



Central Coast Council Water and Sewer Strategic Business Plan

May 2018



CENTRAL COAST COUNCIL – STRATEGIC BUSINESS PLAN
MAY 2018

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ABOUT THIS STRATEGIC BUSINESS PLAN

A Strategic Business Plan is mandated under the principles of NSW Government Best Practice Management for all Local Government Water Utilities.

This Strategic Business Plan describes the water supply and sewerage services of Central Coast Council.

As this Strategic Business Plan is intended to provide a general overview of Central Coast Council's water and sewer business, there are also a number of separate detail documents which are intended to support the Strategic Business Plan.

DOCUMENTS AVAILABLE ON THE CENTRAL COAST COUNCIL WEBSITE

Central Coast Council Draft Community Strategic Plan 2030

The Community Strategic Plan identifies the main priorities and aspirations for the future of the Central Coast community. Improving the security of water supply is a key recommendation of this plan.

Central Coast Draft Resourcing Strategy 2018

The Resourcing Strategy forecasts Council's ability to deliver assets, services and operations to the community over the next 10 years, in line with the adopted Community Strategic Plan.

The aim of the resourcing strategy is to ensure resources are allocated to achieve the objectives of the Community Strategic Plan including:

- Finances - Long Term Financial Plan
- Assets - Asset Management Planning
- Human Resources – Workforce Management Plan

Water Plan 2050

Identifies three key action areas:

- Enhancing the existing water supply system
- Using water efficiently
- Accessing additional sources of water

Development Servicing Plans – water supply and sewerage services

The Water Supply and Sewerage Development Servicing Plans detail the contributions that are required to be paid by developers towards the provision of water supply and sewerage infrastructure. These contributions are levied under the Water Management Act 2000.

OTHER RELEVANT DOCUMENTS

NSW Department of Planning and Environment Central Coast Regional Plan 2036

The Central Coast Regional Plan 2036 encompasses a vision for the future of a healthy natural environment, a flourishing economy and well connected communities. It outlines actions, timeframe and accountabilities for achieving this vision.

To achieve this objective the state government has set four objectives:

- A prosperous Central Coast with more jobs close to home
- Protect the environment and manage the use of agricultural and resource land
- Well-connected communities and attractive lifestyles
- A variety of housing choices to suit needs and lifestyles

This plan is focussed on the proposed timing and location of future water and sewerage assets.

Independent Pricing and Regulatory Tribunal (IPART) Pricing Determination

- Central Coast Council currently operates under the previous pricing determination of the former Gosford City and Wyong Shire Councils. Links to the pricing determinations that apply to the 2018/2019 financial year are below:
 - Former Gosford City Council:
<https://www.ipart.nsw.gov.au/files/sharedassets/website/trimholdingbay/determination - gosford city council prices - 1 july 2013 to 30 june 2017.pdf>
 - Former Wyong Shire Council:
<https://www.ipart.nsw.gov.au/files/sharedassets/website/trimholdingbay/determination - wyong shire council prices - 1 july 2013 to 30 june 2017.pdf>
- It is important to note that Central Coast Council is currently preparing for the first IPART submission as the amalgamated council. This submission will deliver the first pricing determination for Central Coast Council and once the outcome is determined by the Tribunal, the referenced pricing determination documents will be updated.

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EXECUTIVE SUMMARY

Central Coast Council is responsible for the delivery of water supply and sewerage services within the Central Coast local government area. This document provides current and forward looking information that relates to the strategic issues and responses involved in the management and operation of the assets that deliver those specific services.

Operating environment review

The NSW government developed the Fit for the Future reform program which saw the formation of 20 new councils.

One of these newly formed councils is Central Coast Council. Central Coast Council was formed through the amalgamation of the Wyong Shire Council and Gosford City Council on 12 May 2016.

Since the Council's amalgamation, Central Coast Council water supply and sewerage business has operated as the water authority component of the new Council. This structure allows Council's water supply and sewerage operations and services to continue to operate on a sustainable and transparent footing.

Three basic business products of Central Coast Council have been identified:

- Raw water - catchment, storage, treatment
- Drinking water - treated water delivered to customers
- Sewage - collection, transport, treatment and disposal

A feature of Central Coast Council's water supply system is our agreements with the adjacent Hunter Water Corporation. Our agreement with Hunter Water Corporation enables the transfer of treated water (in either direction) between the Central Coast Council reticulation system and the Hunter Water reticulation system. The sewer component is a self-contained operation.

This plan notes the presence of the Best Practice Model used by the NSW Office of Water for its regulation of the business, and the Price Setting model used by the Independent Pricing and Regulatory Tribunal for its regulation of the business. Dual regulation occurs as a consequence of Central Coast Council's listing as a Water Supply Authority under the provisions of the Water Management Act 2000 (NSW).

Mission statement

The Water and Sewer business operates under the banner of the Central Coast Council's vision of a vibrant and sustainable Central Coast.

We are guided by our purpose to provide valuable services that strengthen and support the Central Coast Community and our four key focus areas:

- Energised and passionate staff
- Agile and resilient business
- Effective and efficient service delivery
- Genuine partnership with the community

Levels of service

The levels of service are a statement of the standards that a customer can expect to receive from Central Coast Council. Council's levels of service address:

Water:

- Availability of supply
- Water quality

Sewer:

- Availability of service
- Environmental

The service levels provided are presented in a tabulated form in section 3 of this report.

Service delivery

Following the amalgamation to Central Coast Council, the water and sewer business has been organised into four complementary service units.

The interaction of Central Coast Council's organisational structure and service delivery model is intended to match base work levels. Contract resources will be used for:

- Non-core areas
- Irregular tasks
- Peaks in workload

Customer Service Plan

Approximately 96 percent of the total Central Coast population is provided with a reticulated water supply and sewerage services. The remaining population resides outside of the service area on rural properties and in small rural villages. At this point, Central Coast Council has no plans to provide reticulated water and sewer services to these rural properties.

The prominent activity at the current time is a review of customer levels of service targets, associated with Council's submission to the Independent Pricing and Regulatory Tribunal (IPART).

Total Asset Management Plan

Central Coast Council's current Asset Management Strategy was formalised in May 2018. The current Asset Management Plan for the water supply and sewerage services based on the strategy is still under development. This Asset Management Plan will consolidate and replace the existing asset management plans of the former Gosford City and Wyong Shire Councils.

With the establishment of Central Coast Council, a series of short term (one year) and longer term (four year) actions have been identified to improve asset management practices. These actions are listed in section 6 of this Strategic Business Plan.

Workforce Plan

Following the formation of Central Coast Council on 12 May 2016, the organisation of Councils water supply and sewerage services business was reviewed.

Newly formed councils were subject to strong guidelines provided by the State Government with regards to employment conditions. All conditions of employment for existing staff remain in place until 12 May 2019.

With this in mind, the organisational structure was reviewed and approved in June 2017. Water and Sewer operate under a Senior Manager. The structure was adopted in consultation with staff, and the Consultative Committee.

Central Coast Council has completed a Resourcing Strategy, which is currently on public exhibition.

The Resourcing Strategy is available on Council's website at:

<https://www.yourvoiceourcoast.com/Consultation-hub1>

Financial Plan

Current financial projections confirm profitable operation in the current year and for the foreseeable future.

Central Coast Council is currently preparing a pricing submission to the Independent Pricing and Regulatory Tribunal for a pricing determination which is expected to come into effect from 1 July 2019.

Prices for the 2018/2019 financial year will remain the same, as per the pricing determination for the former Councils.

Annual performance monitoring

Central Coast Council operates under the NSW Office of Water Best Practice Management of Water Supply and Sewerage Framework. The Framework includes a requirement for Central Coast Council to report annual performance against a range of operational, financial and environmental indicators.

In 2016/2017, Central Coast Council fully complied with the requirements of the Best Practice Framework.

Central Coast Council holds licences from the Environmental Protection Authority and NSW Office of Water, to extract surface/groundwater and to discharge secondary treated effluent.

There are no outstanding issues related to these licences that require remedial or corrective actions hindering Central Coast Council's operating performance.

1. Operating environment review

Overview:

- Central Coast Council is an amalgamation of the former Wyong Shire Council and Gosford City Council. It includes all areas that were previously within the former Councils
- Council provides water supply and sewerage services to the entire NSW Central Coast
- Council is a designated Water Supply Authority under the NSW Water Management Act 2000
- The Water and Sewer business unit provides water supply services to approximately 133,000 properties, and sewerage services to approximately 130,000 properties
- The Water and Sewer business unit is subject to a number of NSW Government financial, performance, health and environmental regulators.
- The average residential bill comprises a fixed water service charge, a water usage charge and a fixed sewerage service charge.
- Council is currently preparing a submission to Independent Pricing and Regulatory Tribunal for the next price determination period, which is expected to commence on 1 July 2019

1.1 Central Coast Council's role, operations and structure

Role:

Central Coast Council was established on 12 March 2016, as part of the NSW State Governments council amalgamation process.

Council operates under the Local Government Act. As well as providing the normal range of municipal services typical of a General Purpose Council, Central Coast Council is also responsible for providing water supply and sewerage services to the local community.

Council delivers water supply and sewerage services through a dedicated business unit known as Water and Sewer that sits within the Assets, Infrastructure and Business Directorate.

Legislatively, Council is a designated Water Supply Authority under Section 285 of the Water Management Act 2000, in respect of the following functions:

- Harvesting, treatment and delivery of drinking water in accordance with the guidelines set by the National Health and Medical Research Council
- Collection, transportation, treatment, recycling or disposing of sewage, in accordance with the Environmental Protection Licences set by the NSW Environment Protection Authority

Central Coast Council is the 13th largest Water Supply Authority in Australia, and the 4th largest regional Water Supply Authority.

Operations

Council's Local Government Area (LGA) is 1680 square kilometers. Within that area, Council serves a population in excess of 320,000.

Figure 1.1a provides an overview of the service area.

In 2017/2018 there were approximately 133,000 properties connected to the water supply system and approximately 130,000 to the sewerage system.

Council supplies an average of 80 million litres of drinking water each day to residential, commercial and industrial customers, through its water and sewer assets.

Water Supply

Water supply is delivered through 2,270km of mains, 71 reservoir structures and 50 pumping stations.

Previously, an agreement existed between the former Gosford City Council and the former Wyong Shire Council to share the operation of the Headworks component of the Central Coast water supply, servicing both Wyong and Gosford local government areas. This arrangement was referred to as the Joint Scheme Funding Agreement, and covered the operation of deemed Joint Water Supply assets.

These assets included major bulk water storages, treatment facilities, pumping stations, and reservoirs and associated transfer systems.

After the amalgamation of the two former Councils, no significant operational changes have been necessary to ensure continued effective management of the catchment and headworks components of the water supply.

Since previous arrangements also facilitated bulk water transfers between the former Wyong and Gosford local government areas, the water supply operations of Central Coast Council were already interlinked.

Water supply is now fully delivered by Central Coast Council to the entire Central Coast region.

An agreement also exists with Hunter Water Corporation, to enable the transfer of treated water (in either direction) between the Council's water reticulation system and the Hunter Water reticulation system.

The inter system connection is known as the Hunter Link, and actual day to day transfer rates are dependent on relative storage levels in each system and on operational needs.

The existing agreement for the operation of the Hunter Link expires in 2026. Bulk raw water for the Central Coast is harvested from Wyong River, Ourimbah Creek, Mooney Creek, Mangrove Creek and a number of groundwater aquifers.

Mangrove Creek Dam is the major raw water storage serving the Central Coast and has a capacity of 190,000ML. This storage is supplemented by Mooney Dam and Mardi Dam, with capacities of 4,600ML and 7,400ML respectively.

Three water treatment plants provide filtered, treated drinking water to Australian Drinking Water Guidelines. Somersby and Mardi Water Treatment Plants are conventional media filtration based water treatment plants; Woy Woy Water Treatment Plant is a membrane based filtration plant with a bore water source.

Somersby and Mardi Water Treatment Plants have similar capacities (140 and 160ML per day respectively), whilst Woy Woy Water Treatment Plant has a smaller capacity of 5ML per day, and is used as required.

The water treatment plant network was also previously operated cooperatively by the former Councils, and no significant operational changes have been necessary due to the amalgamation of the two former Councils.

Sewer

Sewage is collected through 2490km of reticulation pipes and 324 pumping stations. Treatment is undertaken at one of eight treatment plants. The bulk of sewage treated undergoes secondary treatment and is discharged into the ocean at either the Kincumber, Norah Head or Wonga Point ocean outfalls.

The balance of secondary treated sewage undergoes a higher degree of treatment to tertiary standard and is reticulated as recycled effluent to customers, such as golf courses, for beneficial non-potable reuse.

The former Wyong and Gosford sewerage systems were developed as stand-alone systems by the former Councils, with no linkages to each other or the Hunter, as exists with water supply.

This separation has allowed the sewer operations to continue to operate without disruption following the Council amalgamation.



Figure 1.1a - Central Coast Council area of operations

Organisational Structure

An extensive review of Council's water and sewer business was undertaken throughout 2016/2017, following the amalgamation.

This review identified a more suitable structure for the combined Water and Sewer business at a senior level, and a more logical way to combine the functions of the business within four complimentary units.

Notably, the new Water and Sewer business unit operates under the direction of a Senior Manager within the Assets, Infrastructure and Business Directorate.

Central Coast Council, as the business unit owner, endorsed the changes outlined above and they were agreed to by the Consultative Committee in April 2017. The transition to the new organisational structure has continued since that date.

In transitioning to the new structure, the traditional business support services such as Information Technology, Financial Services and Human Resources will continue to be provided by Central Coast Council.

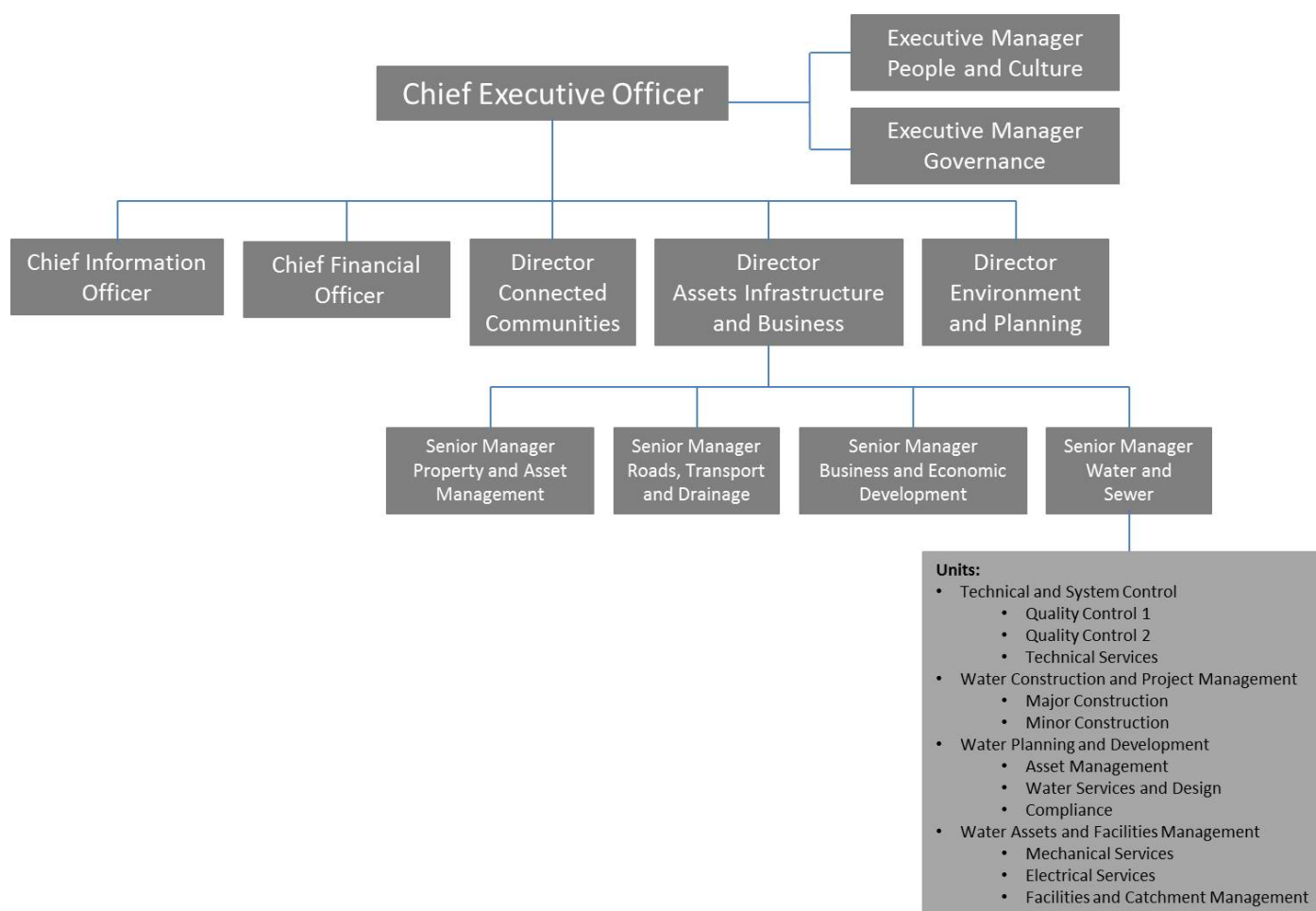


Figure 1.1b - Central Coast Council – organisational structure

1.2 Regulatory arrangements

The water and sewer operations of Central Coast Council's Water and Sewer business are governed by an extensive range of legislation, regulation and industry guidelines.

The regulatory framework for Council includes:

- Local Government Act 1993 (NSW)
- Water Management Act 2000 (NSW)
- Water Act 1912 (NSW)
- Public Health Act 2010 (NSW)
- Public Health Regulation 2012 (NSW)
- Independent Pricing and Regulatory Tribunal Act 1992 (NSW)
- Fluoridation of Public Water Supplies Act 1957 (NSW)
- Protection of the Environment Operations Act 1997 (NSW)
- Protection of the Environment Administration Act 1991 (NSW)
- Environmental Planning and Assessment Act 1979 (NSW)
- Public Finance and Audit Act 1993 (NSW)
- Food Act 2003 (NSW)
- Catchment Management Act 1989 (NSW)
- Dams Safety Act 1978 (NSW)
- Work Health and Safety Act 2011 (NSW)
- Water Act 2007 (Commonwealth)
- Trade Practices Act 1974 (Commonwealth)
- Australian Drinking Water Guidelines (Industry Guideline)
- NSW Government "Best Practice" Guidelines for Water Utilities (Industry Guideline)
- Fluoridation Code of Practice (NSW Health Guideline)

The above legislation impacts Council's Water and Sewer operations to varying degrees. The major regulatory impacts and influences are highlighted and discussed below.

Pricing regulation

As Central Coast Council is a designated Water Supply Authority under Section 285 and Schedule 3 of the Water Management Act 2000, Council's Water and Sewer business is subject to price regulation by the Independent Pricing and Regulatory Tribunal (IPART).

The outcome of the pricing regulation for Central Coast Council is facilitated through an entirely different process to that of other local government water utilities in NSW, who are not subject to price regulation and control by the Independent Pricing and Regulatory Tribunal.

Council is currently preparing a submission to the Independent Pricing and Regulatory Tribunal for its next price determination period, which is expected to commence on 1 July 2019. As this process is incomplete, some of the revenue and operating information required to determine the strategic plan remain unknown.

This plan will be updated on completion of the pricing determination.

Environmental regulation

The operation of Central Coast Council's water supply and sewerage system is subject to the Protection of the Environment Operations Act 1997. The broad objective of this Act is to achieve the protection, restoration and enhancement of the quality of the NSW environment.

NSW Environment Protection Authority has been established under the Protection of the Environment Administration Act 1997, to administer a number of functions under the Protection of the Environment Operations Act. This Act includes the issue of Environmental Protection Licences for a scheduled activity, under Schedule 1 of the Protection of the Environment Operations Act that has an increased risk of polluting the environment.

An Environmental Protection Licence specifies a number of conditions that an operator of the licenced premises must meet. These include quality and quantity of discharges to the environment, specific operational controls, performance monitoring and reporting, and submission of an Annual Return to the Environment Protection Authority. The Annual Return reports on operational performance against the conditions of the Environmental Protection Licence.

Council holds five Environmental Protection Licences for its water supply and sewerage services:

- EPL 2647 - Toukley Sewage Treatment System
- EPL 1942 - Bateau Bay Sewage Treatment System
- EPL 1802 - Kincumber Sewage Treatment System
- EPL 12170 - Waters of Mangrove Creek Dam and Mooney Dam
- EPL 12633 - Mooney Mooney and Cheerio Point Sewerage System

In terms of operational requirements, Council's most significant Environmental Protection Licences are Toukley (2647), Bateau Bay (1942) and Kincumber Sewage Treatment Systems (1802). These Licences include the regulation of all system components including reticulation, pumping stations, rising mains, odour control facilities, treatment plants, effluent disposal mains and ocean outfalls.

Environmental Protection Licence 12633 licences the operation of the vacuum pot and sewage reticulation system for the Mooney Mooney and Cheerio Point communities. Sewage is subsequently conveyed to the Brooklyn Sewage Treatment System under agreement with Sydney Water, for treatment and disposal in accordance with Environmental Protection Licence 12438 (held by Sydney Water).

Environmental Protection Licence 12170 specifies the conditions under which algaecide can be applied in the event of a blue green algae outbreak in the waters of Mangrove Creek Dam or Mooney Dam, to prevent algae toxins impacting the quality of drinking water supplied to the Central Coast community.

The Environmental Protection Licence also specifies the requirements for monitoring and reporting in the event that algaecide is used in the catchment. It is important to note that Council has never been required to use algaecide in the waters of Mangrove Creek Dam or Mooney Dam, since the Environmental Protection Licence was issued in 2005.

The Environment Protection Authority undertakes reviews of the Environmental Protection Licences periodically, to assess the effectiveness of managing the environmental risks associated with the operation of the licenced premises.

Water access regulation

Extraction of water from the environment in NSW is regulated primarily by the Water Management Act 2000.

Under the Act, water cannot be extracted from a water source without an access licence issued by the NSW Government.

Council holds several water licences (surface water and groundwater) to extract source waters for drinking purposes.

Access licences specify where source water is to be taken, how much water can be taken and when water can be taken. These conditions are based on a number of considerations, including environmental impacts, stream flows, impacts on aquatic life, fish migration etc.

The water sources for Council's water supply on the Central Coast consist of the Wyong River, Ourimbah Creek, Mangrove Creek, Mooney Mooney Creek and groundwater from Woy Woy, Mangrove Creek and Ourimbah Creek catchments. Council holds water access licences and water entitlements to extract raw water from these sources.

Although not directly related to water access, Council's dams are operated and managed in accordance with the provisions of the Dams Safety Acts, 1978 and 2015.

The Dams Safety Act, 1978 and 2015 regulate the design, construction, operation and maintenance of prescribed/proclaimed dams in NSW.

Drinking water quality regulation

In delivering drinking water to its customers, Central Coast Council:

- Has implemented and maintains a Drinking Water Management System, which is a structured risk based approach to drinking water management, based on the Australian Drinking Water Guidelines (2011), and produced by the National Health and Medical Research Centre. The Australian Drinking Water Guidelines provide a framework for the management of water supplies from the catchment to the customers tap, and sets health related and aesthetic guidelines for water quality limits for safe drinking water.

- Undertakes regular compliance monitoring and testing of water quality across the supply system as part of the NSW Health Drinking Water Monitoring Program (2011).
- Water quality compliance standards and measurable characteristics are drawn from the Australian Drinking Water Guidelines.
- There are broadly two groups of health related aspects associated with drinking water provisions - microbiological and chemical/physical aspects
- Adds fluoride to the water supply in accordance with the Fluoridation of Public Water Supplies Act 1957 (NSW) and associated Fluoridation of Public Water Supplies Regulation 2017 (NSW); and the New South Wales Code of Practice for Fluoridation of Public Water Supplies (2011).

1.3 Future Operating Context

Fit for future local government review impact

The NSW Government developed a reform program Fit for the Future, which saw the formation of 20 new councils. One of these newly formed councils is Central Coast Council. Central Coast Council was formed through the amalgamation of Wyong Shire Council and Gosford City Council on 12 May, 2016.

Timeline for Future Operating Context

The current Independent Pricing and Regulatory Tribunal price determination has been deferred a further year and now concludes at the end of the 2017/2018 financial year. A new pricing determination is expected to come into effect from 1 July 2019.

Business model

Since the Council amalgamation in May 2016, Central Coast Council's water and sewer business has operated as the water authority component of the new Council.

This structure allows Council's water and sewer business to continue to operate on a sustainable and transparent footing.

Three basic business products of Central Coast Council have been identified:

- Raw water - catchment, storage, treatment.
- Drinking water - treated water delivered to customers
- Sewage - collection, transport, treatment and disposal

Current Legislative Arrangements

Central Coast Council is subject to greater and more extensive regulation than any other local government water utility in NSW.

Central Coast Council is a Water Supply Authority under the current Water Management Act 2000.

This is unique to Central Coast Council and does not apply to any other local government water utility in NSW.

As a result, other utilities operate under the Local Government Act 1993, while Central Coast Council is required to operate under the Water Management Act 2000 for some activities, and the Local Government Act 1993 for other activities.

Despite the complexity arising from this situation, Central Coast Council expects that it will continue to conduct its operations under the dual regulatory models for the foreseeable future.

Competition in the water industry

In recent years the State Government through the Water Industry Competition Act 2006, has put in place legislation to encourage competition in the NSW water industry.

The objective of the Act is to:

- Encourage competition in relation to the supply of water and the provision of sewerage services;
- Develop infrastructure for the production and reticulation of recycled water

The impact of the legislation on Central Coast Council has been minimal. The local activity has been restricted to the provision of a bulk water supply to a private company, providing water supply and sewerage services to a large development at Catherine Hill Bay. There is also a current proposal from a cooperative in Narara to develop their own water supply and sewerage services.

Hunter – Central Coast Pipeline

The current operating agreement for the transfer of water from the Central Coast to Hunter Water Corporation and vice versa expires in 2026.

Following the abandonment of the Tillegra Dam project and the construction of the Mardi to Mangrove Dam Pipeline, Central Coast Council and Hunter Water Corporation have reviewed arrangements for water transfers. Central Coast Council is also working in cooperation with Hunter Water Corporation on the establishment of a new Lower Hunter Water Plan.

Evolution of technology and information systems

Technology and information systems continue to develop and offer opportunities in the operating context of utility businesses. Intelligent networks and smart meters continue to hold prominence in this regard. Central Coast Council investigating moving towards a fully automated field operations system.

1.4 Growth projections

The Central Coast is located in the state's fastest growing corridor, between Sydney and Newcastle. The Central Coast Regional Plan 2036, prepared by the NSW Government and Council's own population assessment forecast the population will grow to 415,000 by 2036. This is approximately a 24 percent increase on the 2016 population.

The forecast growth in total population, together with the associated forecast growth in dwellings connected to Council's water supply is provided in figure 1.4.

Council has identified a range of key capital works to support the growing community. These include:

- Mardi to Warnervale water transfer pipeline
- Kia Ridge Reservoir
- Upgrade of various sewer pump stations
- Charmhaven Sewage Treatment Plant augmentation
- Gosford CBD sewerage system reinforcement works
- Improvement works on Mangrove Creek Dam.

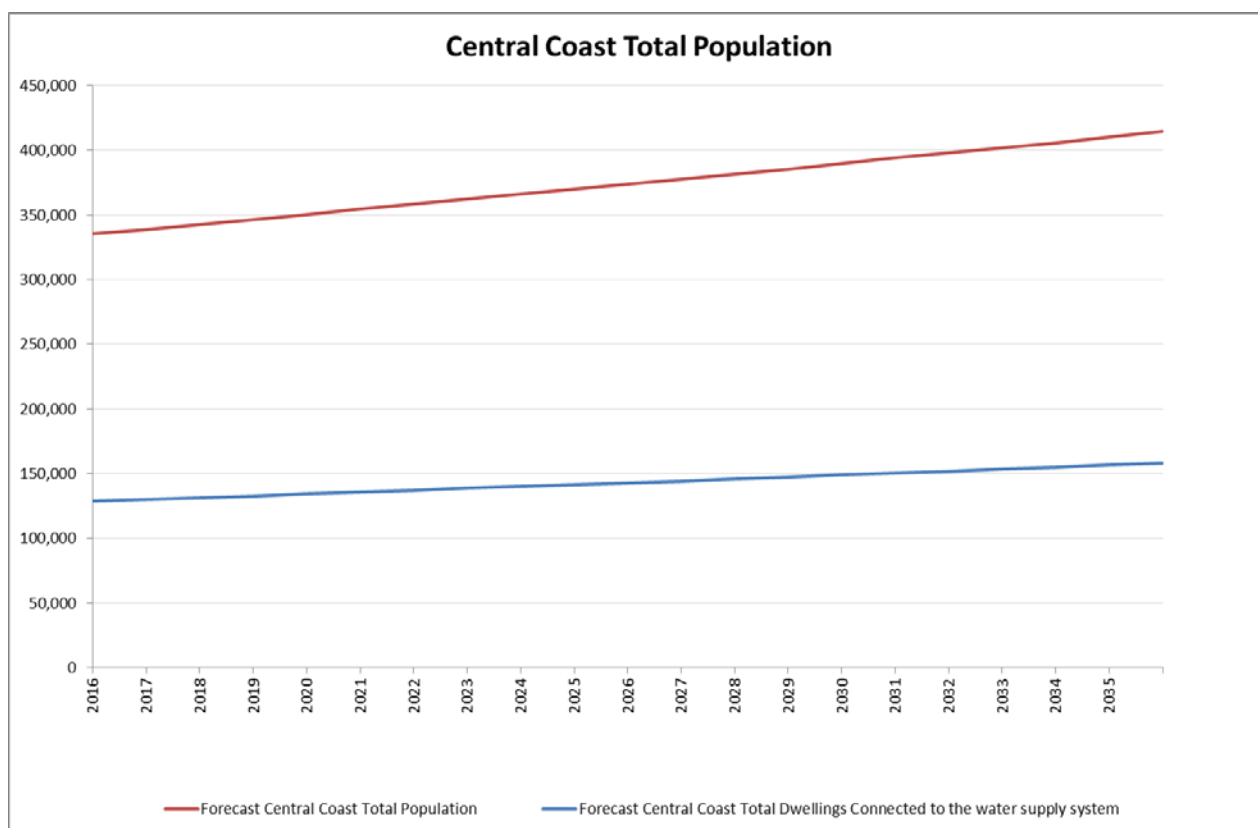


Figure 1.4 - Central Coast local government area - population/household growth profiles

Section end notes

1. NSW Department of Planning and Environment Central Coast Regional Plan 2036, NSW Government 2016
2. Council's Development Servicing Plans – Central Coast Council has the following Development Servicing Plans:
 - Gosford Redevelopment Servicing Plant Water and Sewer 2014
 - Gosford City Centre Development Servicing Plan Water and Sewer 2014
 - Wyong Development Servicing Plan Water Supply and Sewerage 2014

2. Mission statement

The Water and Sewer business operates under the banner of the Central Coast Council's vision of a vibrant and sustainable Central Coast.

We are guided by our purpose to provide valuable services that strengthen and support the Central Coast Community and our four key focus areas:

- Energised and passionate staff
- Agile and resilient business
- Effective and efficient service delivery
- Genuine partnership with the community

It is important to note that water supply and sewerage services are an essential service and underpins all aspects of providing a sustainable Central Coast.

3. Levels of service

The levels of service are a statement of the standards that a customer can expect to receive as a consumer of Central Coast Council water supply and sewerage services.

Council will be proposing minimal change to the output targets for the next four year Independent Pricing and Regulatory Tribunal determination period, is expected to commence in July 2019

Council is committed to plan, review and investigate levels of service and performance targets over the 2019-2023 periods, to consider all factors of quality, reliability, responsiveness, environmental acceptability and cost.

Areas of consideration in developing the levels of service include:

- Community needs and aspirations
- Council long term visioning
- Community service level expectations
- Council service level expectation
- Asset capacity for service level delivery
- Observance of legal obligations and regulatory requirement.

Table 3 - Proposed IPART output measures 2019-2023

Output or activity measure	Proposed target 2019-2023
Water	
Water quality complaints per 1,000 properties	9.9
Average frequency of unplanned interruptions per 1,000 properties	151.8
Water main breaks per 100km main	23.7
Compliance with Australian Drinking Water Guidelines – microbial guideline values	Yes
Compliance with Australian Drinking Water Guidelines – chemical guideline values	Yes
Sewer	
Sewer overflows per 100km main	32.6
Sewer overflows reported to the environmental regulator per 100km main	1.6
Sewer odour complaints per 1,000 properties	1.9
Sewer main breaks and chokes per 100km main	35.6

4. Service delivery

Overview:

- Central Coast Council has undertaken an examination of its service delivery options.
- The adopted service delivery model will use outsourced contract services for a portion of the overall activities undertaken by the business.
- Councils Water and Sewer business will retain Central Coast Council as it's supplier of corporate and transactional services, and as a preferred supplier of Contract and Project Management Services.

4.1 Service delivery structure

Following the amalgamation to Central Coast Council, the water supply and sewerage business has been organised into four complementary service units:

- Technical Services and Network Operations
- Water Construction and Project Management
- Water Planning and Development
- Water Assets and Facilities Management

4.2 Service delivery philosophy

The interaction of the Central Coast Council organisational structure and service delivery model is intended to match base work levels. Contract resources will be used for:

- Non-core areas
- Irregular tasks
- Peaks in workload

4.3 Resource sharing and management arrangements

Resource sharing for Hunter Link

The agreement with Hunter Water Corporation enables the transfer of treated water (in either direction) between the Central Coast Council's reticulation system and the Hunter Water reticulation system. The existing Agreement for the operation of the Hunter Link expires in 2026

Own, operate and maintain arrangements

The traditional 'Own-Operate-Maintain' methodology and model will be retained for all assets, with the exception of those activities outlined in section 4.2.

5. Customer service plan

Overview:

- As provided in Section 3, Council is proposing to maintain current levels of service in its IPART submission that is expected to take effect from 1 July 2019.
- Central Coast Council recognises that improved consumption habits across its customer base are a cost effective option in managing its water supply and hence uses Demand Side Modelling as a predictive tool.
- Central Coast Council's prices are set by the Independent Pricing and Regulatory Tribunal.
- Central Coast Council has undertaken an extensive community engagement project to ensure that as many people as possible were involved in shaping the future direction of the Central Coast, with the process aiming to define community priorities for the future through a range of methods.
- Detailed reports on community consultation undertaken to inform the development of the draft Community Strategic Plan has been prepared and the engagement reports and plan are publicly available at

<https://www.yourvoiceourcoast.com/help-shape-the-future-of-the-coast>

5.1 Review of levels of service

Council is proposing to maintain current levels of service in its IPART submission that is expected to take effect from 1 July 2019. Council monitors and records actual levels of service and reports these to the required regulatory authorities.

Council is committed to plan, review and investigate levels of service and performance targets over the 2019-2023 period. We consider all factors of quality, reliability, responsiveness, environmental acceptability and cost.

5.2 Service areas

Approximately 96 percent of the total Central Coast local government area population is provided with a reticulated water supply and sewerage services, subject to the levels of service specified in Section 3.

The remaining population resides outside of the service area on rural properties and in small rural villages. These properties typically have no reticulated water supply and operate private onsite water and sewer systems. In some situations, properties outside the service area are supplied with treated water from Central Coast Council by water tanker.

Central Coast Council periodically reevaluates whether the water and sewer services areas can be expanded, however, there are no firm plans to provide services to these rural areas.

The water supply networks for the northern and southern areas are shown in figures 5.2a and 5.2b. The sewerage networks for the northern and southern areas are represented in figures 5.2c and 5.2d.

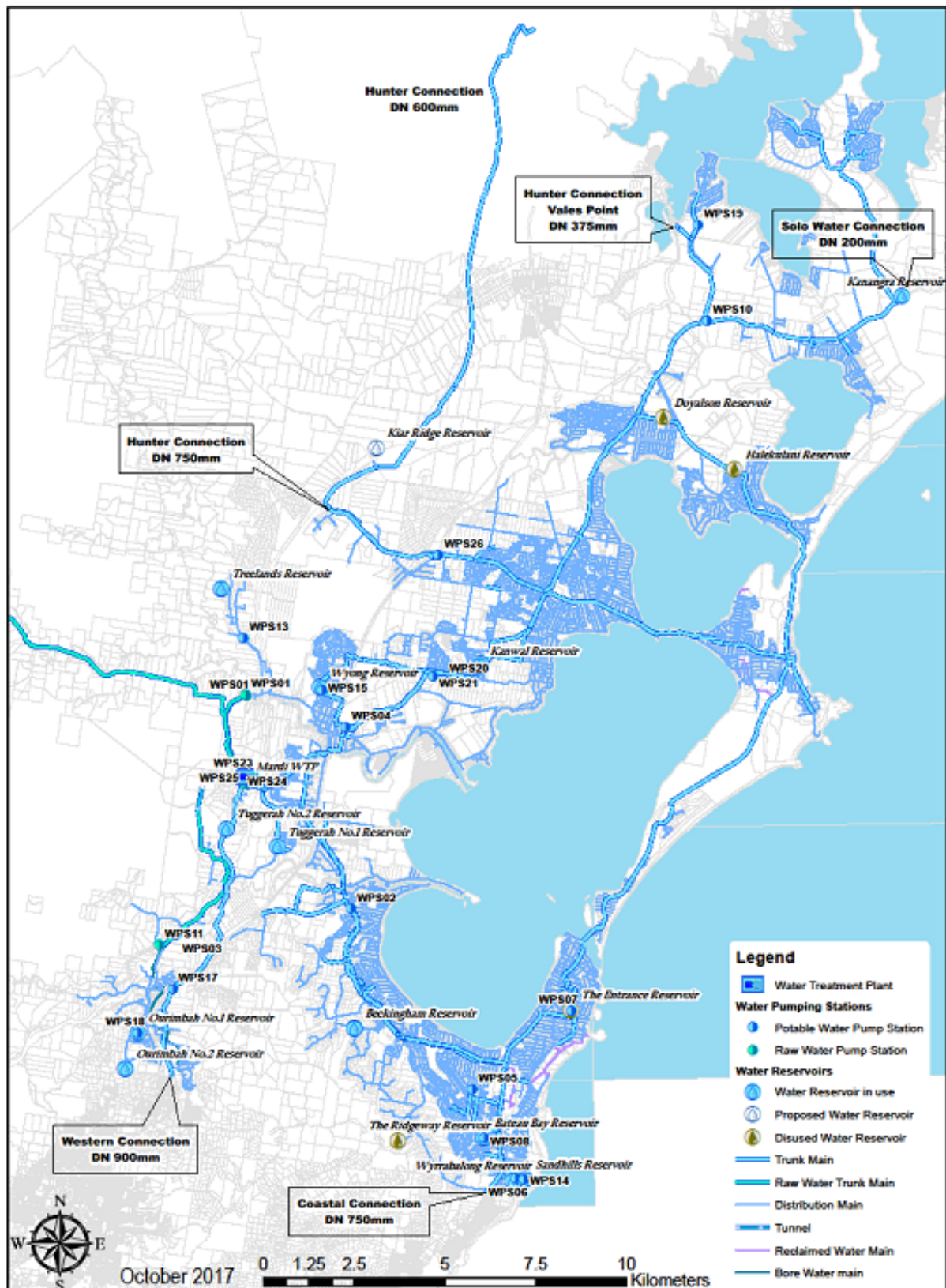


Figure 5.2a – Water supply network – northern area

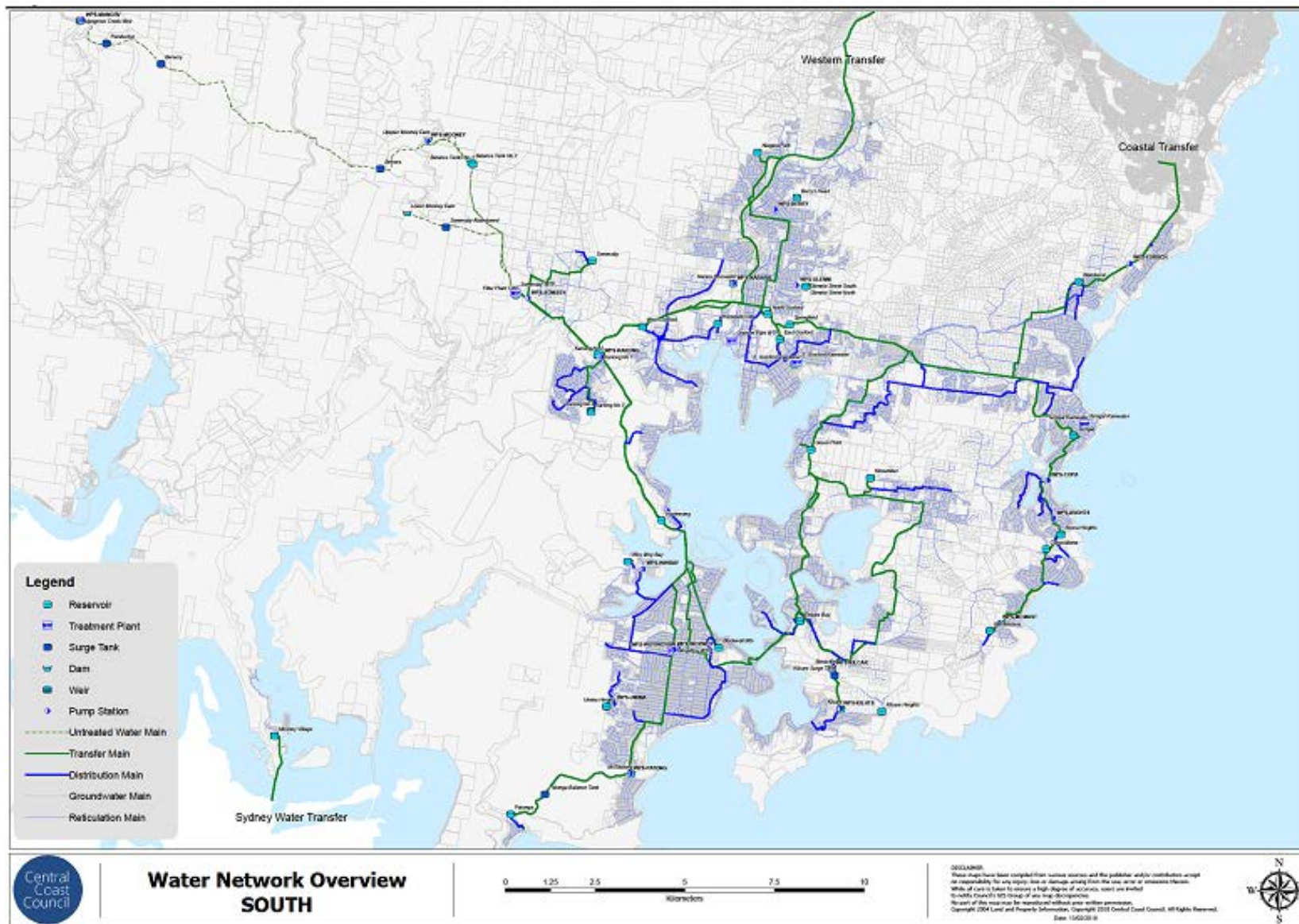


Figure 5.2b –Water supply network – southern area

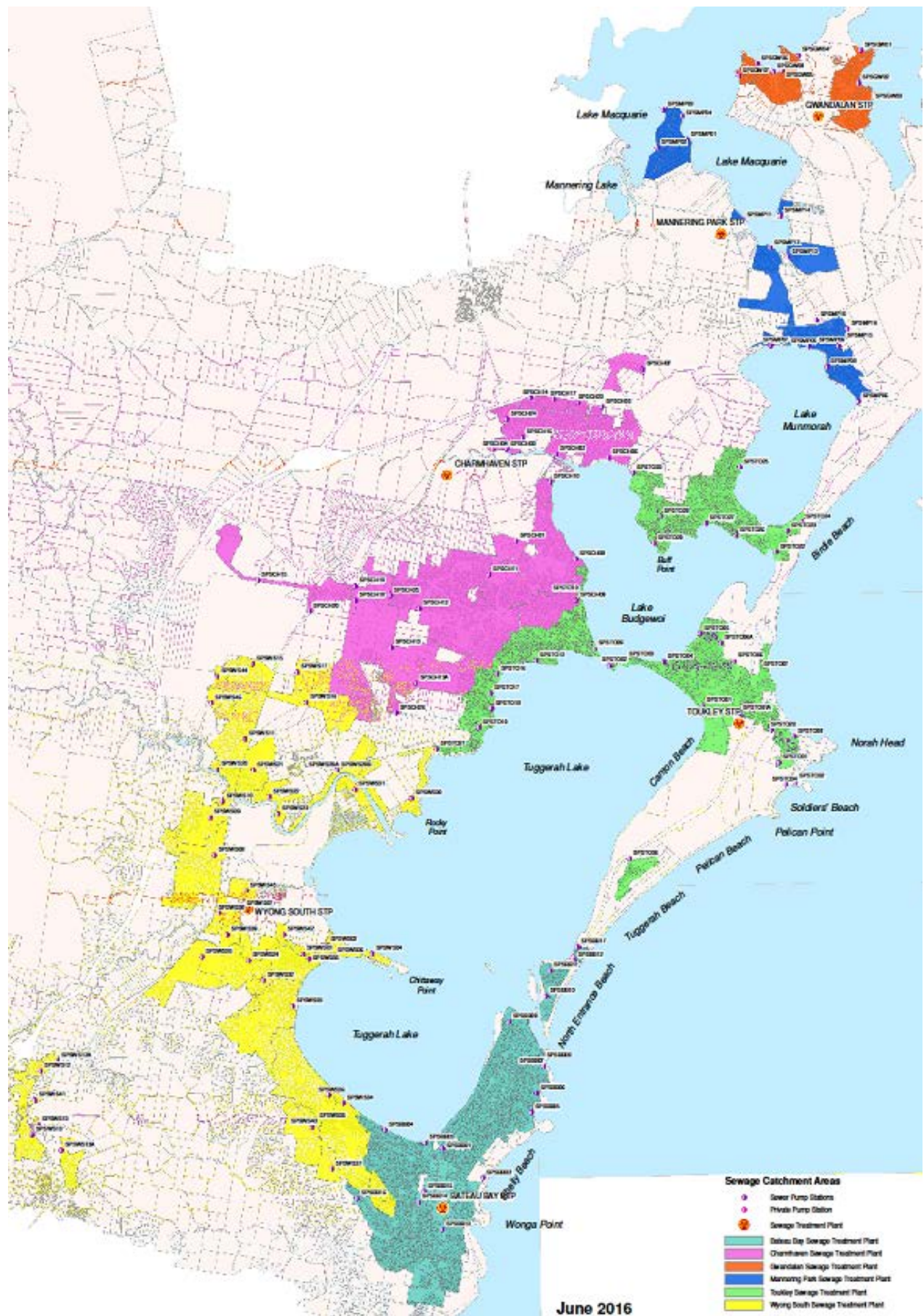


Figure 5.2c - Sewerage network – northern area

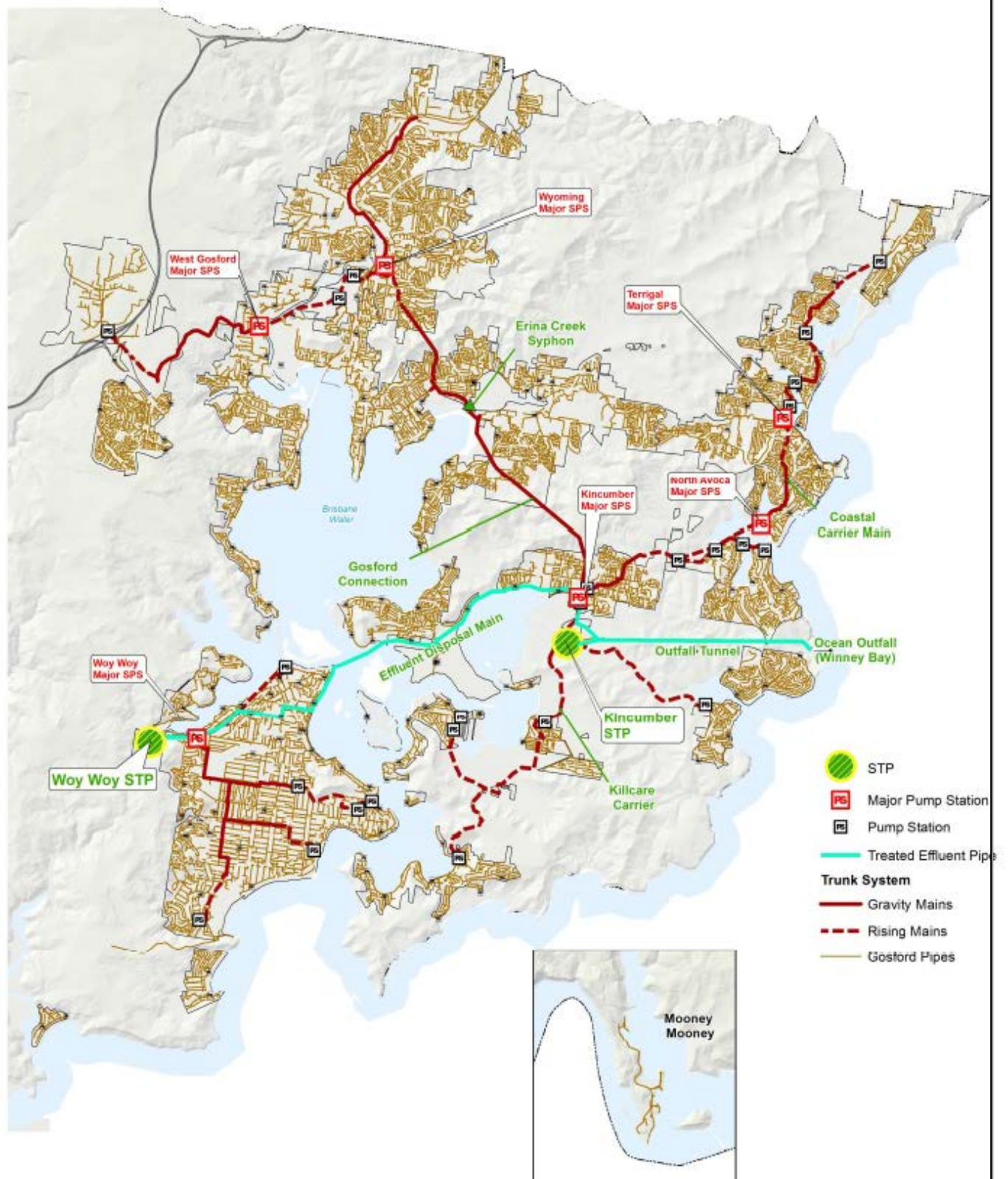


Figure 5.2d –Sewerage network – southern area

5.3 Demand management

Forecasting of water usage

Council currently uses the model known as the Integrated Supply Demand Planning model, to forecast water sales for this pricing path.

Prior to adopting this modeling platform, Council undertook a review of currently available water demand forecasting models. This review found that the Demand Side Management Decision Support System model used by the former Gosford City and Wyong Shire Councils in the last pricing submission was becoming outdated and lacked adequate technical support. It also identified that the Integrated Supply Demand Planning model developed by Institute of Sustainable Futures of University of Technology Sydney and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) for water resources planning is the most appropriate available model for the Central Coast.

The Integrated Supply Demand Planning model was first developed by the University of Technology Sydney's Institute for Sustainable Futures, for Sydney Water in the late 1990s, to enable Sydney Water to conduct a detailed water planning exercise. This included both the development of a detailed demand forecast and development of a broad range of demand management and supply options.

The model was subsequently modified by Sydney Water and later released in 2003 as the Water Services Association of Australia end use model. The tool now known as the Integrated Supply Demand Planning model was further developed by Institute of Sustainable Futures and CSIRO and has been applied to numerous cities across Australia.

The model is currently used as a planning tool by various large water service providers. Hunter Water Corporation, who are working closely with Central Coast Council on long term water resources planning, have also used the Integrated Supply Demand Planning model for water demand forecast for its latest Independent Pricing and Regulatory Tribunal Water Pricing submission, and intends to continue to use it for their long term water resource planning.

The Integrated Supply Demand Planning model is an end use model which is based on a disaggregated analysis of consumption in individual customer categories (e.g. residential, industrial, commercial and unaccounted for water).

Individual customer categories can be broken down further into individual end uses. The residential demand forecast is based on how water is used in and around the home (e.g. toilets, showers, taps, washing machines, lawns, etc.). For each of the end uses, specific information is required for stock (number of households with each type of water appliance), water intensity (how much water each type of appliance uses) and frequency of usage (number of times and/or

duration of each use).

For non-residential customers the forecast is based on metered customer data. The non-residential customers can be further subdivided into industrial, commercial, recreational and institutional depending upon the availability of separate metered consumption data for these subsectors. The consumption for large industrial customers can be forecasted separately with respect to their individual historical consumption trends and future plans.

Factors such as projected population growth, the number of dwellings, occupancy rates and changes in the water appliance fleet over time are also integrated into the model to forecast demand.

Central Coast water usage patterns

The most common measure of water usage in the water industry is average annual residential consumption, typically expressed in kilolitres (kL) per annum.

Historically, average annual residential usage on the Central Coast peaked at about 215kL per annum in 2001/2002.

During the millennium, drought average annual usage reduced to as low as 140kL per annum in 2006/2007. This level of consumption was able to be achieved by a combination of water restrictions, practical demand management measures and community awareness and cooperation.

Since 2006/2007 average annual usage has recovered slowly due to a stronger community awareness of water efficiency together with more water saving devices in the home. In view of this it is unlikely that usage will return to pre-drought levels.

Current average annual residential usage in the Central Coast Council local government area is 155kL per annum, which compares favourably with the NSW state median of 162kL per annum. These figures have been sourced from NSW Office of Water statistics, which compare performance statistics for the water and sewerage operations of all NSW Councils (2015/2016).

Water usage and pricing

Particular attention is paid to accurately forecast water sales given the potential impact on the financial position of the business.

As part of the Independent Pricing and Regulatory Tribunal price review process, Central Coast Council is required to submit best estimate annual sales forecasts typically out to a four year horizon.

The Independent Pricing and Regulatory Tribunal will then assess Council's forecasts in terms of its own models. If the Independent Pricing and Regulatory Tribunal disagree with Council's forecasts, it will develop and alternate set of forecasts.

The Independent Pricing and Regulatory Tribunal determination process will then decide which set of forecasts will be adopted for pricing purposes. The importance of the adopted forecasts is that these will be used as the means to generate sufficient revenue required to run the business.

For the present price path (2013/2014 to 2016/2017), the Independent Pricing and Regulatory Tribunal accepted Council's forecast water sales for pricing purposes.

An overview of recent sales forecasts (for pricing purposes) versus actual sales is provided in Table 5.3.

Table 5.3 – Comparison between determination period forecast water sales vs actual sales of water

Sales Category	2013/2014	2014/2015	2015/2016	2016/2017
Forecast sales (ML)	24,378	24,815	25,252	25,248
Actual sales (ML)	26,001	25,715	22,833*	30,672**

*Note for the period from 01/07/2015 to 12/05/2016 (10.5 months)

** Note for the period from 13/05/2016 to 30/06/2017 (13.5 months)

From Table 5.3, the recent water sales have been slightly higher than the forecasts used in the Independent Pricing and Regulatory Tribunal determination.

Higher than forecast population growth and a slight increase in volume per capita are considered the primary drivers behind the increased water sales. Whilst there has been a slight increase in per capita demands, following the removal of water restrictions, per capita demands are continuing to be lower than pre drought levels.

5.4 Water and Sewer pricing for Central Coast Council

Council's legislative position as a designated Water Supply Authority means that fees and charges for services provided by Council have to be determined by the Independent Pricing and Regulatory Tribunal.

Under the Independent Pricing and Regulatory Tribunal charging methodology residential customers pay a fixed service charge and a variable usage charge for water supply and a fixed service charge for sewerage. No sewerage usage charges are applied to residential customers.

Non-residential customers pay a fixed service charge and a usage charge for both water supply and sewerage services with particular customers also paying liquid trade waste charges, dependent on the type of activity being undertaken.

All current prices and charges reflect Independent Pricing and Regulatory Tribunal Determination for the former Gosford City Council and Wyong Shire Councils.

The basis of current charges is outlined below:

- The water service charge is a fixed charge that varies according to water meter size. Most domestic customers have a standard 20mm diameter meter. Customers with larger meters, mainly commercial and industrial customers pay higher service charges, as determined by the size of their meter.
- The water usage charge is applied on a per kilolitre basis to the volume of water used by the customer, as measured through the property's water meter.
- The sewerage service charge is a fixed charge that varies according to water meter size and the discharge factor applied to the property. In the case of residential properties, the sewer service charge is the only charge applied, i.e. no sewer usage charges are applied, and the discharge factor is 90 percent. For non-residential customers, the discharge factor is based on the type of property or as specifically demonstrated to Council.
- The sewerage usage charge is only applicable to non-residential customers, and is applied on a 'per kilolitre' basis to the volume of sewage discharged to Council's sewerage system, when the volume discharged is greater than 150 kilolitres per property per year. The volume of sewage discharged is based on the metered water consumption, multiplied by the property's discharge factor.
- Liquid Trade Waste (LTW) charges apply to effluent streams from certain commercial and industrial activities and are over and above sewer charges. These activities, and the regulation of these activities by Council, are determined by Council's regulator, NSW Office of Water. All LTW dischargers are subject to an annual LTW charge covering administration and monitoring by Council. Depending on the type of LTW activity mass (per kilogram) charges or volume (per kilolitre) charges may also be applied.

Billing cycles vary:

- Former Gosford City Council local government area – water and sewer usage and service charges are billed bi-annually.
- Former Wyong Shire Council local government area – water and sewer service charges are billed quarterly; water and sewer usage charges are billed annually to the small user and quarterly to the large user.
- All Liquid Trade Waste administrative and usage charges are billed annually

In the preparation of the pricing submission, Central Coast Council is surveying customers to understand their preference for the frequency of their bill. The outcome of this survey will form part of the pricing submission.

Council's Water, Sewer and Liquid Trade Waste structure is provided within figure 5.4.

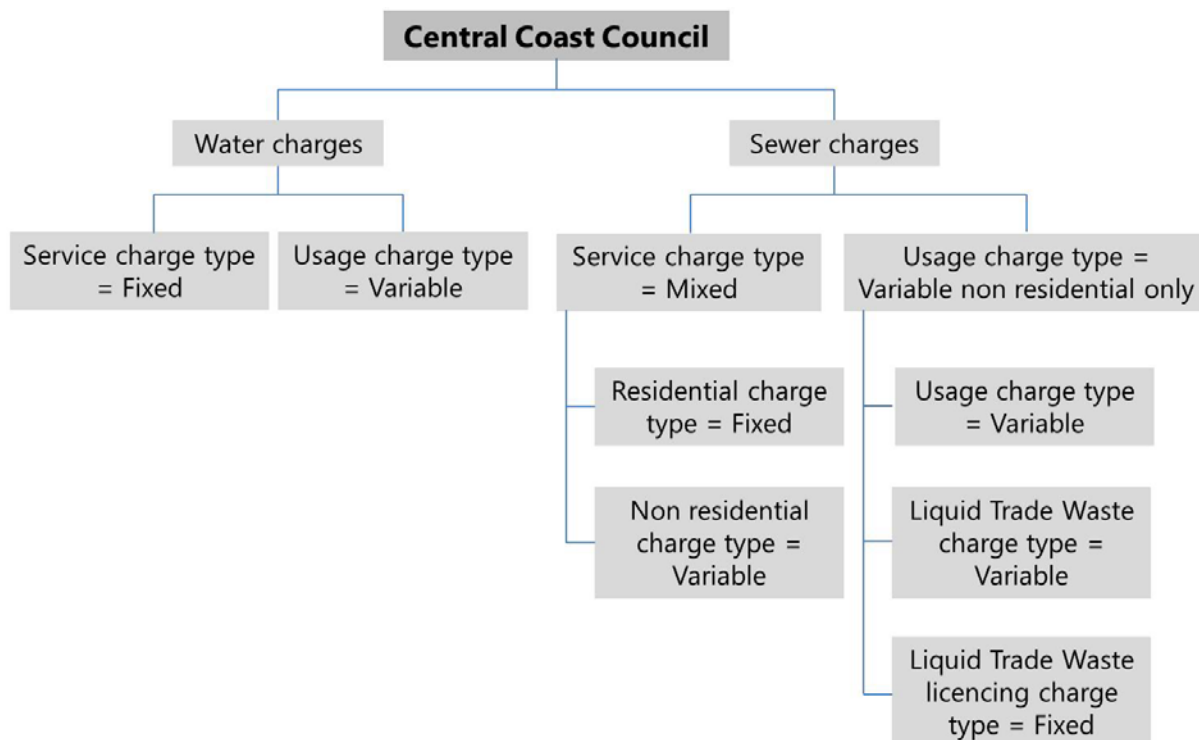


Figure 5.4 – Central Coast Council – pricing structure

5.5 Development Servicing Plan Charges

Council currently operates with three separate water and sewer Development Servicing Plans (DSP), which have been incorporated from the two former Councils. The plans detail the developer charges that are required to be paid by developers towards the provision of water supply and sewerage infrastructure.

These charges are levied under the Water Management Act, with the current active Development Servicing Plans listed below:

- Gosford Redevelopment Servicing Plan Water and Sewer 2014
- Gosford City Centre Development Servicing Plan Water and Sewerage 2014
- Wyong Development Servicing Plan Water Supply and Sewerage 2014

The Development Servicing Plans were last updated during 2014, in accordance with the Independent Pricing and Regulatory Tribunal's methodology, and included the rationalisation of the number of Development Servicing Plan areas for both the Wyong and Gosford servicing areas. The current Development Servicing Plans apply to all Section 305 applications received after 1 July 2014, with previously lodged applications assessed under the previous Development Servicing Plan schemes.

6. Total Asset Management Plan

Overview:

- The current asset management strategy was formalised in May 2018
- The current Asset Management Plan for water supply and sewerage services based on the strategy is being developed. This Asset Management Plan will consolidate and replace the existing Asset Management Plans of the former Gosford City and Wyong Shire Councils.
- Central Coast Council has adopted Infor Public Sector as the main corporate software solution for the Asset Management System, and all asset management registers.

6.1 Current Asset Management Plan

Central Coast Council's Asset Management Plan framework will identify the following key elements:

- Levels of Service – specifies the services and levels of service to be provided
- Future demand – how this will impact on future service delivery and how this is to be met
- Life Cycle Management – how Central Coast Council will manage its existing and future assets to provide the required service
- Financial summary – what funds are required to provide the required services
- Asset management practices
- Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives
- Asset management improvement plan

6.2 Water and sewer assets

The assets managed by Central Coast Council are listed in Table 6.2a (water assets) and Table 6.2b (sewer assets).

Table 6.2a – Central Coast Council water assets

Water Assets	Measure	Amount
Reticulation Water Mains	km	1,911
Recycled Water Mains	km	28
Trunk Water Mains	km	260
Raw Water Mains	km	57
Bore Water Mains	km	14
Reservoir Structures	number	71
Water treatment plants	number	3
Dams	number	4
River Intakes	number	3
Groundwater Systems	number	5
Water Boreholes	number	34
Raw Water Pump Stations	number	8
Potable Water Pump Stations	number	42
Tunnels	km	12

Table 6.2b – Central Coast Council sewer assets

Sewer Assets	Measure	Amount
Gravity Sewer Mains	km	2,240
Sewer Rising Mains	km	250
Effluent Disposal Mains	km	61
Sewer Pump Stations	number	324
Vacuum Systems	number	6
Sewage Treatment Plants	number	8
Ocean Outfalls	number	3
Tunnels	km	6

6.3 Overview of current asset management plan actions

Central Coast Council has initiated a number of actions to improve basic asset management practices. These actions relate to:

- The creation of class specific asset management plans (mains, pump stations etc.)
- Improvement of the amount and quality of condition data held for assets where appropriate
- Improvement of future planning tools including the revision of existing hydraulic models

6.4 Reviewed/enhancement of actions due to amalgamation

With the establishment of Central Coast Council, a series of short term (one year) and longer term (four year) actions have been identified to improve asset management practices. Some of the one year actions are also embodied in Section 6.3, above.

One year actions:

- Implement a robust risk and criticality analysis framework to better inform asset management decisions and support price submission to Independent Pricing and Regulatory Tribunal.
- Undertake regular system performance monitoring to allow hydraulic models to be calibrated. Enhance and further develop hydraulic models to assist in the planning and operation of systems

Four year actions:

- Develop a comprehensive asset management plan for each asset class, including maintenance procedures.
- Develop the optimisation of preventative and breakdown maintenance
- Develop plan for each sewage treatment plant and effluent disposal system to ensure regulatory compliance and to enable the expected long term loadings to be met. This will include identification of triggers to allow plant upgrades to be completed in a timely manner.
- Develop a master plan for each major sewerage catchment to ensure regulatory compliance and to enable the expected long term loadings to be met. This will include identification of triggers to allow upgrades to be completed in a timely manner and the management of system inflow and infiltration.
- Develop a master plan for the drinking water supply network to ensure regulatory compliance and to enable the expected long term demand to be met. This will include identification of triggers to allow upgrades to be completed in a timely manner.
- Develop a better understanding of water system leakage rates and trends and determine an appropriate economic level of leakage (ELL) as an aspirational objective.

- Enhance the use of SCADA as an asset management tool (in addition to its principal function) and provide staff training for its asset management uses
- Incorporate fault reporting and response into the asset management systems
- Rationalise disparate data management systems into the Corporate system

7. Workforce Plan

The New South Wales (NSW) government developed a reform program Fit for the Future which resulted in the formation of 20 new councils. One of these newly formed councils is Central Coast Council. Central Coast Council was formed through the amalgamation of the Wyong Shire council and the Gosford City Council on 12 May 2016.

With the formation of the new councils guidelines were provided by the state government with regards to employment conditions and all conditions of employment of existing staff will remain in place until 12 May 2019.

The organisation structure was approved in June 2017 and the Water and Sewer Business is under a senior manager. The structure was adopted with consultation with the executive team, staff and the consultative committee.

The Water and Sewer department comprises of four divisions each with a Unit Manager overseeing the unit:

- Technical Services and System Control:
 - The Technical Services and System Control division has three main areas of focus:
 - Network Operations and Quality Control southern area – includes operations of water and sewerage reticulation
 - Network Operations and Quality Control northern area – includes operations of water and sewerage reticulation
 - Technical Services – includes of technical services and dispatch
- Water Construction and Project Management:
 - The Water Construction and Project Management division has two main areas of focus:
 - Minor Construction of water and sewer assets
 - Major Construction of water and sewer assets
- Planning and Development:
 - The Planning and Development division has three main areas of focus:
 - Asset Management – includes asset management and project development
 - Water Services and Design – includes development services and planning
 - Compliance – includes of regulation and laboratories

- Water Assets and Facilities Management:
 - The Water Assets and Facilities Management division has three main areas of focus:
 - mechanical services of water and sewer assets
 - electrical services of water and sewer assets
 - water and sewer facilities operations and catchment management

8. Financial Plan

8.1 General

As indicated in sections 1.3. and 5.4 prices for products and services are subject to external economic pricing regulation by IPART.

At present, process and charges have been set by the Independent Pricing and Regulatory Tribunal through to the end of 2018/2019.

The May 2013 Determination set prices for the four year price path from 2013/2014 to 2016/2017 inclusive. Following the formation of Central Coast Council, the Independent Pricing and Regulatory Tribunal has extended the term of the May 2013 Determination to 30 June 2019.

The maximum 2016/2017 prices as specified in the 2013 determinations, will continue to apply until 30 June 2019, with no Consumer Price Index (CPI) increase.

At this point, pricing, revenue profiles and financial statements beyond 2018/2019 are estimates.

8.2 Financial Statements (excluding capital)

Table 8.2 outlines the projected financial position of Central Coast Council. The dollar values shown in the table are adjusted with estimated inflation, as per the draft Central Coast Council Operational Plans that are currently on public exhibition.

Central Coast Council is currently preparing an Independent Pricing and Regulatory Tribunal price submission for the four year determination from 2019/2020 to 2022/2023. The new Independent Pricing and Regulatory Tribunal price path will have an impact on the current projected values in table 8.2 below.

Table 8.2 – Budgeted revenue vs expenses (excluding Capital Income) 2017/2018-2026/2027

Profit and Loss Category	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Revenue – Water	\$86.308m	\$87.440m	\$89.116m	\$91.859m	\$94.996m
Revenue – Sewer	\$86.273m	\$91.526m	\$95.087m	\$97.906m	\$100.600m
Total Revenue	\$172.581m	\$178.966m	\$184.203m	\$189.765m	\$196.596m
Expenses – Water	\$83.389m	\$79.421m	\$78.359m	\$76.972m	\$77.472m
Expenses – Sewer	\$75.235m	\$80.568m	\$81.129m	\$81.731m	\$82.765m
Total Expenses	\$158.624m	\$159.989m	\$159.488m	\$158.703m	\$160.237m
OPERATING PROFIT (LOSS)	\$13.957m	\$18.977m	\$24.715m	\$31.062m	\$35.359m

Profit and Loss Category	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Revenue – Water	\$98.726m	\$102.539m	\$106.322m	\$110.095m	\$114.117m
Revenue – Sewer	\$104.536m	\$108.114m	\$111.736m	\$115.592m	\$119.594m
Total Revenue	\$203.262m	\$210.653m	\$218.058m	\$225.687m	\$233.711m
Expenses – Water	\$79.001m	\$80.909m	\$82.673m	\$84.298m	\$85.802m
Expenses – Sewer	\$83.651m	\$84.712m	\$85.814m	\$87.029m	\$88.482m
Total Expenses	\$162.652m	\$165.621m	\$168.487m	\$171.327m	\$174.084m
OPERATING PROFIT (LOSS)	\$40.610m	\$45.032m	\$49.571m	\$54.360m	\$59.627m

8.3 Water and sewer capital works

The water and sewer capital works budget from 2017/2018 to 2026/2027 is outlined in Table 8.3. The dollar values shown in the table are adjusted with estimated inflation, as per the draft Central Coast Council Operational Plans on public exhibition.

At this point, capital expenditure decisions by Independent Pricing and Regulatory Tribunal for 2017/18 and 2018/19 (the next price path) are unknown. Expenditure for these years has been assumed to be similar to that of the current price path.

In general, the capital works budget reflects:

- Continuing asset rehabilitation of ageing system assets
- Upgrade works to increase system capacity
- Works to improve environmental, public health and Workplace Health and Safety performance

Table 8.3 – Central Coast Council Capital Works Program Budget

Capital Works Program	2017/2018 Quarter 2 Approved Budget	2018/2019	2019/2020	2020/2021	2021/2022
Water	\$16.99m	\$14.81m	\$14.56m	\$14.52m	\$12.38m
Sewer	\$22.94m	\$21.84m	\$26.67m	\$34.80m	\$19.79m
Water and Sewer	\$39.93m	\$36.65m	\$41.23m	\$49.32m	\$32.16m

Capital Works Program	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Water	\$13.55m	\$13.90m	\$13.90m	\$13.90m	\$13.90m
Sewer	\$17.54m	\$19.50m	\$19.50m	\$19.50m	\$19.50m
Water and Sewer	\$31.09m	\$33.40m	\$33.40m	\$33.40m	\$33.40m

8.4 Typical residential bill for water supply and sewerage services

The typical residential bill and associated trend over time is the most common measure of customer impacts and the impact of organisational (in this case Central Coast Council) financial position and future financial planning.

The typical residential bill also demonstrates the impact of planned (forecast) enhancements in levels of service or capital expenditure within the business.

For the remainder of the present Independent Pricing and Regulatory Tribunal price path, typical residential water and sewerage bills for two water usage scenarios is shown in tables 8.4a and 8.4b.

The typical residential bill for water and sewerage is made up of:

- Water service charge based on a 20mm water meter
- Water usage charge (in this case based on 154kL and 200kL per annum)
- Sewerage service charge

Two water usage scenarios have been considered:

- 200kL per annum (Table 8.4a) which represents a more “high end” usage trend.
- 154kL per annum (Table 8.4b) which represents current average consumption

Table 8.4a – Typical residential bill based on 200kL per annum consumption

Former Wyong Shire Council local government area					
Meter Size – 20mm Consumption 200kL	2016/2017 \$2.29/kL	2017/2018 \$2.29/kL	Price change (\$)	Price change (\$)	2018/2019 \$2.29/kL*
Water Availability Charge	164.63	164.63	0	0	164.63
Water Usage Charge	458.00	458.00	0	0	458.00
Typical Residential Water Bill	622.63	622.63	0	0	622.63
Sewer Availability Charge	483.28	483.28	0	0	483.28
Typical Residential Bill Total	1,105.91	1,105.91	0	0	1,105.91
Former Gosford City Council local government area					
Meter Size – 20mm Consumption 200kL	2016/2017 (\$) \$2.29/kL	2017/2018 (\$) \$2.29/kL	Price change (\$)	Price change (\$)	2018/2019 (\$) \$2.29/kL*
Water Availability Charge	197.72	197.72	0	0	197.72
Water Usage Charge	458.00	458.00	0	0	458.00
Typical Residential Water Bill	655.72	655.72	0	0	655.72
Sewer Availability Charge	672.42	672.42	0	0	672.42
Typical Residential Bill Total	1,328.14	1,328.14	0	0	1,328.14

Table 8.4b – Typical Residential bill based on 154kL per annum consumption

Former Wyong Shire Council local government area					
Meter Size – 20mm Consumption 154kL	2016/2017 (\$) \$2.29/kL	2017/2018 (\$) \$2.29/kL	Price change (\$)	Price change (\$)	2018/2019 (\$) \$2.29/kL*
Water Availability Charge	164.63	164.63	0	0	164.63
Water Usage Charge	352.66	352.66	0	0	352.66
Typical Residential Water Bill	517.29	517.29	0	0	517.29
Sewer Availability Charge	483.28	483.28	0	0	483.28
Typical Residential Bill Total	1,000.57	1,000.57	0	0	1,000.57
Former Gosford City Council local government area					
Meter Size – 20mm Consumption 154kL	2016/2017 (\$) \$2.29/kL	2017/2018 (\$) \$2.29/kL	Price change (\$)	Price change (\$)	2018/2019 (\$) \$2.29/kL*
Water Availability Charge	197.72	197.72	0	0	197.72
Water Usage Charge	352.66	352.66	0	0	352.66
Typical Residential Water Bill	550.38	550.38	0	0	550.38
Sewer Availability Charge	672.42	672.42	0	0	672.42
Typical Residential Bill Total	1,222.80	1,222.80	0	0	1,222.80

9. Annual performance monitoring

Overview:

- Central Coast Council complies with all relevant reporting and monitoring requirements for Local Water Utilities
- Council achieved 100 percent implementation of the outcomes required by the NSW Best Practice Management Framework for 2015-2016
- Central Coast Council holds licences from the Environmental Protection Authority and Department of Industry to discharge secondary treated effluent, and to extract surface/groundwater respectively

9.1 Local water utilities requirements for performance reporting and monitoring

Performance data is submitted into the Department of Industries' Performance Monitoring Database.

Annual reports produced from this data used to monitor performance include:

- NSW Performance Monitoring Report, provides state wide performance of non-metropolitan NSW water utilities and compares performance with interstate utilities
- Central Coast Council Triple Bottom Line (TBL) Performance Report provides a summary of compliance with the requirements of the Best Practice Management Guidelines and performance for key performance indicators together with state wide medians and performance against similar sized utilities.
- National Performance Report - Urban Water Utilities provides comparative data with accompanying commentary for water utilities across Australia for key indicators

An annual best practice management audit assesses Council's performance against the elements of the Best-Practice Management of Water Supply and Sewerage Framework.

Annual performance monitoring is one of the six criteria for local water utilities to comply with under the framework.

Central Coast Council's first amalgamated TBL Performance Report 2015-2016 shows that council achieved 100percent implementation of the outcomes required by the NSW Best Practice Management Framework. A summary of compliance with these requirements has been included in Table 9.1 below:

Table 9.1 – Compliance with NSW Best Practice Management Framework

Implementation of outcomes required by the NSW Best Practice Management Framework – 2015/2016	Achieved
Water Supply	
Complete current strategic business plan and financial plan	Yes
Pricing – Full cost recovery without significant cross subsidies	Yes
Pricing – Appropriate residential charges	Yes
Pricing – Appropriate non – residential charges	Yes
Pricing – DSP with Commercial Developer Charges	Yes
Sound water conservation implemented	Yes
Sound drought management implemented	Yes
Complete performance reporting by due date	Yes
Integrated water cycle management strategy	Yes
IMPLEMENTATION OF ALL WATER SUPPLY OUTCOMES	100%
Sewer	
Complete current strategic business plan and financial plan	Yes
Pricing – Full cost recovery without significant cross subsidies	Yes
Pricing – Appropriate residential charges	Yes
Pricing – Appropriate non – residential charges	Yes
Pricing – Appropriate trade waste fees and charges	Yes
Pricing – DSP with commercial developer charges	Yes
Pricing – Liquid trade waste approvals and policy	Yes
Complete performance reporting by due date	Yes
Integrated water cycle management strategy	Yes
IMPLEMENTATION OF ALL SEWER OUTCOMES	100%

9.2 Council Integrated Planning and Reporting

Input to council's Community Strategic Plan

The first Central Coast Council Community Strategic Plan (CSP) went on public exhibition in May 2018. Council's Water and Sewer business contributes to the achievement of the following Council focus areas of the CSP:

- A growing and competitive region - this is facilitated via the timely and efficient planning of new and upgraded water and sewer services.
- Environmental resources for the future - this is facilitated via the prudent management of our water catchment and resources, sound environmental management and compliance of licensed sewage discharge
- Delivering essential infrastructure - this is achieved through the continuous and efficient provision of current water and sewer services, and the appropriate growth of these services.

These focus areas also demonstrate our support of the United Nations Sustainable Development Goal 6 – Clean Water and Sanitation.

Input to Council's Delivery Program and Operational Plan

Council's Water and Sewer projects make up a significant portion of the annual Central Coast Council Delivery Program and Operational Plan.

A new plan has been placed on public exhibition in May 2018, listing water supply projects and sewerage service projects that will be active during 2018/2019. Pending Independent Pricing and Regulatory Tribunal approval of proposed capital expenditure programs for 2019/2020 to 2022/2023 signifies that a similar level of activity will occur in these years.

This activity plays a key role in Council's delivery of the Community Strategic Plan.

9.3 Performance against other regulatory requirements

Environmental Protection Licences

Council holds five Environmental Protection Licences for water supply and sewer operations. These licences are administered by the Environment Protection Authority.

In accordance with Environment Protection Authority requirements, Council publishes monthly licence monitoring data.

In addition, Council submits an annual information return to the Environment Protection Authority reporting performance against the conditions of the Environmental Protection Licence.

Council has implemented strategies to ensure compliance with flow monitoring requirements; pollution response plans; incident reporting; discharge quality and load limits.

Drinking water quality regulation and performance

Central Coast Council's drinking water is subject to regular compliance monitoring and testing across the supply system as part of the NSW Health Drinking Water Monitoring Program. Water quality compliance standards and measurable characteristics are drawn from the Australian Drinking Water Guidelines. There are broadly two groups of health related aspects associated with drinking water provisions - microbiological and chemical/physical aspects.

Access licences to surface and groundwater sources

Extraction of water from the environment in NSW is regulated primarily by the Water Management Act 2000. Under this Act, water cannot be extracted from a water source without an access licence issued by the NSW Government. Council holds a number of water licences (surface water and groundwater) to extract water for drinking water purposes.

The Water Sharing Plan for the Central Coast Unregulated Water Sources is due for replacement in 2019. Preparation of the new water sharing plan will need to be undertaken in close consultation with the preparation of the Integrated Water Resource Planning being undertaken by Council. This is required to ensure that the administrative arrangements in the Water Sharing Plan are compatible with the longer term development and operation requirements of the Central Coast water supply and that water management is undertaken in a sustainable manner.

There are no outstanding issues related to these licences that require remedial or corrective action or that are hindering Central Coast Council's operation.