initiatives
- 4 Unaccounted for Water (UAW)

Comments relating to each of these factors are outlined below;

1 Historical Metered Usage and Unaccounted for Water

Review of metered usage patterns indicates a steady growth up to and including year ending 30 June 2001 and peaking at that time. With the introduction of water restrictions in February 2002 metered usage has declined as indicated in the table below.

Year Ending	Metered Consumption (ML)	Total Consumption (ML)	Unaccounted for Water %
June 30 1996	11,803	13,950	15.4
June 30 1997	11,261	14,648	23.1
June 30 1998	13,209	15,722	16.0
June 30 1999	13,692	13,827	1.0
June 30 2000	13,779	14,279	3.5
June 30 2001	15,440	15,192	-1.6
June 30 2002	15,000	14,871	-0.9
June 30 2003	13,880	14,583	4.8
June 30 2004	13,467	14,254	5.5
		Average	7.4%

The irregularities, on an annual basis, between total water consumption, metered water consumption and hence unaccounted for water are due to the different time at which meters are read. The total water consumption figures are a true representation, subject to meter error, of water usage during the year. Metered consumption is influenced by the meter reading cycle. Average unaccounted water is a best estimate.

Further projections of metered water consumption are therefore based on projected total water consumption less 7.4% for unaccounted for water.

2 Future Metered Usage (Unrestricted demand regime)

Consumption forecasts based on an unrestricted demand regime have been projected. This takes into account past unrestricted usage and future population growth rate projections. The future population projections are based on Council Strategic Planning data that indicates the following:

- * a projected average 2.2% pa average population increase from 2001 to 2006
- * a projected average 2.1% pa average population increase from 2006 to 2010

The following table summarises estimated population and unrestricted demand. The reference point is June 30 2002 being the last year of unrestricted water usage..

Year Ending	Estimated Population Growth Rate (%)	Unrestricted Annual Demand (ML)	Metered Unrestricted Annual Demand (ML)**
June 30 2002	2.2	14,871	13,770
June 30 2003	2.2	15,198	14,073
June 30 2004	2.2	15,532	14,382
June 30 2005	2.20	15,880	14,704
June 30 2006	2.19	16,227	15,026
June 30 2007	2.14	16,575	15,348
June 30 2008	2.10	16,923	15,670
June 30 2009	2.06	17,271	15,993
June 30 2010	2.04	17,624	16,320

** Allows 7.4% for Unaccounted for Water.

3 Current and Future Restrictions

Restriction regimes adopted by the GWCWA provide for the following target reductions in water consumption.

Restriction Level	Target Demand Reduction %
NIL	0
1	8
2/2A	16
3	24
4	32
5	38

Level 1 restrictions were implemented on February 24 2002. Level 2 and 2A restrictions commenced on May 17 and August 1 2004 respectively.

In response to the IPART requirement for the Water Authorities to present high, medium and low consumption forecasts the following scenarios are provided;

- 1 High (Worst Case) Restriction Regime – Continuation of Drought for a further 3 years and then gradually return to normal.

The High Restriction scenario provides for progressive imposition of higher restriction levels (down to Level 5) until the introduction of a contingency input of 20 MI/d by December 2007. Restrictions are then maintained at Level 5 until July 2009 with Level 4 Restrictions held for a further 2 years.

- 2 Medium Restriction Regime – Weather patterns gradually return to normal over the next 3 years.

The Medium Restriction scenario provides for Level 2A restrictions maintained until December 2004 with Level 3 restrictions imposed until a contingency input of 20 MI/d is available by December 2007. Restrictions are then reduced to Level 2A until July 2009 with Level 1 restrictions held for a further 2 years.

- 3 Low Restriction Regime – Wet weather patterns commence in Autumn 2005.

The Low Restriction scenario is based on maintenance of Level 2A restrictions until July 2006 with Level 1 restrictions held until July 2008 and no restrictions thereafter.

It should be noted that the restriction levels outlined above represent water savings achieved by all means ie restriction conditions, water saving initiatives etc.

Wyong Council will be using the “Medium” case as the basis of its’ submission.

The following 3 tables detail projected metered water consumption under high, medium and low restriction regimes.

Appendix 1 provides a graphical representation of the 3 scenarios.

High (Worst Case) Restriction Regime

TABLE 1

Year Ending	Existing / Anticipated Restriction Regime	Metered Unrestricted Annual Demand (ML)	Metered Unrestricted Annual Demand with nominated restrictions applied (ML)
June 30 2002	Unrestricted then Level 1 restricted from February 24 2002	13,770	13,770
June 30 2003	Level 1 Restrictions from 1 July 2002 to 30 June 2003	14,073	12,947
June 30 2004	Level 1 Restrictions to May 17 2004 Level 2 Restrictions from May 18 to June 30 2004	14,382	13,095
June 30 2005	Level 2 Restrictions from July 1 to August 1 2004. Level 2A Restrictions from August 2 to September 30 2004. Level 3 Restrictions from October 1 2004 to June 30 2005.	14,704	11,469
June 30 2006	Level 3 Restrictions from July 1 2005 to September 30 2005. Level 4 Restrictions from October 1 2005 to June 30 2006.	15,026	10,518
June 30 2007	Level 4 Restrictions from July 1 2006 to June 30 2007	15,348	10,436
June 30 2008	Level 4 Restrictions from July 1 2007 to September 30 2007. Level 5 Restrictions from October 1 2007 to December 31 2007 Contingency input (20MI/d) available in December 2007. Level 5 Restrictions from January 1 2008 to June 30 2008.	15,670	9,950
June 30 2009	Level 5 Restrictions from July 1 2008 to June 30 2009	15,993	9,915
June 30 2010	Level 4 Restrictions from July 1 2009 to June 30 2010.	16,320	11,097

Medium Restriction Regime

TABLE 2

Year Ending	Existing / Anticipated Restriction Regime	Metered Unrestricted Annual Demand (ML)	Metered Unrestricted Annual Demand with nominated restrictions applied (ML)
June 30 2002	Unrestricted then Level 1 restricted from February 24 2002	13,770	13,770
June 30 2003	Level 1 Restrictions from 1 July 2002 to 30 June 2003	14,073	12,947
June 30 2004	Level 1 Restrictions to May 17 2004 Level 2 Restrictions from May 18 to June 30 2004	14,382	13,095
June 30 2005	Level 2 Restrictions from July 1 to August 1 2004. Level 2A Restrictions from August 2 to December 31 2004. Level 3 Restrictions from January 1 2005 to June 30 2005	14,704	11,763
June 30 2006	Level 3 Restrictions from July 1 2005 to June 30 2006.	15,026	11,420
June 30 2007	Level 3 Restrictions from July 1 2006 to June 30 2007	15,348	11,664
June 30 2008	Level 3 Restrictions from July 1 2007 to December 31 2007. Contingency input (20ML/d) available in December 2007. Level 2A Restrictions from January 1 2008 to June 30 2008.	15,670	12,536
June 30 2009	Level 2A Restrictions from July 1 2008 to June 30 2009.	15,993	13,434
June 30 2010	Level 1 Restrictions from July 1 2009 to June 30 2010	16,320	15,014

Low Restriction Regime

TABLE 3

Year Ending	Existing / Anticipated Restriction Regime	Metered Unrestricted Annual Demand (ML)	Metered Unrestricted Annual Demand with nominated restrictions applied (ML)
June 30 2002	Unrestricted then Level 1 restricted from February 24 2002	13,770	13,770
June 30 2003	Level 1 Restrictions from 1 July 2002 to 30 June 2003	14,073	12,947
June 30 2004	Level 1 Restrictions to May 17 2004 Level 2 Restrictions from May 18 to June 30 2004	14,382	13,095
June 30 2005	Level 2 Restrictions from July 1 to August 1 2004. Level 2A Restrictions from August 2 to June 30 2005.	14,704	12,351
June 30 2006	Level 2A Restrictions from July 1 2005 to June 30 2006.	15,026	12,622
June 30 2007	Level 1 Restrictions from July 1 2006 to June 30 2007.	15,348	14,120
June 30 2008	Level 1 Restrictions from July 1 2007 to June 30 2008.	15,670	14,416
June 30 2009	No Restrictions	15,993	15,993
June 30 2010	No Restrictions	16,320	16,320

WYONG SHIRE COUNCIL

Appendix 1

Metered Water Consumption Scenarios (1/7/05 - 30/6/10)

